

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; minimum tax on corporations; property tax; current use;

4 administration; homestead definition; income sensitivity adjustment;

5 electrical energy tax; insurance tax; meals and rooms tax; higher

6 education investment plans

7 Statement of purpose of bill as introduced: This bill proposes to make
8 numerous substantive and administrative changes to Vermont's tax laws. The
9 bill permits the creation of merged property assessment districts to match
10 merged school districts. The bill moves the collection and administration of
11 the fire safety insurance tax, the direct placement insurance tax, and the surplus
12 lines tax from the Department of Financial Regulation to the Department of
13 Taxes. The bill makes numerous other changes, including changes to the
14 current use lien system, the definitions of household income and homestead,
15 tobacco taxes, and higher education investment plans.

16 An act relating to miscellaneous tax provisions

17 It is hereby enacted by the General Assembly of the State of Vermont:

18 * * * Miscellaneous Tax Proposals * * *

19 * * * Confidentiality of Tax Information; Tobacco Settlement Agreement * * *

20 Sec. 1. 32 V.S.A. § 3102(d) is amended to read:

1 (d) The Commissioner shall disclose a return or return information:

2 * * *

3 (8) to the Attorney General, the Data Clearinghouse established in the
4 October 2017 Non-Participating Manufacturer Adjustment Settlement
5 Agreement, which the State of Vermont joined in 2018, the National
6 Association of Attorneys General, and counsel for the parties to the Agreement
7 as required by the Agreement and to the extent necessary to comply with the
8 Agreement and only as long as the State is a party thereto.

9 * * * Annual Calculation; Interest Rates * * *

10 Sec. 2. 32 V.S.A. § 3108(a) is amended to read:

11 (a) Not later than December 15 of each year, the Commissioner shall
12 establish a an annual rate of interest applicable to tax overpayments ~~which that~~
13 shall be equal to the average prime rate charged by banks during the
14 immediately preceding 12 months commencing on October 1 of the prior year,
15 rounded upwards to the nearest quarter percent. ~~An annual rate thus established~~
16 ~~shall be converted to a monthly rate which shall be rounded upwards to the~~
17 ~~nearest 10th of a percent.~~ Not later than December 15 of each year, the
18 Commissioner shall establish annual and monthly rates of interest applicable to
19 unpaid tax liabilities, which in each instance shall be equal to the annual ~~and~~
20 ~~monthly rates~~ rate established for tax overpayments plus 200 basis points. The
21 rates established hereunder shall be effective on January 1 of the immediately

1 following year. As used in this section, the term “prime rate charged by
2 banks” shall mean the average predominate prime rate quoted by commercial
3 banks to large businesses as determined by the Board of Governors of the
4 Federal Reserve Board.

5 * * * Penalties; Refund Fraud * * *

6 Sec. 3. 32 V.S.A. § 3202(b)(5) is amended to read:

7 (5) Fraudulent failure to pay. When a taxpayer fraudulently or with
8 willful intent to defeat or evade a tax liability imposed by this title, either fails
9 to pay a tax liability on the date prescribed therefor, or either requests ~~and~~ or
10 receives a refund of a tax liability, in addition to any interest payable pursuant
11 to subsection (a) of this section, the Commissioner may assess and the taxpayer
12 shall then pay a penalty equal to the amount of the tax liability unpaid on the
13 prescribed date of payment or the amount received or requested as a refund
14 subsequent to that date.

15 * * * Fee Waiver for Property Tax Appeals * * *

16 Sec. 4. 32 V.S.A. § 4461(a) is amended to read:

17 (a) A taxpayer or the ~~Selectboard~~ selectboard members of a town aggrieved
18 by a decision of the board of civil authority under subchapter 1 of this chapter
19 may appeal the decision of the board to either the Director or the Superior
20 Court of the county in which the property is located. The appeal to the
21 Superior Court shall be heard without a jury. The appeal to either the Director

1 or the Superior Court shall be commenced by filing a notice of appeal pursuant
2 to Rule 74 of the Vermont Rules of Civil Procedure, within 30 days ~~of~~ after
3 entry of the decision of the board of civil authority. The date of mailing of
4 notice of the board's decision by the town clerk to the taxpayer shall be
5 deemed the date of entry of the board's decision. The town clerk shall transmit
6 a copy of the notice to the Director or to the Superior Court as indicated in the
7 notice and shall record or attach a copy of the notice in the grand list book.
8 The entry fee for an appeal to the Director is \$70.00; provided, however, that
9 the Director may waive, reduce, or refund the entry fee in cases of hardship or
10 to join appeals regarding the same parcel.

