

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; Income taxes; capital gains; estate taxes; exclusion; first  
4 time homebuyers program; downtown and village center tax credits;  
5 rooms tax; land gains tax; property transfer tax; fuel tax.

6 Statement of purpose of bill as introduced: This bill proposes to make  
7 numerous changes affecting the revenue of the State through reducing the  
8 capital gains exclusion, increasing the estate tax exclusion, increasing the  
9 funding for the first time homebuyers program and the downtown and village  
10 center tax credit, clarifying the scope of the rooms tax collection requirements,  
11 clarifying who pays the property transfer tax, and making changes in the land  
12 gains tax and the fuel tax.

13 An act relating to changes that affect the revenue of the State

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

15 \* \* \* Capital Gains Exclusion \* \* \*

16 Sec. 1. 32 V.S.A. § 5811 is amended to read:

17 § 5811. DEFINITIONS

18 The following definitions shall apply throughout this chapter unless the  
19 context requires otherwise:

20 \* \* \*





1 Sec. 2. 32 V.S.A. § 5930u is amended to read:

2 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

3 (a) As used in this section:

4 (1) “Affordable housing project” or “project” means:

5 (A) a rental housing project identified in 26 U.S.C. § 42(g); or

6 (B) owner-occupied housing identified in 26 U.S.C. § 143 (c)(1) or

7 that qualifies under Vermont Housing Finance Agency criteria governing

8 owner-occupied housing.

9 (2) “Affordable housing tax credits” means the tax credit provided by  
10 this subchapter.

11 (3) “Allocating agency” or “Agency” means the Vermont Housing  
12 Finance Agency.

13 (4) “Committee” means the Joint Committee on Tax Credits consisting  
14 of five members: a representative from the Department of Housing and  
15 Community ~~Affairs~~ Development, the Vermont Housing and Conservation  
16 Board, the Vermont Housing Finance Agency, the Vermont State Housing  
17 Authority, and the Office of the Governor.

18 (5) “Credit certificate” means a certificate issued by the allocating  
19 agency to a taxpayer that specifies the amount of affordable housing tax credits  
20 that can be applied against the taxpayer’s individual or corporate income tax,

1 or franchise, captive insurance premium, or insurance premium tax liability as  
2 provided in this subchapter.

3 (6) “Eligible applicant” means any municipality, ~~private sector~~  
4 ~~developer~~, State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing  
5 Finance Agency, a for-profit organization, or a nonprofit organization  
6 qualifying under 26 U.S.C. § 501(c)(3) or cooperative housing organization,  
7 the purpose of which is to create and retain affordable housing for Vermonters  
8 with lower income and which has in its bylaws a requirement that the housing  
9 the organization creates be maintained as affordable housing for Vermonters  
10 with lower income on a perpetual basis meeting the application requirements  
11 of the allocation plan.

12 (7) “Eligible cash contribution” means an amount of cash:

13 (A) contributed to the owner, developer, or sponsor of an affordable  
14 housing project and determined by the allocating agency as eligible for  
15 affordable housing tax credits; or

16 (B) paid to the Agency in connection with the purchase of affordable  
17 housing tax credits.

18 (8) “Section 42 credits” means tax credit provided by 26 U.S.C.  
19 §§ 38 and 42.

20 (9) “Allocation plan” means the plan recommended by the Committee  
21 and approved by the Vermont Housing Finance Agency, which sets forth the

1 eligibility requirements and process for selection of eligible rental housing  
2 projects to receive affordable housing tax credits and eligible owner-occupied  
3 housing projects to receive loans or grants under this section. The allocation  
4 plan shall include:

5 (A) requirements for creation and retention of affordable housing for  
6 persons with low income; and

7 (B) requirements to ensure that eligible rental housing is maintained  
8 as affordable by subsidy covenant, as defined in 27 V.S.A. § 610 on a  
9 perpetual basis and that eligible owner-occupied housing or program funds for  
10 owner-occupied housing remain as an affordable housing source for future  
11 owners or buyers, and meets all other requirements of the Vermont Housing  
12 Finance Agency related to affordable housing.

13 (10) “Taxpayer” means a taxpayer who makes an eligible cash  
14 contribution or the assignee or transferee of or successor to such taxpayer as  
15 determined by the Department of Taxes.

