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**LANDS GAIN CHANGES**

**Secs. 15-16 of Draft 4.1 of the Revenue Bill (DR 19-1295)**

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

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

§ 10002. LAND AND RESIDENCES

(a) “Land” means all land, whether or not improved, ~~but does not include land not exceeding 10 acres, necessary for the use of a dwelling used by the seller of such land as his or her principal residence~~ that has been purchased and subdivided by the transferor within the six years prior to the sale or exchange of the land. Buildings or other structures are not included in this definition of land. “Land” also means timber or rights to timber when that timber or those timber rights are sold within six years of their purchase, provided the underlying land is also sold within six years. “Underlying land” means the land from which timber or timber rights have been separated, whether subdivided or not. As used in this subsection, the term “subdivision” means a subdivision under local zoning bylaws, or, in a municipality which does not have duly adopted permanent zoning and subdivision bylaws, “subdivision” means a tract or tracts of land, owned or controlled by a person, that the person has partitioned or divided for the purpose of sale or transfer. Subdivision shall be deemed to have occurred on the conveyance of the first lot or the filing of a

1 plat, plan, or deed in the town records, whichever first occurs. A subdivision  
2 shall not include a boundary adjustment between adjacent parcels.

3 \* \* \*

4 (p) Also excluded from the definition of “land” is a transfer of ~~undeveloped~~  
5 land in a Vermont neighborhood or neighborhood development area, a  
6 downtown development district, a village center, a growth center, or a new  
7 town center development district designated under 24 V.S.A. chapter 76A  
8 ~~which is the first transfer of that parcel following the original designation of~~  
9 ~~the Vermont neighborhood or neighborhood development area.~~

10 \* \* \*

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

12 (d) If the property does not qualify as “land” under subsection 10002(a) of  
13 this chapter, the parties to the transaction are relieved of any obligation to pay  
14 the tax, file a return, or withhold the tax imposed by this chapter. If the  
15 property qualifies as “land” under subsection 10002(a) of this chapter, but an  
16 exclusion is claimed under any of the remaining subsections of section 10002,  
17 the parties to the transaction must still comply with the obligations to pay, file,  
18 and withhold, as specified under this chapter.

19  
20 **[Effective 1/1/20]**