

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.
3 954 entitled “An act relating to miscellaneous tax provisions” moves that the
4 House concur in the Senate proposal of amendment with further proposals of
5 amendment as follows:

6 First: By striking out Sec. 4, [Deleted.], in its entirety and inserting a new
7 Sec. 4 to read as follows:

8 Sec. 4. BILLING AND COLLECTION OF EDUCATION PROPERTY TAX;
9 DEPARTMENT OF TAXES; REPORT

10 On or before March 15, 2021, the Department of Taxes, in consultation with
11 the Vermont League of Cities and Towns, the Vermont Municipal Clerks’ and
12 Treasurers’ Association, the Vermont Bankers Association, and the
13 Association of Vermont Credit Unions, shall submit to the House Committees
14 on Ways and Means and on Government Operations and the Senate
15 Committees on Finance and on Government Operations a report studying
16 potential approaches to transitioning the responsibility for billing and
17 collecting the statewide education property tax from municipalities to the
18 Department. The report shall include recommended legislation and estimates
19 of the fiscal impact of the transition.

20 Second: By striking out Sec. 8, use tax safe harbor; report, in its entirety
21 and inserting in lieu thereof the following:

1 Sec. 8. 32 V.S.A. § 5870 is amended to read:

2 § 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX
3 RETURNS

4 (a) The Commissioner of Taxes shall provide that individuals report use tax
5 on their State individual income tax returns. Taxpayers are required to attest to
6 the amount of their use tax liability under chapter 233 of this title for the period
7 of the tax return. Alternatively, they may elect to report an amount that is a
8 percentage of their adjusted gross income determined under subsection (b) of
9 this section, ~~as shown on a table published by the Commissioner of Taxes;~~ and
10 use tax liability arising from the purchase of each item with a purchase price in
11 excess of \$1,000.00 shall be added to the table amount shown under
12 subsection (b) of this section.

13 (b) The amount of use tax a taxpayer may elect to report under subsection
14 (a) of this section shall be ~~0.10 percent of their adjusted gross income based on~~
15 the taxpayer's adjusted gross income as determined by the following tables;
16 provided, however, that a taxpayer shall not be required to pay more than
17 ~~\$500.00~~ \$150.00 for use tax liability under this subsection, arising from total
18 purchases of items with a purchase price of \$1,000.00 or less.

| 19 <u>If adjusted gross income is:</u> | <u>The tax is:</u> |
|--|--------------------|
| 20 <u>Not over \$20,000.00</u> | <u>\$ 0.00</u> |
| 21 <u>\$20,001.00 to \$30,000.00</u> | <u>\$10.00</u> |
| 22 <u>\$30,001.00 to \$40,000.00</u> | <u>\$15.00</u> |
| 23 <u>\$40,001.00 to \$50,000.00</u> | <u>\$20.00</u> |

| | | |
|---|------------------------------------|----------------------------------|
| 1 | <u>\$50,001.00 to \$60,000.00</u> | <u>\$25.00</u> |
| 2 | <u>\$60,001.00 to \$70,000.00</u> | <u>\$30.00</u> |
| 3 | <u>\$70,001.00 to \$80,000.00</u> | <u>\$35.00</u> |
| 4 | <u>\$80,001.00 to \$90,000.00</u> | <u>\$40.00</u> |
| 5 | <u>\$90,001.00 to \$100,000.00</u> | <u>\$45.00</u> |
| 6 | <u>\$100,001.00 and over</u> | <u>the lesser of \$150.00 or</u> |
| 7 | | <u>0.05% of adjusted gross</u> |
| 8 | | <u>income.</u> |

9 Third: By striking out Sec. 10a, 32 V.S.A. § 9741(54), in its entirety and
10 inserting new Secs. 10a–10d to read as follows:

11 Sec. 10a. 32 V.S.A. § 9701(60) is added to read:

12 (60) “Vendor-hosted prewritten computer software” means prewritten
13 computer software that is accessed through the Internet or a vendor-hosted
14 server regardless of whether the access is permanent or temporary and
15 regardless of whether any downloading occurs.

16 Sec. 10b. 32 V.S.A. § 9771 is amended to read:

17 § 9771. IMPOSITION OF SALES TAX

18 Except as otherwise provided in this chapter, there is imposed a tax on retail
19 sales in this State. The tax shall be paid at the rate of six percent of the sales
20 price charged for but in no case shall any one transaction be taxed under more
21 than one of the following:

22 * * *

1 (7) tangible personal property to an advertising agency for its use in
2 providing advertising services or creating advertising materials for transfer in
3 conjunction with the delivery of advertising service; ~~or~~

4 (8) specified digital products transferred electronically to an end user
5 regardless of whether for permanent use or less than permanent use and
6 regardless of whether or not conditioned upon continued payment from the
7 purchaser; or

8 (9) vendor-hosted prewritten computer software.

9 Sec. 10c. 32 V.S.A. § 9773 is amended to read:

10 § 9773. IMPOSITION OF COMPENSATING USE TAX

11 Unless property or telecommunications service has already been or will be
12 subject to the sales tax under this chapter, there is imposed on every person a
13 use tax at the rate of six percent for the use within this State, except as
14 otherwise exempted under this chapter:

15 * * *

16 (4) specified digital products transferred electronically to an end user;
17 ~~and~~

18 (5) telecommunications service except coin-operated telephone service,
19 private telephone service, paging service, private communications service, or
20 value-added non-voice data service; and

21 (6) vendor-hosted prewritten computer software.