16 (b) Eligible tax credit allocations.

17 (1) Affordable housing credit allocation for rental housing.

18 (A) An eligible applicant may apply to the allocating agency for an  
19 allocation of affordable rental housing tax credits under this section related to  
20 an affordable housing project authorized by the allocating agency under the  
21 allocation plan. In the case of a specific affordable rental housing project,

1 the eligible applicant shall also be the owner or a person having the right to  
2 acquire ownership of the building and shall apply prior to placement of the  
3 affordable housing project in service. ~~In the case of owner-occupied housing~~  
4 ~~units, the applicant shall ensure that the allocated housing or program funds~~  
5 ~~remain as an affordable housing resource for future owners.~~ The allocating  
6 agency shall issue a letter of approval if it finds that the applicant meets the  
7 priorities, criteria, and other provisions of subdivision (B) of this  
8 subdivision (b)(1). The burden of proof shall be on the applicant.

9 (B) Upon receipt of a completed application, the allocating agency  
10 shall award an allocation of affordable housing tax credits with respect to a  
11 project to an applicant, provided the applicant demonstrates to the satisfaction  
12 of the allocating agency all of the following:

13 (i) The owner of the project has received from the allocating  
14 agency a binding commitment for, a reservation or allocation of, or an out-of-  
15 cap determination letter for, Section 42 credits, or meets the requirements of  
16 the allocation plan for development or financing of units to be owner-occupied.

17 (ii) The project has received community support.

18 (2) Affordable housing credit allocation for loans or grants for owner-  
19 occupied housing.

20 (A) The Vermont Housing Finance Agency shall have the authority  
21 to allocate affordable housing tax credits to provide funds to make loans or

1 grants to eligible applicants for affordable owner-occupied housing. An  
2 eligible applicant may apply to the allocating agency for a loan or grant under  
3 this section related to an affordable owner-occupied housing project authorized  
4 by the allocating agency under the allocation plan. In the case of a specific  
5 affordable owner-occupied housing project, the eligible applicants shall also be  
6 the owner or a person having the right to acquire ownership of the unit and  
7 shall apply prior to sale of the unit to the homeowner.

8 (B) The Agency shall require that the loan or grant recipient use such  
9 funds to maintain the unit as an affordable owner-occupied unit or as an  
10 affordable housing source for future owners or buyers.

11 (C) The Agency shall use the proceeds of loans or grants made under  
12 subdivision (b)(2)(A) of this section for future loans or grants to eligible  
13 applicants for affordable owner-occupied housing projects.

14 (D) The Agency may assign its rights under any loan or grant made  
15 under subdivision (b)(2)(A) of this section to any State agency or nonprofit  
16 organization qualifying under 26 U.S.C. § 501(c)(3) so long as such assignee  
17 acknowledges and agrees to comply with the provisions of subdivision (b)(2)  
18 of this section.

19 (3) Down Payment Assistance Program.



1           (A) The Vermont Housing Finance Agency shall have the authority  
2           to allocate affordable housing tax credits to finance down payment assistance  
3           loans that meet the following requirements:

4                   (i) the loan is made in connection with a mortgage through an  
5           Agency program;

6                   (ii) the borrower is a first-time ~~homebuyer~~ home buyer of an  
7           owner-occupied primary residence; and

8                   (iii) the borrower uses the loan for the borrower's down payment  
9           or closing costs, or both.

10           (B) The Agency shall require the borrower to repay the loan upon the  
11           transfer or refinance of the residence.

12           (C) The Agency shall use the proceeds of loans made under the  
13           Program for future down payment assistance.

14           (c) Amount of credit. A taxpayer ~~who makes an eligible cash contribution~~  
15           shall be entitled to claim against the taxpayer's individual income, corporate,  
16           franchise, captive insurance premium, or insurance premium tax liability a  
17           credit in an amount specified on the taxpayer's credit certificate. The first-year  
18           allocation of a credit amount to a taxpayer shall also be deemed an allocation  
19           of the same amount in each of the following four years.

20           (d) Availability of credit. The amount of affordable housing tax credit  
21           ~~allocated with respect to a project~~ set forth on the taxpayer's credit certificate

1 shall be available to the taxpayer every year for five consecutive tax years,  
2 beginning with the tax year in which the eligible cash contribution is made.  
3 Total tax credits available to the taxpayer shall be the amount of the first-year  
4 allocation plus the succeeding four years' deemed allocations.