11 * * * Solar Energy Investment Income Tax Credit * * *

12 Sec. 5. 32 V.S.A. § 5822 is amended to read:

13 § 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

14 * * *

15 (c) The amount of tax determined under subsection (a) of this section shall
16 be:

17 (1) increased by 24 percent of the taxpayer's federal tax liability for the
18 taxable year for the following:

19 (A) additional taxes on qualified retirement plans, including
20 individual retirement accounts and medical savings accounts and other tax-
21 favored accounts;

1 * * * Annual Link to Federal Statutes * * *

2 Sec. 6. 32 V.S.A. § 5824 is amended to read:

3 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

4 The statutes of the United States relating to the federal income tax, as in
5 effect on December 31, ~~2017~~ 2018, but without regard to federal income tax
6 rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the
7 tax liability under this chapter.

8 Sec. 7. 32 V.S.A. § 7402(8) is amended to read:

9 (8) “Laws of the United States” means the U.S. Internal Revenue Code
10 of 1986, as amended through December 31, ~~2015~~ 2018. As used in this
11 chapter, “Internal Revenue Code” ~~shall have~~ has the same meaning as “laws of
12 the United States” as defined in this subdivision.

13 * * * Minimum Corporate Tax * * *

14 Sec. 8. 32 V.S.A. § 5832 is amended to read:

15 § 5832. TAX ON INCOME OF CORPORATIONS

16 A tax is imposed for each calendar year, or fiscal year ending during that
17 calendar year, upon the income earned or received in that taxable year by every
18 taxable corporation, reduced by any Vermont net operating loss allowed under
19 section 5888 of this title, such tax being the greater of:

20 * * *

1 (2)(A) \$75.00 for small farm corporations. “Small farm corporation”
2 means any corporation organized for the purpose of farming, which during the
3 taxable year is owned solely by active participants in that farm business and
4 receives less than \$100,000.00 Vermont gross receipts from that farm
5 operation, exclusive of any income from forest crops; or

6 (B) An amount determined in accordance with section 5832a of this
7 title for a corporation ~~which~~ that qualifies as and has elected to be taxed as a
8 digital business entity for the taxable year; or

9 (C) For C corporations with Vermont gross receipts from \$0–
10 \$2,000,000.00, the greater of the amount determined under subdivision (1) of
11 this section or \$300.00; or

12 (D) For C corporations with Vermont gross receipts from
13 \$2,000,001.00–\$5,000,000.00, the greater of the amount determined under
14 subdivision (1) of this section or \$500.00; or

15 (E) For C corporations with Vermont gross receipts greater than
16 \$5,000,000.00, the greater of the amount determined under subdivision (1) of
17 this section or \$750.00.

18 * * * Publicly Traded Partnerships * * *

19 Sec. 9. 32 V.S.A. § 5920(h) is amended to read:

20 (h)(1) Notwithstanding any provisions in this section, a publicly traded
21 partnership as defined in 26 U.S.C. § 7704(b); that is treated as a partnership

1 for the purposes of the Internal Revenue Code; is exempt from any income tax
2 liability and any compliance and payment obligations under ~~subsection~~
3 subsections (b) and (c) of this section, if information required by the
4 Commissioner under subdivision (2) of this subsection is provided by the due
5 date of the partnership's return. ~~This information includes the name, address,~~
6 ~~taxpayer identification number, and annual Vermont source of income greater~~
7 ~~than \$500.00 for each partner who had an interest in the partnership during the~~
8 ~~tax year. This information shall be provided to the Commissioner in an~~
9 ~~electronic format, according to rules or procedures adopted by the~~
10 ~~Commissioner.~~

11 (2) Publicly traded partnerships shall provide to the Commissioner in an
12 electronic format, according to rules or procedures adopted by the
13 Commissioner, an annual return that includes the name, address, taxpayer
14 identification number, and other information requested by the Commissioner
15 for each partner with Vermont source income in excess of \$500.00.

