

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 * * * Tax Credit for Affordable Housing; Down Payment Assistance * * *

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

3 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

4 (a) As used in this section:

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

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

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

8 that qualifies under Vermont Housing Finance Agency criteria governing
9 owner-occupied housing.

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

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

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

19 (5) “Credit certificate” means a certificate issued by the allocating
20 agency to a taxpayer that specifies the amount of affordable housing tax credits
21 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.

1 (3) Down Payment Assistance Program.

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

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

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

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

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

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

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

1 (d) Availability of credit. The amount of affordable housing tax credit
2 ~~allocated with respect to a project~~ set forth on the taxpayer's credit certificate
3 shall be available to the taxpayer every year for five consecutive tax years,
4 beginning with the tax year in which the eligible cash contribution is made.
5 Total tax credits available to the taxpayer shall be the amount of the first-year
6 allocation plus the succeeding four years' deemed allocations.

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

16 (f) [Repealed.]

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

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

1 (B) ~~\$300,000.00~~ \$425,000.00 in total first-year credit allocations for
2 loans or grants for owner-occupied unit financing or down payment loans as
3 provided in subdivision (b)(2) consistent with the allocation plan, including for
4 new construction and manufactured housing, for an aggregate limit of
5 ~~\$1,500,000.00~~ \$2,125,000.00 over any given five-year period that credits are
6 available under this subdivision (B).

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

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

17 (2) ~~In any fiscal year, total first-year credit allocations under~~
18 ~~subdivision (1) of this subsection plus succeeding year deemed allocations~~
19 ~~shall not exceed \$625,000.00~~ 2020 through fiscal year 2026, the allocating
20 agency may award up to \$250,000.00 in total first-year credit allocations for

1 loans through the Down Payment Assistance Program created in subdivision
2 (b)(3) of this section.

3 * * * Downtown Tax Credit Program * * *

4 Sec. 3. 32 V.S.A. chapter 151, subchapter 11J is amended to read:

5 Subchapter 11J: Vermont Downtown and Village Center Tax Credit Program

6 § 5930aa. DEFINITIONS

7 As used in this subchapter:

8 (1) “Qualified applicant” means an owner or lessee of a qualified
9 building involving a qualified project, but does not include ~~a religious entity~~
10 ~~operating with a primarily religious purpose~~; a State or federal agency or a
11 political subdivision of either; or an instrumentality of the United States.

12 (2) “Qualified building” means a building built ~~prior to 1983~~ at least
13 30 years before the date of application, located within a designated downtown
14 or village center, which upon completion of the project supported by the tax
15 credit will be an income-producing building not used solely as a single-family
16 residence. Churches and other buildings owned by religious organization may
17 be qualified buildings, but in no event shall tax credits be used for religious
18 worship.

19 (3) “Qualified code ~~or technology~~ improvement project” means a
20 project:

1 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

2 CREDITS

3 (a) Historic rehabilitation tax credit. The qualified applicant of a qualified
4 historic rehabilitation project shall be entitled, upon the approval of the State
5 Board, to claim against the taxpayer's State individual income tax, corporate
6 income tax, or bank franchise or insurance premiums tax liability a credit of
7 10 percent of qualified rehabilitation expenditures as defined in the Internal
8 Revenue Code, 26 U.S.C. § 47(c), properly chargeable to the federally certified
9 rehabilitation.

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

16 (c) Code or technology improvement tax credit. The qualified applicant of
17 a qualified code or technology improvement project shall be entitled, upon the
18 approval of the State Board, to claim against the taxpayer's State individual
19 income tax, State corporate income tax, or bank franchise or insurance
20 premiums tax liability a credit of 50 percent of qualified expenditures up to a
21 maximum tax credit of \$12,000.00 for installation or improvement of a

1 platform lift, a maximum credit of ~~\$40,000.00~~ \$60,000.00 for the installation
2 or improvement of a limited use/ or limited application elevator, a maximum
3 tax credit of ~~\$50,000.00~~ \$75,000.00 for installation or improvement of an
4 elevator, a maximum tax credit of \$50,000.00 for installation or improvement
5 of a sprinkler system, ~~a maximum tax credit of \$30,000.00 for the combined~~
6 ~~costs of installation or improvement of data or network wiring or a heating,~~
7 ~~ventilating, or cooling system,~~ and a maximum tax credit of \$50,000.00 for the
8 combined costs of all other qualified code improvements.