5 (e) Claim for credit. A taxpayer claiming affordable housing tax credits  
6 shall submit with each return on which such credit is claimed ~~a copy of the~~  
7 ~~allocating agency's credit allocation to the affordable housing project and the~~  
8 taxpayer's credit certificate and with respect to credits issued under  
9 subdivision (b)(1), a copy of the allocating agency's credit allocation to the  
10 affordable housing project. Any unused affordable housing tax credit may be  
11 carried forward to reduce the taxpayer's tax liability for no more than  
12 14 succeeding tax years, following the first year the affordable housing tax  
13 credit is allowed.

14 (f) [Repealed.]

15 (g)(1) In any fiscal year, the allocating agency may award up to:

16 (A) \$400,000.00 in total first-year credit allocations to all applicants  
17 for rental housing projects, for an aggregate limit of \$2,000,000.00 over any  
18 given five-year period that credits are available under this subdivision (A);

19 (B) ~~\$300,000.00~~ \$425,000.00 in total first-year credit allocations for  
20 loans or grants for owner-occupied unit financing or down payment loans as  
21 provided in subdivision (b)(2) consistent with the allocation plan, including for

1 new construction and manufactured housing, for an aggregate limit of  
2 ~~\$1,500,000.00~~ \$2,125,000.00 over any given five-year period that credits are  
3 available under this subdivision (B).

4 (2) ~~In any fiscal year, total first-year credit allocations under subdivision~~  
5 ~~(1) of this subsection plus succeeding year deemed allocations shall not exceed~~  
6 ~~\$3,500,000.00~~ If the full amount of first-year credits authorized by an award is  
7 not allocated to a taxpayer, the Agency may reclaim the amount not allocated  
8 and re-award such allocations to other applicants, and such re-awards shall not  
9 be subject to the limits set forth in subdivision (1) of this subsection.

10 (h)(1) In fiscal year 2016 through fiscal year ~~2022~~ 2019, the allocating  
11 agency may award up to \$125,000.00 in total first-year credit allocations for  
12 loans through the Down Payment Assistance Program created in  
13 subdivision (b)(2) of this section.

14 (2) ~~In any fiscal year, total first-year credit allocations under~~  
15 ~~subdivision (1) of this subsection plus succeeding year deemed allocations~~  
16 ~~shall not exceed \$625,000.00~~ 2020 through fiscal year 2026, the allocating  
17 agency may award up to \$250,000.00 in total first-year credit allocations for  
18 loans through the Down Payment Assistance Program created in subdivision  
19 (b)(3) of this section.



1 and the installations or improvements are required to bring the building into  
2 compliance with the statutory requirements and rules regarding fire prevention,  
3 life safety, and electrical, plumbing, and accessibility codes as determined by  
4 the Department of Public Safety; ~~or~~

5 ~~(ii) to install or improve data or network wiring, or heating,~~  
6 ~~ventilating, or cooling systems reasonably related to data or network~~  
7 ~~installations or improvements, in a qualified building, provided that a~~  
8 ~~professional engineer licensed under 26 V.S.A. chapter 20 certifies as to the~~  
9 ~~fact and cost of the installation or improvement;~~

10 \* \* \*

11 (7) “Qualified project” means a qualified code ~~or technology~~  
12 improvement, qualified façade improvement, ~~qualified technology~~  
13 ~~infrastructure project~~, or qualified historic rehabilitation project as defined by  
14 this subchapter.

15 (8) “State Board” means the Vermont Downtown Development Board  
16 established pursuant to 24 V.S.A. chapter 76A.

17 \* \* \*

18 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

19 CREDITS

20 (a) Historic rehabilitation tax credit. The qualified applicant of a qualified  
21 historic rehabilitation project shall be entitled, upon the approval of the State

1 Board, to claim against the taxpayer’s State individual income tax, corporate  
2 income tax, or bank franchise or insurance premiums tax liability a credit of  
3 10 percent of qualified rehabilitation expenditures as defined in the Internal  
4 Revenue Code, 26 U.S.C. § 47(c), properly chargeable to the federally certified  
5 rehabilitation.