16 (3) A lower-tier pass-through entity of a publicly traded partnership may
17 request from the Commissioner an exemption from the compliance and
18 payment obligations specified in subsections (b) and (c) of this section. The
19 request for the exemption must be in writing and contain:

1 (A) the name, the address, and the account number or federal
2 identification number of each of the lower-tier pass-through entity’s partners,
3 shareholders, members, or other owners; and

4 (B) information that establishes the ownership structure of the lower-
5 tier pass-through entity and the amount of Vermont source income.

6 (4) The Commissioner may request additional documentation before
7 granting an exemption to a lower-tier pass-through entity. As used in this
8 subsection, a “lower-tier pass-through entity” means a pass-through
9 entity for purposes of the Internal Revenue Code, which can include a
10 partnership, S corporation, disregarded entity, or limited liability company and
11 which allocates income, directly or indirectly, to a publicly traded partnership.
12 The exemption under subdivision (3) of this subsection shall only apply to
13 income allocated, directly or indirectly, to a publicly traded partnership.

14 (5) If granted, the exemption for the lower-tier pass-through entity shall
15 be effective for three years following the date the exemption is granted. At the
16 end of the three-year period, the lower-tier pass-through entity of a publicly
17 traded partnership shall submit a new exemption request to continue the
18 exemption. The Commissioner may revoke the exemption for the lower-tier
19 pass-through entity if the Commissioner determines that the lower-tier pass-
20 through entity is not satisfying its tax payment and reporting obligations to the

1 State with respect to income allocated, directly or indirectly, to nonresident
2 partners or members that are not publicly traded partnerships.

3 Sec. 10. 32 V.S.A. § 3102(e)(20) is added to read:

4 (20) To a publicly traded partnership as defined in subdivision
5 5920(h)(1) of this title and to lower-tier pass-through entities of a publicly
6 traded partnership as defined in subdivision 5920(h)(4) of this title for the
7 purpose of reviewing, granting, or denying exemption requests from the
8 requirements of section 5920 of this title.

9 * * * Meals and Rooms; Resale * * *

10 Sec. 11. 32 V.S.A. § 9202(10)(D)(iii) is added to read:

11 (iii) Food or beverage purchased for resale, provided that at the
12 time of sale the purchaser provides the seller an exemption certificate in a form
13 approved by the Commissioner. However, when the food or beverage
14 purchased for resale is subsequently resold, the subsequent purchase does not
15 come within this exemption unless the subsequent purchase is also for resale
16 and an exemption certificate is provided.

17 * * *

1 which the taxpayer resides or has a place of business. ~~The appellant shall give~~
2 ~~security, approved by the Commissioner, conditioned to pay the tax levied, if it~~
3 ~~remains unpaid, with interest and costs, as set forth in subsection (c) of this~~
4 ~~section.~~

5 * * *

6 (c) ~~Irrespective of any restrictions on the assessment and collection of~~
7 ~~deficiencies, the Commissioner may assess a deficiency after the expiration of~~
8 ~~the period specified in subsection (a) of this section, notwithstanding that a~~
9 ~~notice of appeal regarding the deficiency has been filed by the taxpayer, unless~~
10 ~~the taxpayer, prior to the time the notice of appeal is filed, has paid the~~
11 ~~deficiency, has deposited with the Commissioner the amount of the deficiency,~~
12 ~~or has filed with the Commissioner a bond (which may be a jeopardy bond) in~~
13 ~~the amount of the portion of the deficiency (including interest and other~~
14 ~~amounts) in respect of which review is sought and all costs and charges which~~
15 ~~may accrue against the taxpayer in the prosecution of the proceeding, including~~
16 ~~costs of all appeals, and with surety approved by the Superior Court,~~
17 ~~conditioned upon the payment of the deficiency (including interest and other~~
18 ~~amounts) as finally determined and all costs and charges. If as a result of a~~
19 ~~waiver of the restrictions on the assessment and collection of a deficiency any~~
20 ~~part of the amount determined by the Commissioner is paid after the filing of~~

1 ~~the appeal bond, the bond shall, at the request of the taxpayer, be~~
2 ~~proportionately reduced.~~ [Repealed.]

