

**SECTION BY SECTION SUMMARY**  
**Draft Renter Rebate Reform – 2/17/20**

Sec.	Change	Notes
1	<p><b>32 V.S.A. § 6061 – Definitions</b></p> <p>(7) Removes definition of “allocable rent.” Inserts new definition for “fair market rent” based on U.S. HUD determination. Divides Burlington-South Burlington metro area to treat Franklin and Grand Isle counties like other non-Chittenden counties.</p> <p>(18) Inserts renter credit definition of “income,” which is federal adjusted gross income with certain additions: business losses, nontaxable interest, 75% of nontaxable social security benefits, and adjustments and deductions allowed to arrive at federal AGI.</p> <p>(19) and (20) Inserts definitions of “extremely low-income limit” and “very low-income limit” based on federal definitions. Divides Burlington-South Burlington metro area to treat Franklin and Grand Isle counties like other non-Chittenden counties.</p>	
2	<p><b>32 V.S.A. § 6062 – Number of claimants</b></p> <ul style="list-style-type: none"> <li>• Requires claimants to have rented for at least 6 months of the year to be eligible for a credit.</li> <li>• Allows more than one claimant to receive a renter credit.</li> <li>• Clarifies that for homeowners, only one claimant per household may receive an income sensitivity property tax credit.</li> </ul>	
3	<p><b>32 V.S.A. § 6066 – Computation of Credit</b></p> <p>(1)(A) \$2500 maximum credit</p> <p>(B) For claimants whose income is at or below extremely low-income limit, credit = 10% of fair market rent</p> <p>(C) For claimants whose income is above extremely low-income limit but at or below very low-income limit, percentage of credit is proportional to amount of income above extremely low-income limit</p> <p>(D) No credit allowed for claimant whose income is above very low-income limit</p> <p>(E) Income-eligible renters who receive rental subsidies are allowed a credit of 10% of actual rent paid.</p> <p>(F) Proration</p> <ul style="list-style-type: none"> <li>• for number of calendar months that claimant rented</li> </ul>	

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<b>Sec.</b>	<b>Change</b>	<b>Notes</b>
	<ul style="list-style-type: none"> <li>• if &gt;25% of dwelling floor space is used for business purposes, credit is reduced proportionately to the amount of business use</li> </ul> <p>(2) Number of members residing in household</p> <ul style="list-style-type: none"> <li>• For households with one claimant: number of related members in claimant group (i.e., families) is taken into account by using fair market rent for a number of bedrooms that equals number of personal exemptions claimed for income taxes.</li> <li>• For households with more than one claimant or with an unrelated person living in household (regardless of whether they file a claim): each claimant receives half of a credit for fair market rent of a 1-bd property.</li> </ul> <p>(c) Repeats requirement that claimants have to rent for at least 6 months of the year to be eligible for a credit.</p>	
<b>4</b>	<p><b>32 V.S.A. § 6069(d) – Landlord Certificate</b></p> <p>Removes requirement that landlords report allocable rent to renters and removes associated penalty for failure to report to renters.</p>	
<b>5</b>	<p><b>Effective Date</b></p> <p>Retroactive to Jan. 1, 2020, thus impacting filing season 2021 and fiscal year 2022</p>	