6 (b) Façade improvement tax credit. The qualified applicant of a qualified  
7 façade improvement project shall be entitled, upon the approval of the State  
8 Board, to claim against the taxpayer’s State individual income tax, State  
9 corporate income tax, or bank franchise or insurance premiums tax liability a  
10 credit of 25 percent of qualified expenditures up to a maximum tax credit  
11 of \$25,000.00.

12 (c) Code or technology improvement tax credit. The qualified applicant of  
13 a qualified code or technology improvement project shall be entitled, upon the  
14 approval of the State Board, to claim against the taxpayer’s State individual  
15 income tax, State corporate income tax, or bank franchise or insurance  
16 premiums tax liability a credit of 50 percent of qualified expenditures up to a  
17 maximum tax credit of \$12,000.00 for installation or improvement of a  
18 platform lift, a maximum credit of ~~\$40,000.00~~ \$60,000.00 for the installation  
19 or improvement of a limited use/ or limited application elevator, a maximum  
20 tax credit of ~~\$50,000.00~~ \$75,000.00 for installation or improvement of an  
21 elevator, a maximum tax credit of \$50,000.00 for installation or improvement

1 of a sprinkler system, ~~a maximum tax credit of \$30,000.00 for the combined~~  
2 ~~costs of installation or improvement of data or network wiring or a heating,~~  
3 ~~ventilating, or cooling system,~~ and a maximum tax credit of \$50,000.00 for the  
4 combined costs of all other qualified code improvements.

5 § 5930dd. CLAIMS; AVAILABILITY

6 (a) A taxpayer claiming credit under this subchapter shall submit to the  
7 Department of Taxes with the first return on which a credit is claimed a copy  
8 of the State Board's tax credit allocation.

9 (b) A credit under this subchapter shall be available for the first tax year in  
10 which the qualified project is complete. In the alternative, the State Board may  
11 allocate the credit available under this subchapter and make an allocation  
12 available upon completion of any distinct phase of a qualified project. The  
13 allocation and distinct phases of the qualified project shall be identified in the  
14 application package approved by the State Board.

15 (c) If within ~~five~~ three years after the date of the credit allocation to the  
16 applicant no claim for tax credit has been filed, the tax credit allocation shall  
17 be rescinded, unless the project has an approved federal application for a  
18 phased (60 month) project pursuant to Treasury Regulation 1.48-12(b)(2)(v), in  
19 which case the credit will not be rescinded until five years from the date of the  
20 credit allocation.

21 \* \* \*

1 § 5930ee. LIMITATIONS

2 Beginning in fiscal year 2010 and thereafter, the State Board may award tax  
3 credits to all qualified applicants under this subchapter, provided that:

4 (1) the total amount of tax credits awarded annually, together with sales  
5 tax reallocated under section 9819 of this title, does not exceed ~~\$2,400,000.00~~  
6 \$2,600,000.00;

7 \* \* \*

8 \* \* \* Estate Tax; Exclusion Amount \* \* \*

9 Sec. 4. 32 V.S.A. § 7442a(b) is amended to read:

10 (b) The tax shall be computed as follows. The following rates shall be  
11 applied to the Vermont taxable estate:

12 Amount of Vermont Taxable Estate	Rate of Tax
13 <del>Under \$2,750,000.00</del>	<del>None</del>
14 <del>\$2,750,000.00 or more</del>	<del>16 percent of the excess</del>
	<del>over \$2,750,000.00</del>
16 <u>Under \$4,250,000.00</u>	<u>None</u>
17 <u>\$4,250,000.00 or more</u>	<u>16 percent of the excess</u>
18	<u>over \$4,250,000.00</u>

19 The resulting amount shall be multiplied by a fraction not greater than one,  
20 where the numerator of which is the value of the Vermont gross estate plus the  
21 value of gifts under 32 V.S.A. § 7402(14)(C) with a Vermont situs, and the



1 denominator of which is the federal gross estate plus the value of gifts under  
2 subdivision 7402(14)(C) of this title.