3 * * * 529 Plans * * *

4 Sec. 14. 16 V.S.A. § 2876 is amended to read:

5 § 2876. DEFINITIONS

6 As used in this subchapter, except where the context clearly requires
7 another interpretation:

8 * * *

9 (5) “Postsecondary education costs” means the qualified costs of tuition
10 and fees and other expenses for attendance at an ~~institution of postsecondary~~
11 ~~education, as defined in the Internal Revenue Code~~ approved postsecondary
12 education institution.

13 (6) ~~“Institution of postsecondary education”~~ “Approved postsecondary
14 education institution” means ~~an institution as defined in the Internal Revenue~~
15 ~~Code~~ a postsecondary education institution as defined in section 2822 of this
16 title.

17 * * *

18 Sec. 15. 16 V.S.A. § 2879a(a) is amended to read:

19 (a) Any participant may cancel a participation agreement at will, and any
20 return of funds from the participant’s account shall be subject to terms and
21 conditions established by the Corporation, provided that any penalties levied as

1 a result comply with the ~~Internal Revenue Code's~~ provisions of the Internal
2 Revenue Code or Title 32 relating to Investment Plans.

3 Sec. 16. 16 V.S.A. § 2879e is amended to read:

4 § 2879e. CONSTRUCTION AND APPLICATION

5 This subchapter shall be construed liberally in order to effectuate its
6 legislative intent. The purposes of this subchapter and all provisions of this
7 subchapter with respect to powers granted shall be broadly interpreted to
8 effectuate such intent and purposes and not as to any limitation of powers.

9 This subchapter shall be interpreted and enforced in a manner that shall
10 achieve this public purpose in compliance with the applicable provisions of the
11 Internal Revenue Code, except to the extent the Code is inconsistent with the
12 provisions of 32 V.S.A. § 5825a.

13 Sec. 17. 32 V.S.A. § 5825a(b) is amended to read:

14 (b) A taxpayer who has received a credit under subsection (a) of this
15 section shall repay to the Commissioner 10 percent of any distribution from a
16 higher education investment plan account, which distribution is not ~~excluded~~
17 ~~from gross income in the taxable year under 26 U.S.C. § 529, as amended,~~
18 used exclusively for costs of attendance at an approved postsecondary
19 education institution as defined in 16 V.S.A. § 2822(6), up to a maximum of
20 the total credits received by the taxpayer under subsection (a) of this section
21 minus any amount of repayment of such credits in prior tax years. Repayments

1 under this subsection shall be subject to assessment, notice, penalty and
2 interest, collection, and other administration in the same manner as an income
3 tax under this chapter.

4 Sec. 18. REPORT ON NONPOSTSECONDARY USE OF HIGHER
5 EDUCATION INVESTMENT PLAN FUNDS

6 The Vermont Student Assistance Corporation shall report the amount of
7 assets withdrawn by participants from the Vermont Higher Education
8 Investment Plan in the preceding calendar year for education costs other than
9 postsecondary education costs, as well as the total amount of assets withdrawn
10 by participants in the preceding calendar year, to the House Committee on
11 Ways and Means and the Senate Committee on Finance annually on or before
12 January 15.

13 * * * Education Property Tax * * *

14 * * * Definitions; Homestead; Nonhomestead * * *

15 Sec. 19. 32 V.S.A. § 5401 is amended to read:

16 § 5401. DEFINITIONS

17 As used in this chapter:

18 * * *

19 (7) “Homestead”:

20 (A) “Homestead” means the principal dwelling and parcel of land
21 surrounding the dwelling, owned and occupied by a resident individual as the

1 individual’s domicile or owned and fully leased on April 1, provided the
2 property is not leased for more than 182 days out of the calendar year, or for
3 purposes of the renter property tax adjustment under subsection 6066(b) of this
4 title, is rented and occupied by a resident individual as the individual’s
5 domicile.

