

# REVENUE BILL

## Draft 6.1

Peter Griffin, Legislative Counsel

3/22/19

Sec.	Description	Notes
1	<p>Capital Gains Exclusion</p> <ul style="list-style-type: none"><li>• Reduces percentage of the capital gains exclusion from 40% of certain assets to either 30%, or a total gain amount of \$450,000.00, whichever is less.</li><li>• Effective July 1, 2019.</li></ul>	
2	<p>Tax Credit for Affordable Housing/Down Payment Assistance Program</p> <ul style="list-style-type: none"><li>• Allows VHFA to pool and sell credits as one batch.</li><li>• Increases the down payment assistance credits by \$125,000 and extends the program from FY22 to FY26.</li><li>• Increases the homeownership creation and mobile home replacement program by \$125,000.</li><li>• Separates out the rental housing credit from the homeownership credit, and credits three separate credits for clarity.</li></ul>	
3	<p>Downtown and Village Center Tax Credit</p> <ul style="list-style-type: none"><li>• Amends the definition of “qualified applicant” to include religious organizations.</li><li>• Amends the definition of “qualified building” as one that was built at least 30 years before the date of the application.</li><li>• Increases total credit cap from \$2,400,000→\$2,600,000.</li><li>• Requires credits be used within three years, instead of five.</li><li>• Increases maximum credits for certain elevators and eliminates the credit for data network and heating and cooling systems.</li></ul>	
4-5	<p>Estate tax</p> <ul style="list-style-type: none"><li>• Increases the state exclusion from \$2,750,000 to \$5,000,000 by January 1, 2021.</li><li>• Increases the exclusion in two steps:<ul style="list-style-type: none"><li>○ to \$4,250,000 on January 1, 2020, and</li></ul></li></ul>	

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	○ then to \$5,000,000 on January 1, 2021.	
6-7	<b>Rooms Tax</b> <ul style="list-style-type: none"><li>• Includes “booking agents” in definition of “operator” and “rent” so that whoever collects the rent for a sleeping accommodation must collect and remit the rooms tax on the entire amount or rent they collect.</li><li>• The effect would be to bring online travel companies and short term rental platforms within the rooms tax.</li></ul>	
8-14	<b>Property Transfer Tax</b> <ul style="list-style-type: none"><li>• Changes the definitions to make it clear that the transfer of a controlling interest in a legal entity that holds real property triggers liability for the tax.</li><li>• A controlling interest is 50 percent or more of the controlling stock or interest in the entity.</li><li>• The tax is applied to value of the property held by the entity, apportioned to reflect the percentage of ownership interest that was transferred.</li><li>• If more than one person is acting in concert, their interests are aggregated for the purpose of determining a controlling interest and their liability for the tax.</li></ul>	
15-16	<b>Land gains tax</b> <ul style="list-style-type: none"><li>• Changes definition of “land” so that the tax only applies to land that is purchased and subdivided in the six years prior to the sale or exchange.</li><li>• If a sale or exchange of property is for land that falls outside of this definition, there is no obligation to file or withhold.</li><li>• Effective January 1, 2020.</li></ul>	
17	<b>Fuel tax</b> <ul style="list-style-type: none"><li>• Changes base of tax to include nonprofits and municipal sales, which had been included in the tax prior to the 2016 changes.</li><li>• Extends the sunset on the tax for five years to 2024.</li></ul>	
18	<b>Health Information Technology</b> <ul style="list-style-type: none"><li>• Extends the current rates and revenue allocation of the health claims tax for an additional year, until July 1, 2020.</li></ul>	

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19	Extends the sunset on the home health agency provider tax by two years, until July 1, 2021.	
20	Effective dates.	