3 Sec. 5. 32 V.S.A. § 7442a(b) is amended to read:

4 (b) The tax shall be computed as follows. The following rates shall be  
5 applied to the Vermont taxable estate:

6 Amount of Vermont Taxable Estate	Rate of Tax
7 <del>Under \$4,250,000.00</del>	<del>None</del>
8 <del>\$4,250,000.00 or more</del>	<del>16 percent of the excess</del>
	<del>over \$4,250,000.00</del>
10 <u>Under \$5,000,000.00</u>	<u>None</u>
11 <u>\$5,000,000.00 or more</u>	<u>16 percent of the excess</u>
12	<u>Over \$5,000,000.00</u>

13 The resulting amount shall be multiplied by a fraction not greater than one,  
14 where the numerator of which is the value of the Vermont gross estate plus the  
15 value of gifts under 32 V.S.A. § 7402(14)(C) with a Vermont situs, and the  
16 denominator of which is the federal gross estate plus the value of gifts under  
17 subdivision 7402(14)(C) of this title.

18 \* \* \* Rooms Tax; Booking Agents \* \* \*

19 Sec. 6. 32 V.S.A. § 9202 is amended to read:

20 § 9202. DEFINITIONS



1 to the purchaser for the time-share rights. The term “rent” shall include all  
2 amounts collected by booking agents except the tax required to be collected  
3 under this chapter. The term “rent” shall not include rental charges for living  
4 quarters, sleeping, or household accommodations to any student necessitated  
5 by attendance at a school as defined herein.

6 \* \* \*

7 (20) “Booking agent” means a person who facilitates the rental of an  
8 occupancy and collects rent for an occupancy and who has the right, access,  
9 ability, or authority, through an Internet transaction or any other means, to  
10 offer, reserve, book, arrange for, remarket, distribute, broker, resell, or  
11 facilitate an occupancy that is subject to the tax under this chapter.

12 Sec. 7. 32 V.S.A. § 9271 is amended to read:

13 § 9271. LICENSES REQUIRED

14 Each operator prior to commencing business shall register with the  
15 Commissioner each place of business within the State where he or she operates  
16 a hotel or sells taxable meals or alcoholic beverages; provided, however, that  
17 an operator who sells taxable meals through a vending machine shall not be  
18 required to hold a license for each individual machine, and a booking agent  
19 shall not be required to hold a separate license for each property the rental of  
20 that it facilitates. Upon receipt of an application in such form and containing  
21 such information as the Commissioner may require for the proper

1 administration of this chapter, the Commissioner shall issue without charge a  
2 license for each such place in such form as he or she may determine, attesting  
3 that such registration has been made. No person shall engage in serving  
4 taxable meals or alcoholic beverages or renting hotel rooms without the license  
5 provided in this section. The license shall be nonassignable and  
6 nontransferable and shall be surrendered to the Commissioner if the business is  
7 sold or transferred or if the registrant ceases to do business at the place named.

8 \* \* \* Property Transfer Tax; Controlling Interest \* \* \*

9 Sec. 8. 32 V.S.A. § 9601 is amended to read:

10 § 9601. DEFINITIONS

11 The following definitions shall apply throughout this chapter unless the  
12 context requires otherwise:

13 \* \* \*

14 (2) “Person” means every natural person, association, trust, ~~or~~  
15 corporation, partnership, or limited liability company.

16 \* \* \*

17 (5) “Transfer” includes a grant, assignment, conveyance, will, trust,  
18 decree of court, transfer or acquisition of a direct or indirect controlling interest  
19 in any person with title to property, or any other means of transferring title to  
20 property or vesting title to property in any person.

1 (6) “Value” means;

2 (A) ~~in~~ In the case of any transfer of title to property ~~which~~ that is not  
3 a gift and ~~which~~ that is not made for a nominal consideration, the amount of  
4 the full actual consideration for such transfer, paid or to be paid, including the  
5 amount of any liens or encumbrances on the property existing before the  
6 transfer and not removed thereby;

7 (B) ~~in~~ In the case of a gift, or a transfer for nominal consideration,  
8 “value” ~~means~~ the fair market value of the property transferred.

9 (C) In the case of a controlling interest in any person that has title to  
10 property, the fair market value of the property, apportioned based on the  
11 percentage of the ownership interest transferred or acquired in the person.

12 (D) “Value” shall not include the fair market value of private  
13 alternative energy sources as defined in section 3845 of this title.