6 * * *

7 (E)(i) A homestead also includes a dwelling on the homestead parcel
8 owned by a farmer as defined under section 3752 of this title, and occupied as
9 the permanent residence by a parent, sibling, child, grandchild of the farmer, or
10 by a shareholder, partner, or member of the farmer-owner, provided that the
11 shareholder, partner, or member owns more than 50 percent of the farmer-
12 owner, including attribution of stock ownership of a parent, sibling, child, or
13 grandchild.

14 (ii) A homestead further includes the principal dwelling of a
15 widow or widower, provided the dwelling is owned by the estate of the
16 deceased spouse and it is reasonably likely that the dwelling will pass to the
17 widow or widower by law or valid will when the estate is settled.

18 * * *

19 (10) “~~Nonresidential~~ Nonhomestead property” means all property
20 except:

21 * * *

1 notice of the decision. The municipality shall be given 30 days to contest the
2 finding under procedural rules adopted by the Director, to develop a
3 compliance plan, or both. If the Director accepts a proposed compliance plan
4 submitted by the municipality, the Director shall not order commencement of
5 the reappraisal until the municipality has had one year to carry out that plan.

6 * * * Common Level of Appraisal Districts * * *

7 Sec. 23. 32 V.S.A. § 5402 is amended to read:

8 § 5402. EDUCATION PROPERTY TAX LIABILITY

9 * * *

10 (b) The statewide education tax shall be calculated as follows:

11 (1) The Commissioner of Taxes shall determine for each municipality
12 the education tax rates under subsection (a) of this section, divided by the
13 municipality's most recent common level of appraisal. The legislative body in
14 each municipality shall then bill each property taxpayer at the homestead or
15 nonresidential rate determined by the Commissioner under this subdivision,
16 multiplied by the education property tax grand list value of the property,
17 properly classified as homestead or nonresidential property and without regard
18 to any other tax classification of the property. ~~Tax~~ Statewide education
19 property tax bills shall show the tax due and the calculation of the rate
20 determined under subsection (a) of this section, divided by the municipality's
21 most recent common level of appraisal, multiplied by the current grand list

1 value of the property to be taxed. Statewide education property tax bills shall
2 also include language provided by the Commissioner pursuant to subsection
3 5405(g) of this title.

4 * * *

5 Sec. 24. 32 V.S.A. § 5403 is added to read:

6 § 5403. ASSESSMENT DISTRICTS

7 (a) A municipality may vote at any regular or special meeting to merge
8 with one or more other municipalities in the same unified union school district
9 to create or join an assessment district for the purpose of standardized property
10 valuation.

11 (b) All municipalities merged into an assessment district shall agree to
12 implement standardized assessment procedures approved by the
13 Commissioner. The Commissioner shall provide written guidance to
14 municipalities relating to how they may receive approval under this subsection.

15 (c) A vote to merge with an assessment district shall be binding on a
16 municipality for five years. After five years, a municipality may vote at any
17 regular or special meeting to leave the assessment district, unless the
18 assessment district has consolidated all administrative functions.

19 (d) All municipalities within an assessment district shall be treated as a
20 single municipality for purposes of the equalization process established by
21 section 5405 of this chapter.

1 education property tax liabilities and notice of the balance due.
2 Municipalities shall apply the amount allocated under this chapter to current-
3 year property taxes in equal amounts to each of the taxpayers' property tax
4 installments that include education taxes. Notwithstanding section 4772 of
5 this title, if a town issues a corrected bill as a result of the ~~November 1~~ notice
6 sent by the Commissioner under subsection (a) of this section, issuance of
7 ~~such the~~ corrected new bill does not extend the time for payment of the
8 original bill; nor relieve the taxpayer of any interest or penalties associated
9 with the original bill. If the corrected bill is less than the original bill, and
10 there are also no unpaid ~~current-year~~ current-year taxes, interest, or penalties
11 and no ~~past-year~~ past-year delinquent taxes or penalties and interest charges,
12 any overpayment shall be reflected on the corrected tax bill and refunded to
13 the taxpayer.

14 * * *

15 (g) ~~Annually, on August 1 and on November 1, the~~ The Commissioner of
16 Taxes shall pay monthly to each municipality the amount of property tax
17 adjustment of which the municipality was last notified ~~on July 1 for the~~
18 ~~August 1 transfer, or November 1 for the November 1 transfer,~~ related to
19 municipal property tax on homesteads within that municipality, as determined
20 by the Commissioner of Taxes.