9 § 5930dd. CLAIMS; AVAILABILITY

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

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

19 (c) If within ~~five~~ three years after the date of the credit allocation to the
20 applicant no claim for tax credit has been filed, the tax credit allocation shall
21 be rescinded, unless the project has an approved federal application for a

1 phased (60 month) project pursuant to Treasury Regulation 1.48-12(b)(2)(v), in
2 which case the credit will not be rescinded until five years from the date of the
3 credit allocation.

4 * * *

5 § 5930ee. LIMITATIONS

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

8 (1) the total amount of tax credits awarded annually, together with sales
9 tax reallocated under section 9819 of this title, does not exceed ~~\$2,400,000.00~~
10 \$2,600,000.00;

11 * * *

12 * * * Estate Tax; Exclusion Amount * * *

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

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

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

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

3 * * * Rooms Tax; Booking Agents * * *

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

5 § 9202. DEFINITIONS

6 The following words, terms, and phrases when used in this chapter shall
7 have the meanings ascribed to them in this section unless the context clearly
8 indicates a different meaning:

9 * * *

10 (4) “Operator” means any person, or his or her agent, operating a hotel,
11 whether as owner or proprietor or lessee, sublessee, mortgagee, licensee, or
12 otherwise; and any person, or his or her agent, charging for a taxable meal or
13 alcoholic beverage; and any person, or his or her agent, engaged in both of the
14 foregoing activities. The term “operator” shall include booking agents. In the
15 event that an operator is a corporation or other entity, the term “operator” shall
16 include any officer or agent of such corporation or other entity who, as an
17 officer or agent of the corporation, is under a duty to pay the gross receipts tax
18 to the Commissioner as required by this chapter.

19 * * *

20 (8) “Rent” means the consideration received for occupancy valued in
21 money, whether received in money or otherwise, including all receipts, cash,

1 credits, and property or services of any kind or nature, and also any amount for
2 which the occupant is liable for the occupancy without any deduction
3 therefrom whatsoever; and any monies received in payment for time-share
4 rights at the time of purchase; provided, however, that such money received
5 shall not be considered rent and thus not taxable if a deeded interest is granted
6 to the purchaser for the time-share rights. The term “rent” shall include all
7 amounts collected by booking agents except the tax required to be collected
8 under this chapter. The term “rent” shall not include rental charges for living
9 quarters, sleeping, or household accommodations to any student necessitated
10 by attendance at a school as defined herein.

11 * * *

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

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

18 § 9271. LICENSES REQUIRED

19 Each operator prior to commencing business shall register with the
20 Commissioner each place of business within the State where he or she operates
21 a hotel or sells taxable meals or alcoholic beverages; provided, however, that

1 an operator who sells taxable meals through a vending machine shall not be
2 required to hold a license for each individual machine, and a booking agent
3 shall not be required to hold a separate license for each property the rental of
4 that it facilitates. Upon receipt of an application in such form and containing
5 such information as the Commissioner may require for the proper
6 administration of this chapter, the Commissioner shall issue without charge a
7 license for each such place in such form as he or she may determine, attesting
8 that such registration has been made. No person shall engage in serving
9 taxable meals or alcoholic beverages or renting hotel rooms without the license
10 provided in this section. The license shall be nonassignable and
11 nontransferable and shall be surrendered to the Commissioner if the business is
12 sold or transferred or if the registrant ceases to do business at the place named.

13 * * * Property Transfer Tax; Controlling Interest * * *

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

15 § 9601. DEFINITIONS

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

18 * * *

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

21 * * *

1 50 percent or more of the capital, profits, or beneficial interest in such voting
2 stock of such corporation.

3 (B) In the case of a partnership, association, trust, or other entity,
4 50 percent or more of the capital, profits, or beneficial interest in such
5 partnership, association, trust, or other entity.