14 \* \* \*

15 (12) “Controlling interest” means:

16 (A) In the case of a corporation, either 50 percent or more of the  
17 total combined voting power of all classes of stock of such corporation, or  
18 50 percent or more of the capital, profits, or beneficial interest in such voting  
19 stock of such corporation.

1           (B) In the case of a partnership, association, trust, or other entity,  
2           50 percent or more of the capital, profits, or beneficial interest in such  
3           partnership, association, trust, or other entity.

4           (C) For purposes of the tax imposed pursuant to section 9602 of this  
5           title, all acquisitions of persons acting in concert are aggregated for purposes of  
6           determining whether a transfer or acquisition of a controlling interest has taken  
7           place; provided, however, interests in any partnership, association, or other  
8           entity originally purchased in connection with the federal low-income housing  
9           tax credit program under 26 U.S.C. § 42 shall not be counted in determining a  
10           change in the “controlling interest.” The Commissioner shall adopt standards  
11           by regulation to determine when persons are acting in concert. In adopting a  
12           regulation for this purpose, the Commissioner shall consider the following:

13                   (i) Persons must be treated as acting in concert when they have a  
14                   relationship with each other such that one person influences or controls the  
15                   actions of another through common ownership.

16                   (ii) When persons are not commonly owned or controlled, they  
17                   must be treated as acting in concert only when the unity with which the  
18                   purchasers have negotiated and will consummate the transfer of ownership  
19                   interest supports a finding that they are acting as a single person. If the  
20                   acquisitions are completely independent, with each purchaser buying without

1 regard to the identity of the other purchasers, the acquisitions must be  
2 considered separate acquisitions.

3 Sec. 9. 32 V.S.A. § 9602 is amended to read:

4 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

5 A tax is hereby imposed upon the transfer ~~by deed~~ of title to property  
6 located in this State. The amount of the tax equals one and one-quarter percent  
7 of the value of the property transferred, or \$1.00, whichever is greater, except  
8 as follows:

9 \* \* \*

10 Sec. 10. 32 V.S.A. § 9603 is amended to read:

11 § 9603. EXEMPTIONS

12 The following transfers are exempt from the tax imposed by this chapter:

13 \* \* \*

14 (6) Transfers to effectuate a mere change of identity or form of  
15 ownership or organization where there is no change in beneficial ownership;

16 \* \* \*

17 (25) Transfer made by a limited liability company to a member in  
18 connection with a complete dissolution of the limited liability company,  
19 pursuant to which transfer no gain or loss is recognized under the Internal  
20 Revenue Code, except where the Commissioner finds that a major purpose of  
21 such dissolution is to avoid the property transfer tax;





1 affixed to the deed evidencing the transfer of property or the document  
2 evidencing the transfer or acquisition of a direct or indirect controlling interest  
3 in any person with title to property with respect to which the return and  
4 certificate was filed. The acknowledgment so affixed to a deed or document,  
5 however, shall not disclose the amount of tax paid with respect to any return or  
6 transfer.

7 Sec. 13. 32 V.S.A. § 9608(a) is amended to read:

8 (a) Except as to transfers ~~which~~ that are exempt pursuant to subdivision  
9 9603(17) of this title, no town clerk shall record, or receive for recording, any  
10 deed or document evidencing the transfer or acquisition of a direct or indirect  
11 controlling interest in any person with title to property to which is not attached  
12 a properly executed transfer tax return, complete and regular on its face, and a  
13 certificate in the form prescribed by the Natural Resources Board and the  
14 Commissioner of Taxes that the conveyance of the real property and any  
15 development thereon by the seller is in compliance with or exempt from the  
16 provisions of 10 V.S.A. chapter 151. The certificate shall indicate whether or  
17 not the conveyance creates the partition or division of land. If the conveyance  
18 creates a partition or division of land, there shall be appended the current “Act  
19 250 Disclosure Statement,” required by 10 V.S.A. § 6007. A town clerk who  
20 violates this section shall be fined \$50.00 for the first such offense and \$100.00  
21 for each subsequent offense. A person who purposely or knowingly falsifies

1 any statement contained in the certificate required is punishable by fine of not  
2 more than \$500.00 or imprisonment for not more than one year, or both.