1 conservation management plan as provided for in subsection 3755(b) of this
2 title during the remaining term of the plan, or contrary to the minimum
3 acceptable standards for forest management if the plan has expired; or a
4 change in the parcel or use of the parcel in violation of the conservation
5 management standards established by the Commissioner of Forests, Parks and
6 Recreation. “Development” also means notification of the Director by the
7 Secretary of Agriculture, Food and Markets under section 3756 of this title that
8 the owner or operator of agricultural land or a farm building is violating the
9 water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with
10 the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The
11 term “development” shall not include the construction, reconstruction,
12 structural alteration, relocation, or enlargement of any building, road, or other
13 structure for farming, logging, forestry, or conservation purposes, but shall
14 include the subsequent commencement of a use of that building, road, or
15 structure for other than farming, logging, or forestry purposes.

16 * * *

17 (10) “Owner” means the person who is the owner of record of any land
18 or the lessee under a perpetual lease as defined in subsection 3610(a) of this
19 title provided the term of the lease ~~exceeds~~ is for a minimum of 999 years
20 exclusive of renewals. When enrolled land is mortgaged, the mortgagor shall
21 be deemed the owner of the land for the purposes of this subchapter, until the

1 mortgagee takes possession, either by voluntary act of the mortgagor or
2 foreclosure, after which the mortgagee shall be deemed the owner.

3 * * *

4 * * *Contingent Lien* * *

5 Sec. 28. 32 V.S.A. § 3757(f) is amended to read:

6 (f)(1) When the application for use value appraisal of agricultural and
7 forestland has been approved by the State, the State shall record a notice of
8 contingent lien against the enrolled land in the land records of the municipality
9 ~~that shall constitute a lien to secure payment of the land use change tax to the~~
10 ~~State upon development.~~ The landowner shall bear the recording cost. The
11 notice of contingent lien shall constitute notice to all interested parties that a
12 lien against the enrolled land shall be created upon the recording in the land
13 records of a determination that development of that land as defined in
14 section 3752 of this chapter has occurred. The lien created by the recording of
15 the notice of development shall be for the amount of the land use change tax
16 then due, as specified in the notice of development. A lien recorded in the land
17 records of a municipality under this section on or after April 17, 1978 shall be
18 deemed to be a contingent lien.

19 (2) The land use change tax and any obligation to repay benefits paid in
20 error shall not constitute a personal debt of the person liable to pay the same,
21 but shall constitute a lien ~~which~~ that shall run with the land. All of the

1 administrative provisions of chapter 151 of this title, including those relating to
2 collection and enforcement, shall apply to the land use change tax. The
3 Director shall release the lien when notified that:

4 (A) the land use change tax is paid;

5 (B) the land use change tax is abated pursuant to this section;

6 (C) the land use change tax is abated pursuant to subdivision 3201(5)
7 of this title;

8 (D) the land is exempt from the levy of the land use change tax
9 pursuant to this section and the owner requests release of the lien; or

10 (E) the land is exempt from the levy of the land use change tax
11 pursuant to this section and the land is developed.

12 ~~(2)(3) Nothing in this subsection shall be construed to allow the~~
13 ~~enrollment of agricultural land or managed forestland without a lien to secure~~
14 ~~payment of the land use change tax.~~ Any fees related to the release of a lien
15 under this subsection shall be the responsibility of the owner of the land
16 subject to the lien.

17 * * * Insurance Taxes * * *

18 Sec. 29. 32 V.S.A. § 8557 is amended to read:

19 § 8557. VERMONT FIRE SERVICE TRAINING COUNCIL

20 (a)(1) Sums for the expenses of the operation of training facilities and
21 curriculum of the Vermont Fire Service Training Council not to exceed

1 \$1,200,000.00 per year shall be paid to the Fire Safety Special Fund created by
2 20 V.S.A. § 3157 by insurance companies, ~~including surplus lines companies,~~
3 writing fire, homeowners multiple peril, allied lines, farm owners multiple
4 peril, commercial multiple peril (fire and allied lines), private passenger and
5 commercial auto, and inland marine policies on property and persons situated
6 within the State of Vermont within 30 days after notice from the
7 Commissioner of Financial Regulation of such estimated expenses. Captive
8 companies shall be excluded from the effect of this section.