1 Sec. 10d. REPEAL

2 2015 Acts and Resolves No. 51, Sec. G.8 (pewritten software accessed
3 remotely) is repealed.

4 Fourth: By striking out Secs. 26, official State revenue estimate, and 27,
5 2019 Acts and Resolves No. 20, Sec. 109, and their reader assistance headings
6 in their entirety and inserting in lieu thereof:

7 Sec. 26. [Deleted.]

8 Sec. 27. [Deleted.]

9 Fifth: By striking out Sec. 29, effective dates, and its reader assistance
10 heading in their entirety and inserting in lieu thereof:

11 * * * Tax Increment Financing Districts * * *

12 Sec. 29. TAX INCREMENT FINANCING DISTRICTS; DEBT
13 INCURRENCE PERIODS; EXTENSIONS

14 (a) Notwithstanding any other provision of law, the period to incur
15 indebtedness is extended for the following tax increment financing districts:

16 (1) The Barre City Downtown Tax Increment Financing District is
17 extended to March 31, 2023.

18 (2) The Bennington Downtown Tax Increment Financing District is
19 extended to March 31, 2028.

20 (3) The Burlington Downtown Tax Increment Financing District is
21 extended to March 31, 2022.

22 (4) The three properties located within the Burlington Waterfront Tax
23 Increment Financing District at 49 Church Street and 75 Cherry Street, as

1 designated on the City of Burlington’s Tax Parcel Maps as Parcel ID# 044-4-
2 004-000, Parcel ID# 044-4-004-001, and Parcel ID# 044-4-033-000, is
3 extended to June 30, 2022; provided, however, that the extension of the period
4 to incur indebtedness is subject to the City of Burlington’s submission to the
5 Vermont Economic Progress Council on or before June 30, 2022 of an
6 executed construction contract with a completion guarantee by the owner of
7 the parcels evidencing commitment to construct not less than \$50 million of
8 private development on the parcels.

9 (5) The Montpelier Tax Increment Financing District is extended to
10 March 31, 2029.

11 (6) The South Burlington Tax Increment Financing District is extended
12 to March 31, 2023.

13 (7) The St. Albans City Downtown Tax Increment Financing District is
14 extended to March 31, 2023.

15 (b) This section does not:

16 (1) extend any period that the municipal or education tax increment may
17 be retained by the tax increment financing districts listed in subsection (a) of
18 this section.

19 (2) amend any other tax increment financing requirements set forth in 24
20 V.S.A. chapter 53, subchapter 5; 32 V.S.A. § 5404a; or the TIF District Rule
21 adopted in May 2015, applicable to the tax increment financing districts listed
22 in subsection (a) of this section.

1 Sec. 30. 2013 Acts and Resolves No. 80, Sec. 18, as amended by 2016 Acts
2 and Resolves No. 134, Sec. 9a, is further amended to read:

3 Sec. 18. BURLINGTON WATERFRONT TIF

4 (a) The authority of the City of Burlington to incur indebtedness for its
5 waterfront tax increment financing district is hereby extended for five years
6 beginning January 1, 2015; provided, however, that the City is authorized to
7 extend the period to incur indebtedness for 6.5 years beginning on January 1,
8 2015 for three properties located within the waterfront tax increment financing
9 district at 49 Church Street and 75 Cherry Street, as designated on the City's
10 Tax Parcel Maps as the following:

11 (1) Parcel ID# 044-4-004-000;

12 (2) Parcel ID# 044-4-004-001;

13 (3) Parcel ID# 044-4-033-000.

14 * * *

15 ~~(e) The extension of the period to incur indebtedness for the specific~~
16 ~~parcels in subdivision (a)(1)–(3) of this section is subject to the City of~~
17 ~~Burlington's submission to the Vermont Economic Progress Council of an~~
18 ~~executed construction contract with a completion guarantee by the owner of~~
19 ~~the parcels evidencing commitment to construct not less than \$50 million of~~
20 ~~private development on the parcels.~~

21 * * * Effective Dates * * *

22 Sec. 31. EFFECTIVE DATES

23 This act shall take effect on passage except:

1 (1) Notwithstanding 1 V.S.A. § 214, Sec. 8, 32 V.S.A. § 5870 (use tax
2 reporting), shall take effect retroactively on January 1, 2020 and apply to
3 taxable years beginning on and after January 1, 2020.

4 (2) Secs. 10a–10d (vendor-hosted prewritten computer software) shall
5 take effect on January 1, 2021.

6 (3) Sec. 11 (universal service charge) shall take effect on July 1, 2021.

7 (4) Notwithstanding 1 V.S.A. § 214, Secs. 13–14 (annual link to federal
8 statutes) shall take effect retroactively on January 1, 2020 and apply to taxable
9 years beginning on and after January 1, 2019.

10 (5) Notwithstanding 1 V.S.A. § 214, Sec. 16 (TY 2016 refunds) shall
11 take effect retroactively on April 15, 2020.