3 Sec. 14. 32 V.S.A. § 9618 is amended to read:

4 § 9618. DUTY TO REPORT STOCK ACQUISITIONS

5 Each person who acquires a controlling interest in a corporation, whether by  
6 one or more than one transfer of stock, shall, if the fair market value of all real  
7 property held in this State by the corporation exceeds \$500,000.00, report to  
8 the Commissioner of Taxes, within 30 days after the acquisition, the fair  
9 market value of all real property held in this State by the corporation at the  
10 time of the acquisition of the controlling interest. ~~As used in this section, a~~  
11 ~~“controlling interest” means 50 percent or more of the total combined voting~~  
12 ~~power of all classes of stock of the corporation.~~

13 \* \* \* Land Gains Tax \* \* \*

14 Sec. 15. 32 V.S.A. § 10002 is amended to read:

15 § 10002. LAND AND RESIDENCES

16 (a) “Land” means all land, whether or not improved, ~~but does not include~~  
17 ~~land not exceeding 10 acres, necessary for the use of a dwelling used by the~~  
18 ~~seller of such land as his or her principal residence~~ that has been purchased and  
19 subdivided by the transferor within the six years prior to the sale or exchange  
20 of the land. Buildings or other structures are not included in this definition of  
21 land. “Land” also means timber or rights to timber when that timber or those

1 timber rights are sold within six years of their purchase, provided the  
2 underlying land is also sold within six years. “Underlying land” means the  
3 land from which timber or timber rights have been separated, whether  
4 subdivided or not. As used in this subsection, the term “subdivision” means a  
5 subdivision under local zoning bylaws, or, in a municipality which does not  
6 have duly adopted permanent zoning and subdivision bylaws, “subdivision”  
7 means a tract or tracts of land, owned or controlled by a person, that the person  
8 has partitioned or divided for the purpose of sale or transfer. Subdivision shall  
9 be deemed to have occurred on the conveyance of the first lot or the filing of a  
10 plat, plan, or deed in the town records, whichever first occurs. A subdivision  
11 shall not include a boundary adjustment between adjacent parcels.

12 \* \* \*

13 (p) Also excluded from the definition of “land” is a transfer of ~~undeveloped~~  
14 land in a Vermont neighborhood or neighborhood development area, a  
15 downtown development district, a village center, a growth center, or a new  
16 town center development district designated under 24 V.S.A. chapter 76A  
17 ~~which is the first transfer of that parcel following the original designation of~~  
18 ~~the Vermont neighborhood or neighborhood development area.~~

19 \* \* \*

1 Sec. 16. 32 V.S.A. § 10006(d) is added to read:

2 (d) If the property does not qualify as “land” under subsection 10002(a) of  
3 this chapter, the parties to the transaction are relieved of any obligation to pay  
4 the tax, file a return, or withhold the tax imposed by this chapter. If the  
5 property qualifies as “land” under subsection 10002(a) of this chapter, but an  
6 exclusion is claimed under any of the remaining subsections of section 10002,  
7 the parties to the transaction must still comply with the obligations to pay, file,  
8 and withhold, as specified under this chapter.

9 \* \* \* Fuel Tax \* \* \*

10 Sec. 17. 33 V.S.A. § 2503 is amended to read:

11 § 2503. FUEL TAX

12 (a)(1) There is imposed a tax on the retail sale of heating oil, propane,  
13 kerosene, and other dyed diesel fuel delivered ~~to a residence or business in~~  
14 Vermont, at the rate of \$0.02 per gallon, except that deliveries to any agency,  
15 authority, political subdivision, or instrumentality of the United States, the  
16 State of Vermont, or a municipality are exempt from this tax.

17 \* \* \*

18 (d) No tax under this section shall be imposed for any month ending after  
19 June 30, ~~2019~~ 2024.

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\* \* \* Effective Dates \* \* \*

Sec. 18. EFFECTIVE DATES

This act shall take effect on passage, except for:

(1) Secs. 1 (capital gains exclusion), 3 (downtown and village center tax credit), 4 (estate tax rates), 6–7 (rooms tax), 8–14 (property transfer tax), and 17 (fuel tax) shall take effect on July 1, 2019.

(2) Secs. 4 (estate tax exclusion at \$4,250,000.00) and 15–16 (land gains tax) shall take effect January 1, 2020.

(3) Sec. 5 (estate tax exclusion at \$5,000,000.00) shall take effect on January 1, 2021.