

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; sales and use tax; meals and rooms tax; personal income
4 tax; corporate income tax; education property tax; property transfer
5 tax; administration; confidentiality

6 Statement of purpose of bill as introduced: This bill proposes to make
7 numerous substantive and administrative changes to Vermont's tax laws. This
8 bill decreases the amount of use tax due under the safe harbor calculation
9 based on adjusted gross income. The Department of Taxes is authorized to
10 charge penalties for fraudulent requests for refunds irrespective of whether a
11 refund is issued. This bill clarifies that beverage deposit redemption
12 information received by the Department of Taxes is not confidential tax
13 information. The requirements for noncollecting vendors and short-term rental
14 platforms to report to the Department of Taxes are repealed. This bill amends
15 due dates for municipal grand list corrections, property transfer tax returns and
16 payments, corporate income tax filing, and claims for certain refunds of
17 income tax paid or offset. Numerous other changes are made to the definitions
18 used for the purposes of current use, the property tax income sensitivity credit,
19 and the sales and use tax.

20 An act relating to miscellaneous tax provisions

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

2 * * * Education Property Tax * * *

3 Sec. 1. 32 V.S.A. § 4261 is amended to read:

4 § 4261. CORRECTING OMISSION FROM GRAND LIST

5 When real or personal estate is omitted from the grand list by mistake, or an
6 obvious error is found, the listers, with the approval of the ~~Selectboard~~
7 selectboard, on or before December 31, may supply such omissions or correct
8 such errors and make a certificate thereon of the fact; provided, however, the
9 listers may make a correction resulting from the filing or rescission of a
10 homestead declaration without approval of the ~~Selectboard~~ selectboard.

11 Sec. 2. 32 V.S.A. § 4342 is amended to read:

12 § 4342. EXTENSIONS BY THE DIRECTOR

13 On written application therefor made by the listers or assessors of any town,
14 with the approval of the ~~Selectboard~~ selectboard of the town or mayor of the
15 city, the several dates fixed by law and extended by the preceding section or
16 the charter of any municipal corporation, on or before which certain acts must
17 be done relating to duties of listers and assessors, may be further extended by
18 the Director and such extensions shall be in writing ~~and shall be recorded in~~
19 ~~the office of the town clerk.~~

20 Sec. 3. 32 V.S.A. § 5402(b)(1) is amended to read:

21 (1) The Commissioner of Taxes shall determine for each municipality
22 the education tax rates under subsection (a) of this section, divided by the

1 municipality's most recent common level of appraisal. The legislative body in
2 each municipality shall then bill each property taxpayer at the homestead or
3 nonhomestead rate determined by the Commissioner under this subdivision,
4 multiplied by the education property tax grand list value of the property,
5 properly classified as homestead or nonhomestead property and without regard
6 to any other tax classification of the property. Statewide education property
7 tax bills shall show the tax due and the calculation of the rate determined under
8 subsection (a) of this section, divided by the municipality's most recent
9 common level of appraisal, multiplied by the current grand list value of the
10 property to be taxed. Statewide education property tax bills shall also include
11 language provided by the Commissioner pursuant to subsection 5405(g) of this
12 title. The Commissioner shall prescribe the format for presenting the
13 following information on property tax bills:

14 (A) school parcel account number;

15 (B) school code;

16 (C) housesite value;

17 (D) statewide education and municipal tax assessed on the housesite;

18 (E) assessed and total taxable value;

19 (F) homestead and non-homestead value;

20 (G) exemptions;

21 (H) all applicable municipal and education tax rates;

22 (I) tax rates for each tax type;

1 takes possession, either by voluntary act of the mortgagor or foreclosure, after
2 which the mortgagee shall be deemed the owner.

