

* * * Land Gains Tax * * *

Sec. X. 32 V.S.A. § 10001 is amended to read:

§ 10001. TAX IMPOSED

There is imposed, in addition to all other taxes imposed by this title, a tax on the gains from the sale or exchange of land in Vermont occurring before July 1, 2019.

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

§ 9601. DEFINITIONS

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

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(11)~~(A)~~ ~~“Principal residence” means principal residence as defined in 32 V.S.A. § 10002a, together with land that is beneath or directly contiguous to the dwelling and that is transferred with the dwelling~~ “Principal residence” means a dwelling which, within one year prior to sale, was occupied as the domicile of the seller or which, within one year from the date of sale, will be occupied as the domicile of the purchaser, together with land that is beneath or directly contiguous to the dwelling and that is transferred with the dwelling. As used in this section, a domicile is the principal dwelling of a person domiciled in the State of Vermont.

(B) “Principal residence” includes any multi-family dwelling, not exceeding four units, if:

(i) the seller used at the time of sale at least one unit within such dwelling as his or her principal residence; or

(ii) the purchaser will use at least one unit within such dwelling as his or her principal residence under the conditions of subdivision (A) of this subsection.

(C) “Principal residence” also means any dwelling used as the seller's principal residence, or which will be used by the purchaser as his or her principal residence under the conditions of subdivision (A) of this subsection, even though the resident also carries on or will carry on commercial activity in that dwelling. Commercial activity includes an office for the resident's business or profession or a retail store.

Sec. X. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(10) 33 percent of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title ~~and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title;~~

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Sec. X. REPEALS

(a) 24 V.S.A. § 2793d(d)(3) (Vermont neighborhood incentives for municipalities and developers) shall be repealed on July 1, 2019.

(b) 24 V.S.A. § 2793e(f)(3) (neighborhood development area incentives for developers) shall be repealed on July 1, 2019.

(c) 32 V.S.A. chapter 236 (land gains tax) shall be repealed on July 1, 2025.

Sec. X. EFFECTIVE DATES

(a) This section and Secs. X-X (repeal of Land Gains Tax) shall take effect on July 1, 2019.

(b) Notwithstanding subsection (a) of this section, Sec. X, 32 V.S.A. § 435(b)(10) (General Fund) shall take effect on July 1, 2025.

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