

**DRAFT RENTER REBATE REFORM LANGUAGE**

(dr req 20-0XXX – draft 1.1)  
02/17/2020 - AJS – 09:05 AM

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1 Introduced by House Committee on Ways and Means

2 Referred to Committee on

3 Date:

4 Subject: Taxation; property tax; renter rebate

5 Statement of purpose of bill as introduced: This bill proposes to amend the  
6 renter rebate program by creating a credit structure that is separate from the  
7 income sensitivity property tax credit. The new renter credit is based on  
8 federal housing data and income limits adjusted for the number of family  
9 members in each claim. The credit is available to more than one eligible  
10 claimant per household up to a maximum credit of \$2,500.00. The amount of  
11 the credit accounts for unrelated persons living in the household, business use  
12 of the property, and any rental subsidies received.

13 An act relating to renter rebate reform

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 Sec. 1. 32 V.S.A. § 6061 is amended to read:

16 § 6061. DEFINITIONS

17 ~~The following definitions shall apply throughout~~ As used in this chapter  
18 unless the context requires otherwise:

19 \* \* \*



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1           (A) Trade or business losses, capital losses, any net loss resulting  
2           from combining the income or loss from rental real estate and royalties, the  
3           income or loss from partnerships and S corporations, the income or loss from  
4           estates and trusts, the income or loss from real estate mortgage investment  
5           conduits and the net farm rental income or loss, any loss associated with the  
6           sale of business property, and farm losses included in adjusted gross income;

7           (B) Exempt interest received or accrued during the taxable year;

8           (C) 75 percent of the portion of benefits received under the federal  
9           Social Security Act that is excluded from gross income under 26 U.S.C. § 86  
10           for the taxable year; and

11           (D) Alimony paid, educator expenses, business expenses of  
12           performing artists, business expenses of government officials, business  
13           expenses of reservists, moving expenses, certain IRA retirement savings  
14           deductions, student loan interest deductions, tuition and fees deductions, health  
15           savings account deductions, self-employed health insurance deductions, self-  
16           employed SEP, SIMPLE, and qualified plan deductions, the deductible part of  
17           self-employment tax, and the penalty for early withdrawal of savings.

18           (19) “Extremely low-income limit” means the limit as determined by the  
19           U.S. Department of Housing and Urban Development pursuant to 42 U.S.C.  
20           § 1437a as of June 30 of the taxable year, provided that for claimants who  
21           reside in Franklin or Grand Isle county, “extremely low-income limit” means

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1 the average of the extremely low-income limits as determined by the  
2 U.S. Department of Housing and Urban Development for all areas within  
3 Vermont other than the Burlington-South Burlington metropolitan statistical  
4 area.

5 (20) “Very low-income limit” means the limit as determined by the  
6 U.S. Department of Housing and Urban Development pursuant to 42 U.S.C.  
7 § 1437a as of June 30 of the taxable year, provided that for claimants who  
8 reside in Franklin or Grand Isle county, “very low-income limit” means the  
9 average of the very low-income limits as determined by the U.S. Department  
10 of Housing and Urban Development for all areas within Vermont other than  
11 the Burlington-South Burlington metropolitan statistical area.

12 Sec. 2. 32 V.S.A. § 6062 is amended to read:

13 § 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

14 ~~(a) In the case of a renter credit claim based solely on allocable rent, the~~  
15 ~~claimant shall have rented property during the entire taxable year; provided,~~  
16 ~~however, a claimant who owned a homestead which was sold in the taxable~~  
17 ~~year prior to April 1 may file a renter credit claim. If two or more individuals~~  
18 ~~of a household are able to meet the qualifications for a claimant hereunder,~~  
19 ~~they may determine among them who the claimant shall be. Any disagreement~~  
20 ~~under this subsection shall be referred to the Commissioner and his or her~~  
21 ~~decision shall be final~~ In the case of a renter credit claim, the claimant shall

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1 have rented property for the right of occupancy during at least six calendar  
2 months in the taxable year to be eligible for a credit under this chapter. More  
3 than one renter credit claimant per household per year may be entitled to relief  
4 under this chapter.

5 (b) Only one property tax credit claimant per household per year shall be  
6 entitled to relief under this chapter.

7 \* \* \*

8 Sec. 3. 32 V.S.A. § 6066 is amended to read:

9 § 6066. COMPUTATION OF PROPERTY TAX CREDIT

10 \* \* \*

11 ~~(b) An eligible claimant who rented the homestead, whose household~~  
12 ~~income does not exceed \$47,000.00, and who submits a certificate of allocable~~  
13 ~~rent shall be entitled to a credit against the claimant’s tax liability under~~  
14 ~~chapter 151 of this title equal to the amount by which the allocable rent upon~~  
15 ~~the claimant’s housesite exceeds a percentage of the claimant’s household~~  
16 ~~income for the taxable year as follows:~~

17 ~~If household income (rounded to~~ then the taxpayer is entitled to  
18 ~~the nearest dollar) is:~~ credit for allocable rent paid in  
19 excess of this percent of that income:

20 \$ ~~0 – 9,999.00~~ 2.0

21 \$10,000.00 ~~– 24,999.00~~ 4.5



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1           (E) Notwithstanding subdivisions (B) and (C) of this subdivision  
2           (b)(1), if the claimant’s income is less than or equal to the very low-income  
3           limit and the claimant receives a rental subsidy, the claimant shall be entitled  
4           to a credit in the amount of 10 percent of actual rent paid.

5           (F) A renter credit shall be prorated by the number of calendar  
6           months in the taxable year during which the claimant rented the homestead and  
7           by the portion of the principal dwelling used for business purposes if the  
8           portion used for business purposes includes more than 25 percent of the floor  
9           space of the dwelling.

10           (2) For households with one claimant, the Commissioner shall calculate  
11           the credit under subdivision (1) of this subsection (b) using the fair market rent  
12           corresponding to a number of bedrooms equal to the number of personal  
13           exemptions allowed under subdivision 5811(21)(C) of this title for the taxable  
14           year. For households with more than one claimant or households in which a  
15           person unrelated to the claimant resided at any time during the taxable year,  
16           the Commissioner shall calculate each eligible claimant’s credit under  
17           subdivision (1) of this subsection (b) using the fair market rent for a one–  
18           bedroom property and dividing the resulting credit by two.

19           (c) To be eligible for an adjustment or credit under this chapter, the  
20           claimant:

21           (1) must have been domiciled in this State during the entire taxable year;