3 * * * Income Sensitivity; Household Income * * *

4 Sec. 6. 32 V.S.A. § 6061(5) is amended to read:

5 (5) “Modified adjusted gross income” means “federal adjusted gross
6 income”:

7 * * *

8 (D) Without the inclusion of adjustments to total income except
9 certain business expenses of reservists, one-half of self-employment tax paid,
10 alimony paid, deductions for tuition and fees, contributions to Simplified
11 Employee Pension (SEP) plans made in the taxable year, health insurance costs
12 of self-employed individuals, and health savings account deductions.

13 * * *

14 * * * Property Tax Hearing Officer Per Diem * * *

15 Sec. 7. 32 V.S.A. § 4465 is amended to read:

16 § 4465. APPOINTMENT OF PROPERTY VALUATION HEARING

17 OFFICER; OATH; PAY

18 When an appeal to the Director is not withdrawn, the Director shall refer the
19 appeal in writing to a person not employed by the Director, appointed by the
20 Director as hearing officer. The Director shall have the right to remove a
21 hearing officer for inefficiency, malfeasance in office, or other cause. In like
22 manner, the Director shall appoint a hearing officer to fill any vacancy created

1 by resignation, removal, or other cause. Before entering into their duties,
2 persons appointed as hearing officers shall take and subscribe the oath of the
3 office prescribed in the Constitution, which oath shall be filed with the
4 Director. The Director shall pay each hearing officer a sum not to exceed
5 ~~\$120.00~~ \$150.00 per diem for each day wherein hearings are held, together
6 with reasonable expenses as the Director may determine. A hearing officer
7 may subpoena witnesses, records, and documents in the manner provided by
8 law for serving subpoenas in civil actions and may administer oaths to
9 witnesses.

10 * * * Property Transfer Tax * * *

11 Sec. 8. 32 V.S.A. § 9605(a) shall be amended to read:

12 (a) The tax imposed by this chapter shall be paid to the Commissioner ~~at~~
13 ~~the time of~~ within 30 days after transfer of title to property subject to the tax or,
14 in the case of a transfer or acquisition of a controlling interest in a person with
15 title to property for which a deed is not given, within 30 days after transfer or
16 acquisition.

17 * * * Sales and Use Tax * * *

18 Sec. 9. 32 V.S.A. § 5870 shall be amended to read:

19 § 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX

20 RETURNS

21 (a) The Commissioner of Taxes shall provide that individuals report use tax
22 on their State individual income tax returns. Taxpayers are required to attest to

1 the amount of their use tax liability under chapter 233 of this title for the period
2 of the tax return. Alternatively, they may elect to report an amount that is a
3 percentage of their adjusted gross income determined under subsection (b) of
4 this section, ~~as shown on a table published by the Commissioner of Taxes;~~ and
5 use tax liability arising from the purchase of each item with a purchase price in
6 excess of \$1,000.00 shall be added to the table amount shown under subsection
7 (b) of this section.

8 (b) The amount of use tax a taxpayer may elect to report under subsection
9 (a) of this section shall be ~~0.10 percent of their adjusted gross income~~ based on
10 the taxpayer's adjusted gross income as determined by the following tables;
11 provided, however, that a taxpayer shall not be required to pay more than
12 ~~\$500.00~~ \$150.00 for use tax liability under this subsection, arising from total
13 purchases of items with a purchase price of \$1,000.00 or less.

<u>If adjusted gross income is:</u>	<u>The tax is:</u>
<u>Not over \$20,000.00</u>	<u>\$0.00</u>
<u>\$20,001.00 to \$30,000.00</u>	<u>\$10.00</u>
<u>\$30,001.00 to \$40,000.00</u>	<u>\$15.00</u>
<u>\$40,001.00 to \$50,000.00</u>	<u>\$20.00</u>
<u>\$50,001.00 to \$60,000.00</u>	<u>\$25.00</u>
<u>\$60,001.00 to \$70,000.00</u>	<u>\$30.00</u>
<u>\$70,001.00 to \$80,000.00</u>	<u>\$35.00</u>
<u>\$80,001.00 to \$90,000.00</u>	<u>\$40.00</u>

1 period with respect to which that person’s liability for tax under this chapter is
2 determined.

