

1 H.954

2 Representatives **XX of XX** move that the House concur in the Senate
3 proposal of amendment with further proposals of amendment as follows:

4 First: By inserting Sec. 4, property tax collection report, to read as follows:

5 Sec. 4. BILLING AND COLLECTION OF EDUCATION PROPERTY TAX;

6 DEPARTMENT OF TAXES; REPORT

7 On or before March 15, 2021, the Department of Taxes, in consultation with
8 the Vermont League of Cities and Towns, the Vermont Municipal Clerks' and
9 Treasurers' Association, the Vermont Bankers Association, and the
10 Association of Vermont Credit Unions, shall submit to the House Committees
11 on Ways and Means and on Government Operations and the Senate
12 Committees on Finance and on Government Operations a report studying
13 potential approaches to transitioning the responsibility for billing and
14 collecting the statewide education property tax from municipalities to the
15 Department. The report shall include recommended legislation and estimates
16 of the fiscal impact of the transition.

17 Second: By striking out Sec. 8, use tax safe harbor; report, in its entirety
18 and inserting in lieu thereof the following:

19 Sec. 8. 32 V.S.A. § 5870 shall be amended to read:

20 § 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX

21 RETURNS

22 (a) The Commissioner of Taxes shall provide that individuals report use tax
23 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> |
| <u>\$90,001.00 to \$100,000.00</u> | <u>\$45.00</u> |

1 regardless of whether or not conditioned upon continued payment from the
2 purchaser; or

3 (9) vendor-hosted prewritten computer software.

4 Sec. 10c. 32 V.S.A. § 9773 is amended to read:

5 § 9773. IMPOSITION OF COMPENSATING USE TAX

6 Unless property or telecommunications service has already been or will be
7 subject to the sales tax under this chapter, there is imposed on every person a
8 use tax at the rate of six percent for the use within this State, except as
9 otherwise exempted under this chapter:

10 * * *

11 (4) specified digital products transferred electronically to an end user;

12 ~~and~~

13 (5) telecommunications service except coin-operated telephone service,
14 private telephone service, paging service, private communications service, or
15 value-added non-voice data service; and

16 (6) vendor-hosted prewritten computer software.

17 Sec. 10d. REPEAL

18 2015 Acts and Resolves No. 51, Sec. G.8 (prewritten software accessed
19 remotely) is repealed.

20 Fourth: By striking out Sec. 26, official State revenue estimate, and its
21 reader assistance heading and Sec. 27, 2019 Acts and Resolves No. 20, Sec.
22 109, in their entireties and inserting in lieu thereof:

23 Sec. 26. [Deleted.]

1 Sec. 27. 32 V.S.A. § 3757(f) is added to read:

2 (f)(1)(A) When the application for use value appraisal of agricultural land
3 and forestland has been approved by the State, the State shall record a notice of
4 contingent lien against the enrolled land in the land records of the municipality.

5 (B) The landowner shall bear the recording cost.

6 (C) The notice of contingent lien shall constitute notice to all
7 interested parties that a lien against the enrolled land will be created upon the
8 recording in the land records of a determination that development of that land,
9 as defined in section 3752 of this title, has occurred.

10 (D) The lien created by the recording of the notice of development
11 shall be for the amount of the land use change tax then due, as specified in the
12 notice of development.

13 (E) A lien recorded in the land records of a municipality under this
14 section on or after April 17, 1978 shall be deemed to be a contingent lien.

15 (2) The land use change tax and any obligation to repay benefits paid in
16 error shall not constitute a personal debt of the person liable to pay the same,
17 but shall constitute a lien that shall run with the land. All of the administrative
18 provisions of chapter 151 of this title, including those relating to collection and
19 enforcement, shall apply to the land use change tax. The Director shall release
20 the lien when notified that:

21 (A) the land use change tax is paid;

22 (B) the land use change tax is abated pursuant to this section;

1 (C) the land use change tax is abated pursuant to subdivision 3201(5)

2 of this title:

3 (D) the land is exempt from the levy of the land use change tax

4 pursuant to this section and the owner requests release of the lien; or

5 (E) the land is exempt from the levy of the land use change tax

6 pursuant to this section and the land is developed.

7 (3) Any fees related to the release of a lien under this subsection shall be

8 the responsibility of the owner of the land subject to the lien.

9 Sec. 27a. REPEAL

10 32 V.S.A. § 3777 (lien subordination) is repealed.

11 Fifth: By striking out Sec. 29, effective dates, in its entirety and inserting in
12 lieu thereof:

13 Sec. 29. EFFECTIVE DATES

14 This act shall take effect on passage except:

15 (1) Notwithstanding 1 V.S.A. § 214, Sec. 8, 32 V.S.A. § 5870 (use tax
16 reporting), shall take effect retroactively on January 1, 2020 and apply to
17 taxable years beginning on and after January 1, 2020.

18 (2) Secs. 10a–10d (vendor-hosted prewritten computer software) shall
19 take effect on January 1, 2021.

20 (3) Sec. 11 (universal service charge) shall take effect on July 1, 2021.

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

1 (5) Notwithstanding 1 V.S.A. § 214, Sec. 16 (TY 2016 refunds) shall
2 take effect retroactively on April 15, 2020.

3 (6) Notwithstanding 1 V.S.A. § 214, Secs. 27 and 27a (land use change
4 tax lien subordination) shall take effect retroactively on July 1, 2020.