

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.954: An act relating to miscellaneous tax provisions – As Passed by the Ways and Means Committee

Summary

This bill proposes to make numerous minor and administrative changes to Vermont's tax laws.

Fiscal Impact

JFO estimates that this bill will reduce revenues by up to \$1 million in FY2021. The entirety of this revenue loss is due to the changes in the safe harbor levels for the use tax. Because this change affects the Sales and Use Tax, this decrease in revenues will only impact Education Fund.

Section 6 of the bill relating to increasing the property tax hearing officer per diem would result in a negligible, but indeterminate, negative impact on State resources.

Table 1: Revenue Estimates for H.XXX

Sec.	Tax Type	FY21 Estimate (in millions)
Education Fund		
Education Property Tax		
1	Allows towns to make corrections to grand list on or before Dec. 31 st .	
2	Allows towns to request extension for filing grand list with the State without having to record extension with town clerk.	
3	Commissioner will determine format for presenting specific listed information on education property tax bills, eff. Jan. 1, 2022.	
4	Requires towns to segregate funds received from the State for the preparation of the education grand list. Also removes reference to equalization and reappraisal account, which was removed from Education Fund in 2018.	
5	Amends definition of "owner" for current use to align with general rule for property taxation, so that being the owner of record is not necessary.	
6	Increase property tax hearing officer per diem from \$120/day to \$150/day.	Negligible revenue decrease
Sales and Use Tax		
8	Decreases use tax safe harbor amounts due following 2018 and 2019 remote seller collection requirements (Wayfair and Act 46 of 2019 marketplace facilitators). Changes safe harbor calculation to 0.05% of AGI, and only applies to AGI over \$20K.	-\$1.00
8	Amends time period for determining whether sales made into Vermont require a remote seller or marketplace facilitator to collect and remit Vermont sales tax.	
9	Repeals noncollecting vendor reporting requirement to the Dept. of Taxes. Does not remove requirement to report to purchasers.	
Total Education Fund		-\$1.00
General Fund		
Meals and Rooms Tax		
12	Repeals short-term rental platform informational reporting to the Dept. of Taxes.	
Income Tax		
13-14	Annual link to Federal Statutes for tax year 2019.	
15	Extends statute of limitations for refunds of taxes paid during appeals (to prevent interest and penalties from accruing), or when refunds are used to offset other liabilities, when Dept. subsequently reverses its assessment.	
16	One-month extension for filing corporate income tax return when corporation shows it has requested a federal filing extension.	
17	Extends requirement to amend state income tax returns within 180 days of a federal audit, instead of 60 days.	
Total General Fund		\$0.00
Other Taxes and Administrative Provisions		
Property Transfer Tax		
7	Property Transfer Tax payments are due within 30 days of transferring title to real property (by deed) or of transferring or acquiring controlling interests in a person with title to property for which a deed is not given (same as controlling interests return filing deadline).	
Universal Service Charge		
11	Requires marketplace facilitators to collect universal service charge on prepaid calling cards at the same time they collect sales tax on behalf of marketplace sellers.	
Administrative Provisions		
18	Beverage deposit redemption data reported to Dept. of Taxes is excluded from requirements of tax confidentiality, although data can only be disclosed in aggregate. ANR may receive data from Dept. of Taxes in disaggregated form for administration purposes.	
19	Clarifies that beverage deposit redemption data reported to ANR and Dept. of Taxes is not confidential tax information protected under 32 V.S.A. § 3102. Dept. of Taxes may provide ANR data in disaggregated form for administration purposes.	
20	Authorizes Dept. of Taxes to impose penalties for fraudulent requests for refunds, even if refund is not issued.	
Public Service Billback Authority		
21	Expands authority for Dept. of Public Service and Public Utility Commission to bill applicants for costs of retaining outside personnel to review Sec. 248 applications. Allows interest to be charged, use of outside collection agency, and use of tax offset program.	
Total Other Taxes and Administrative Provisions		\$0.00