3 * * *

4 (J) A marketplace facilitator who has facilitated sales by marketplace
5 sellers to destinations within this State of at least \$100,000.00, or totaling at
6 least 200 individual sales transactions, during ~~any~~ the 12-month period
7 preceding the monthly period with respect to which that person’s liability for
8 tax under this chapter is determined.

9 (K) A marketplace seller who has combined sales to a destination
10 within this State and sales through a marketplace to a destination within this
11 State of at least \$100,000.00, or totaling at least 200 individual sales
12 transactions, during ~~any~~ the 12-month period preceding the monthly period
13 with respect to which that person’s liability for tax under this chapter is
14 determined.

15 Sec. 11. 32 V.S.A. § 9712(c) is amended to read:

16 (c) ~~Each noncollecting vendor shall file a copy of the notice required by~~
17 ~~subsection (b) with the Department of Taxes on or before January 31 of each~~
18 ~~year. The notice required by this subsection only apply to noncollecting~~
19 ~~vendors who made \$100,000.00 or more of sales into Vermont in the previous~~
20 ~~calendar year. Failure to file a copy of the notice required by this subsection~~
21 ~~shall subject the noncollecting vendor to a penalty of \$10.00 for each failure,~~
22 ~~unless the noncollecting vendor shows reasonable cause. [Repealed.]~~

1 (A) “Minimal amount” means an amount of service denominated as
2 not more than 10 minutes or not more than \$5.00.

3 (B) “Prepaid wireless telecommunications service” means a
4 telecommunications service as defined in subdivision 203(5) of this title that a
5 consumer pays for in advance and that is sold in predetermined units or dollars
6 that decline with use.

7 (C) “Seller” means a person who sells prepaid wireless
8 telecommunications service to a consumer.

9 (D) “Marketplace facilitator” shall have the same meaning as in 32
10 V.S.A. § 9701(56).

11 * * * Meals and Rooms Tax * * *

12 Sec. 13. 32 V.S.A. § 9248 is amended to read:

13 § 9248. **INFORMATIONAL REPORTING**

14 ~~The Department of Taxes shall collect information on operators from~~
15 ~~persons providing an Internet platform for the short-term rental of property for~~
16 ~~occupancy in this State. The information collected shall include any~~
17 ~~information the Commissioner shall require, and the name, address, and terms~~
18 ~~of the rental transactions of persons acting as operators through the Internet~~
19 ~~platform. The failure to provide information as required under this section~~
20 ~~shall subject the person operating the Internet platform to a fine of \$5.00 for~~
21 ~~each instance of failure. The Commissioner is authorized to adopt rules and~~
22 ~~procedures to implement this section. [Repealed.]~~

1 Commissioner for the refund of all or any part of the amount of tax paid ~~with~~
2 ~~respect to the return~~. Unless the period is extended by agreement of the
3 Commissioner and the taxpayer, the Commissioner shall thereafter, upon
4 notice to the taxpayer, hold a hearing on the claim and shall notify the taxpayer
5 of his or her determination of the claim within 30 days of the hearing. The
6 failure of the Commissioner to refund the amount claimed by a taxpayer within
7 six months of the date of the petition for the refund, under this subsection, shall
8 be considered to be a notification to the taxpayer of the Commissioner's
9 determination concerning the claim. The notification shall be considered to
10 have been given on the date of the expiration of the six-month period.

11 * * * Income Tax Returns * * *

12 Sec. 17. 32 V.S.A. §5868 is amended to read:

13 § 5868. EXTENSION OF TIME FOR FILING OF RETURNS

14 The Commissioner may extend the time within which a taxpayer is required
15 to file a return. The Commissioner shall, ~~upon receipt of documentation that a~~
16 ~~corporation has been granted either an automatic or a good cause extension of~~
17 ~~the time for filing its United States income tax return~~, extend the time for filing
18 the corporation's Vermont income tax return to ~~30 days~~ one month after the
19 extended date for filing the United States income tax return, provided the
20 corporation indicates on the return that it received an extension to file its
21 United States income tax return. An extension of the time in which to file a

1 return will not result in a corresponding extension of the time for the payment
2 of the tax liability with respect to which the return is filed.