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

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

18 (ii) When persons are not commonly owned or controlled, they
19 must be treated as acting in concert only when the unity with which the
20 purchasers have negotiated and will consummate the transfer of ownership
21 interest supports a finding that they are acting as a single person. If the

1 acquisitions are completely independent, with each purchaser buying without
2 regard to the identity of the other purchasers, the acquisitions must be
3 considered separate acquisitions.

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

5 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

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

10 * * *

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

12 § 9603. EXEMPTIONS

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

14 * * *

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

17 * * *

18 (25) Transfer made by a limited liability company to a member in
19 connection with a complete dissolution of the limited liability company,
20 pursuant to which transfer no gain or loss is recognized under the Internal

1 Revenue Code, except where the Commissioner finds that a major purpose of
2 such dissolution is to avoid the property transfer tax;

3 (26) Transfers of controlling interests in a person with a fee interest in
4 property if the transfer of the property would qualify for exemption if
5 accomplished by deed of the property between the parties to the transfer of the
6 controlling interest.

7 Sec. 11. 32 V.S.A. § 9606(a) is amended to read:

8 (a) A property transfer return complying with this section shall be delivered
9 to a town clerk;

10 (1) In the case of property transfer by deed, at the time a deed
11 evidencing a transfer of title to property is delivered to the clerk for recording.

12 (2) In the case of transfer or acquisition of a controlling interest in a
13 person with title to property for which a deed is not given, within 30 days of
14 the transfer or acquisition.

15 * * *

16 Sec. 12. 32 V.S.A. § 9607 is amended to read:

17 § 9607. ACKNOWLEDGMENT OF RETURN AND TAX PAYMENT

18 Upon the receipt by a town clerk of a property transfer return and certificate
19 and the fee required under subdivision 1671(a)(6) of this title, the clerk shall
20 forthwith mail or otherwise deliver to the transferee of title to property with
21 respect to which such return was filed a signed and written acknowledgment of

1 the receipt of that return and certificate. A copy of that acknowledgment, or
2 any other form of acknowledgment approved by the Commissioner, shall be
3 affixed to the deed evidencing the transfer of property or the document
4 evidencing the transfer or acquisition of a direct or indirect controlling interest
5 in any person with title to property with respect to which the return and
6 certificate was filed. The acknowledgment so affixed to a deed or document,
7 however, shall not disclose the amount of tax paid with respect to any return or
8 transfer.

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

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

1 violates this section shall be fined \$50.00 for the first such offense and \$100.00
2 for each subsequent offense. A person who purposely or knowingly falsifies
3 any statement contained in the certificate required is punishable by fine of not
4 more than \$500.00 or imprisonment for not more than one year, or both.

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

6 § 9618. DUTY TO REPORT STOCK ACQUISITIONS

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

15 * * * Land Gains Tax * * *

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

17 § 10002. LAND AND RESIDENCES

18 (a) “Land” means all land, whether or not improved, ~~but does not include~~
19 ~~land not exceeding 10 acres, necessary for the use of a dwelling used by the~~
20 ~~seller of such land as his or her principal residence~~ that has been purchased and
21 subdivided by the transferor within the six years prior to the sale or exchange

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

14 * * *

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

21 * * *

1 Notwithstanding any provision of law to the contrary, the health care claims
2 tax established in 32 V.S.A. § 10402 shall remain at 0.999 of one percent of all
3 health insurance claims until July 1, 2020, with the revenue collected in fiscal
4 year 2020 from 0.199 of one percent of the claims being deposited in the
5 Health IT-Fund established in 32 V.S.A. § 10301 and the revenue collected
6 from 0.8 of one percent of the claims being deposited in the General Fund.

7 Sec. 19. 2017 Acts and Resolves No. 73, Sec. 18d is amended to read:

8 Sec. 18d. REPEAL

9 33 V.S.A. § 1955a (home health agency assessment) is repealed on July 1,
10 2019 ~~2021~~.

11 * * * Effective Dates * * *

12 Sec. 20. EFFECTIVE DATES

13 This act shall take effect on passage, except for:

14 (1) Secs. 1 (capital gains exclusion), 3 (downtown and village center tax
15 credit), 4 (estate tax rates), 6–7 (rooms tax), 8–14 (property transfer tax), and
16 17 (fuel tax) shall take effect on July 1, 2019.

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

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