

# REVENUE BILL

## Draft 3.1

Peter Griffin, Legislative Counsel

3/14/19

Sec.	Description	Notes
1	Capital Gains Exclusion <ul style="list-style-type: none"><li>Reduces percentage of the capital gains exclusion from 40% of certain assets to 20%.</li></ul>	
2	Tax Credit for Affordable Housing/Down Payment Assistance Program <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	Downtown and Village Center Tax Credit <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	Estate tax <ul style="list-style-type: none"><li>Increases the state exclusion from \$2,750,000 to \$5,000,000 by January 1, 2021.</li></ul>	
6-7	Rooms Tax <ul style="list-style-type: none"><li>Includes “booking agents” in definition of “operator” and “rent” so that</li></ul>	

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	<p>whoever collects the rent for a sleeping accommodation must collect and remit the rooms tax on the entire amount or rent they collect.</p> <ul style="list-style-type: none"><li>• The effect would be to bring online travel companies and short term rental platforms within the rooms tax.</li></ul>	
8-14	<p>Property Transfer Tax</p> <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	<p>Land gains tax</p> <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></ul>	
16	<p>Fuel tax</p> <ul style="list-style-type: none"><li>• Changes language to include taxpayers who may have been let out of the tax under the 2015 amendments.</li></ul>	
17	<p>Effective dates.</p>	