3 Sec. 18. 32 V.S.A. § 5866 is amended to read:

4 § 5866. SUPPLEMENTAL INFORMATION; CHANGES IN FEDERAL
5 TAX LIABILITY OR TAXABLE INCOME

6 (a) If, after the time for filing any return required by this chapter, a
7 taxpayer

8 (1) becomes aware of any information which makes that return
9 materially false, inaccurate, or incomplete; or

10 (2) is notified of any assertion by the United States, whether under
11 Section 6212 of the Internal Revenue Code of 1986 or otherwise, that the
12 taxpayer's taxable income under the laws of the United States is other than the
13 amount stated in the return; or

14 (3) files an amended return under the laws of the United States,
15
16 the taxpayer shall, within ~~60~~ 180 days of the receipt of that information or
17 notification of that assertion or filing that amended return, notify the
18 Commissioner thereof, and of such particulars as may be relevant to the
19 amount of any tax liability of the taxpayer under this chapter.

20 * * *

21 * * * Department of Taxes; Administration * * *

22 Sec. 19. 32 V.S.A. § 3102(n) is added to read:

1 (n) Data reported to the Commissioner of Taxes by a deposit initiator under
2 10 V.S.A. § 1530 shall not be considered confidential return or return
3 information under this section, provided that the Commissioner may disclose
4 the data in summary or aggregated form that does not directly or indirectly
5 identify individual deposit initiators except to the Secretary of Natural
6 Resources in relation to the administration of 10 V.S.A. chapter 53.

7 Sec. 20. 10 V.S.A. § 1530(e) is amended to read:

8 (e) Data reported to the Secretary of Natural Resources and the
9 Commissioner of Taxes by a deposit initiator under this section shall be
10 confidential business information exempt from public inspection and copying
11 under 1 V.S.A. § 317(c)(9) but shall not be confidential return information
12 under 32 V.S.A. § 3102, provided that the Commissioner of Taxes may use
13 and disclose such information in summary or aggregated form that does not
14 directly or indirectly identify individual deposit initiators except to the
15 Secretary of Natural Resources in relation to the administration of this chapter.

16 Sec. 21. 32 V.S.A. § 3202(b)(5) is amended to read:

17 (5) Fraudulent failure to pay. When a taxpayer fraudulently or with
18 willful intent to defeat or evade a tax liability imposed by this title, ~~either~~ fails
19 to pay a tax liability on the date prescribed therefor, ~~or~~ requests and receives a
20 refund of a tax liability, or requests but does not receive a refund of a tax
21 liability, then, in addition to any interest payable pursuant to subsection (a) of
22 this section, the Commissioner may assess and the taxpayer shall then pay a

1 penalty equal to the amount of the tax liability unpaid on the prescribed date of
2 payment ~~or~~, the amount received as a refund subsequent to that date, or the
3 amount requested but not received as a refund.

4 * * * Effective Dates * * *

5 Sec. 22. EFFECTIVE DATES

6 This act shall take effect on passage except:

7 (1) Sec. 3, 32 V.S.A. § 5402(b)(1) (property tax bill), shall take effect on
8 January 1, 2022.

9 (2) Notwithstanding 1 V.S.A. § 214, Secs. 6, 32 V.S.A. § 6061(5)
10 (household income), and 9, 32 V.S.A. § 5870 (use tax reporting), shall take
11 effect retroactively on January 1, 2020 and apply to taxable years beginning on
12 and after January 1, 2020.

13 (3) Notwithstanding 1 V.S.A. § 214, Secs. 14–15 (annual link to federal
14 statutes) shall take effect retroactively on January 1, 2020 and apply to taxable
15 years beginning on and after January 1, 2019.