9 (2) The Commissioner shall annually, on or before July 1, apportion
10 such charges among all such companies and shall assess them for the ~~same~~
11 charges on a fair and reasonable basis as a percentage of their gross direct
12 written premiums on such insurance written during the second prior calendar
13 year on property situated in the State. The Department of Taxes shall collect
14 all assessments under this section.

15 (3) An amount not less than \$100,000.00 shall be specifically allocated
16 to the provision of what are now or formerly referred to as Level I, units I, II,
17 and III (basic) courses for ~~entry-level~~ entry-level firefighters.

18 (4) An amount not less than \$150,000.00 shall be specifically allocated
19 to the Emergency Medical Services Special Fund established under 18 V.S.A.
20 § 908 for the provision of training programs for emergency medical
21 technicians, advanced emergency medical technicians, and paramedics.

1 ~~under section 4800 of this title~~ The Commissioner of Taxes shall collect the tax
2 imposed by this section. All administrative provisions of 32 V.S.A.
3 chapter 151, including those relating to the collection and enforcement of the
4 income tax by the Commissioner of Taxes, shall apply to this section.

5 Sec. 32. 8 V.S.A. § 5036 is amended to read:

6 § 5036. DIRECT PLACEMENT OF INSURANCE

7 (a) Every insured and every self-insurer in this State for whom this is their
8 home state who procures or causes to be procured or continues or renews
9 insurance from any non-admitted insurer, covering a subject located or to be
10 performed within this State, other than insurance procured through a surplus
11 lines broker pursuant to this chapter, shall, before March 1 of the year after the
12 year in which the insurance was procured, continued or renewed, file a written
13 report with the Commissioner of Taxes on forms prescribed and furnished by
14 the Commissioner of Taxes. The report shall show:

- 15 (1) the name and address of the insured or insureds;
16 (2) the name and address of the insurer or insurers;
17 (3) the subject of the insurance;
18 (4) a general description of the coverage;
19 (5) the amount of premium currently charged for it; and
20 (6) such additional pertinent information as may be reasonably
21 requested by the Commissioner of Taxes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

* * *

(d) A tax at the rate of three percent of the gross amount of premium, less any return premium, in respect of risks located in this State, shall be levied upon an insured who procures insurance subject to subsection (a) of this section. Before March 1 of the year after the year in which the insurance was procured, continued, or renewed, the insured shall remit to the Commissioner of Taxes the amount of the tax. ~~The Commissioner before June 1 of each year shall certify and transmit to the Commissioner of Taxes the sums so collected.~~

(e) ~~The tax shall be collectible from the insured by civil action brought by the Commissioner.~~ All administrative provisions of 32 V.S.A. chapter 151, including those relating to the collection and enforcement of the income tax by the Commissioner of Taxes, shall apply to this section.

* * * Repeals * * *

Sec. 33. REPEALS

The following sections in Title 32 are repealed:

(1) § 3777 (land use change tax lien subordination).

(2) § 5930z (business solar energy tax credit).

(3) § 8661 (taxation of electric generating plants).

1 Sec. 34. EFFECTIVE DATES

2 This act shall take effect on passage, except:

3 (1) Notwithstanding 1 V.S.A. § 214, Secs. 5 (solar energy investment
4 tax credit), 6–7 (annual link-up to federal statutes), 8 (minimum corporate
5 income tax), 14–18 (Vermont higher education investment plan credit), and
6 33(2) (repeal of business solar energy tax credit) shall take effect retroactively
7 on January 1, 2019 and apply to taxable years beginning on January 1, 2018
8 and thereafter.

9 (2) Secs. 11 (taxable meal resale) shall take effect on July 1, 2019.

10 (3) Secs. 19–28 (property tax sections) and 33(1) (repeal of land use
11 change tax lien subordination) shall take effect on July 1, 2019 and apply to
12 grand lists lodged after that date.