

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 954
3 entitled “An act relating to miscellaneous tax provisions” respectfully reports
4 that it has considered the same and recommends that the Senate propose to the
5 House that the bill be amended as follows:

6 First: In Sec. 12, 32 V.S.A. § 9248, by striking out the section in its entirety
7 and inserting in lieu thereof a new Sec. 12 to read as follows:

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

9 § 9248. INFORMATIONAL REPORTING

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

19 Second: By striking out Sec. 19, 32 V.S.A. § 5825a(b), in its entirety and
20 inserting in lieu thereof the following:

1 Sec. 19. 32 V.S.A. § 5825a is amended to read:

2 § 5825a. CREDIT FOR VERMONT HIGHER EDUCATION

3 INVESTMENT PLAN CONTRIBUTIONS

4 (a) A taxpayer of this State, including each spouse filing a joint return,
5 shall be eligible for a nonrefundable credit against the tax imposed under
6 section 5822 of this title of 10 percent of the first \$2,500.00 per beneficiary,
7 contributed by the taxpayer during the taxable year to a Vermont ~~higher~~
8 ~~education investment plan~~ Higher Education Investment Plan account under
9 16 V.S.A. chapter 87, subchapter 7, provided the account is provided directly
10 by the Vermont Student Assistance Corporation to the participant.

11 (b) A taxpayer who has received a credit under subsection (a) of this
12 section shall repay to the Commissioner 10 percent of any distribution from a
13 higher education investment plan account, ~~which distribution is not used~~
14 ~~exclusively for costs of attendance at an approved postsecondary education~~
15 ~~institution as defined in 16 V.S.A. § 2822(6)~~, up to a maximum of the total
16 credits received by the taxpayer under subsection (a) of this section minus any
17 amount of repayment of such credits in prior tax years except when the
18 distribution:

19 (1) is used exclusively for costs of attendance at an approved
20 postsecondary education institution as defined in 16 V.S.A. § 2822(6);

1 (4) “Internal Revenue Code” means the federal Internal Revenue Code
2 of 1986, as amended, together with the regulations promulgated ~~thereunder~~
3 pursuant to that Code.

4 (5) “Qualified postsecondary education costs” means the ~~qualified costs~~
5 ~~of tuition and fees and other expenses for attendance at an approved~~
6 ~~postsecondary education institution~~ costs of tuition and fees for attendance at
7 an approved postsecondary education institution, and other qualified higher
8 education expenses as provided under 26 U.S.C. § 529.

9 (6) “Approved postsecondary education institution” means a
10 postsecondary education institution as defined in section 2822 of this title.

11 (7) “Vermont Higher Education Investment Plan” or “Investment Plan”
12 means ~~the program~~ one or more plans created pursuant to this subchapter.

13 (8) “Participant” means a person who has entered into a participation
14 agreement pursuant to this subchapter intended for the ~~advance~~ payment of
15 qualified postsecondary education costs on behalf of a beneficiary.

16 (9) “Participation agreement” means an agreement between a participant
17 and the Corporation, pursuant to and conforming with the requirements of this
18 subchapter.

19 § 2877. VERMONT HIGHER EDUCATION INVESTMENT PLAN

20 CREATED

1 (a) There is created a program of the State to be known as the Vermont
2 Higher Education Investment Plan and a trust for that purpose to be
3 administered by the Vermont Student Assistance Corporation as an
4 instrumentality of the State. The program may consist of one or more different
5 investment plans, including one or more plans that may be offered to a
6 participant only with the assistance of a qualified financial advisor.

7 (b) In order to establish and administer the Investment Plan, the
8 Corporation, in addition to its other powers and authority, shall have the power
9 and authority to:

10 * * *

11 (2) Enter into agreements with any ~~institution of approved~~
12 postsecondary education institution, the State, or any federal or other agency or
13 entity as required for the operation of ~~the~~ an Investment Plan pursuant to this
14 subchapter.

15 (3) Accept any grants, gifts, legislative appropriations, and other
16 ~~moneys~~ monies from the State; any unit of federal, State, or local government;
17 or any other person, firm, partnership, or corporation for ~~deposit~~ contribution
18 to the account of the Investment Plan, or for the operation or other related
19 purposes of the Corporation.

20 (4) Invest the funds received from participants in appropriate investment
21 vehicles approved and held in trust for participants by the Corporation as

1 selected by the participants, including education loans made by the
2 Corporation.

3 (5) Enter into participation agreements with participants.

4 (6) Develop and use two or more types of participation agreements to
5 provide a range of investment ~~structures~~ options for participants.

6 (7) Make payments ~~to institutions of postsecondary education on behalf~~
7 ~~of beneficiaries~~ as directed by the participants pursuant to participation
8 agreements.

9 (8) Make refunds to participants upon the termination of participation
10 agreements pursuant to the provisions, limitations, and restrictions set forth in
11 this subchapter and the rules ~~and regulations, policies, and procedures~~
12 by the Corporation.

13 (9) Make provision for the payment of costs of administration and
14 operation of ~~the~~ an Investment Plan subject to the limitations on charges on
15 participation agreements established in subdivision 2878(5) of this title.

16 (10) Adopt rules ~~and regulations, policies, and procedures~~ to implement
17 this subchapter and take all necessary action to ensure an Investment Plan is in
18 conformance with the Internal Revenue Code and other applicable law.

19 * * *

1 § 2878. PARTICIPATION AGREEMENTS FOR INVESTMENT PLAN

2 The Corporation shall have the authority to enter into Investment Plan
3 participation agreements with participants ~~on behalf of beneficiaries~~ pursuant
4 to the provisions of this subchapter, including the following terms and
5 agreements:

6 (1) A participation agreement shall stipulate the terms and conditions of
7 the Investment Plan ~~in to~~ which the participant makes ~~deposits~~ contributions.

8 (2) A participation agreement shall clearly specify the method for
9 calculating the return on the ~~deposit made by the participant, which may be a~~
10 ~~variable or adjustable rate of return~~ various investment options available and
11 shall reference the relevant expenses and other pertinent information about the
12 account.

13 * * *

14 (4) A participation agreement shall clearly and prominently disclose to
15 participants the risks associated with ~~depositing monies with the Corporation~~
16 the various investment options available under the applicable Investment Plan.

17 (5) Participation agreements shall be organized and presented in a way
18 and with language that is easily understandable by the general public. A
19 participation agreement shall clearly and prominently disclose to participants
20 that the Corporation, the State, and any other governmental entity are not liable
21 for, nor guarantee the return of or on the participant's contributions to an

1 Investment Plan. A participation agreement shall also clearly and prominently
2 disclose to participants the existence of any load charge or similar charge
3 assessed against the accounts of the participants for administration, operation,
4 or services. No fee or similar charge may be imposed with regard to an
5 investment managed by the Corporation. Any fee, load, or similar charge with
6 regard to any investment not managed by the Corporation shall be no greater
7 than the cost determined by the Corporation to be required to administer the
8 investment. The cost of originating and servicing any education loans made or
9 acquired pursuant to participation agreements shall not be considered as load
10 charges or similar charges.

11 * * *

12 § 2878a. PARTICIPATION AGREEMENTS FOR INVESTMENT PLAN;
13 INDIVIDUAL DEVELOPMENT INVESTMENT ACCOUNTS

14 The Corporation may participate in the Individual Development Investment
15 Program established under 33 V.S.A. § 1123, in accordance with the rules of
16 the Agency of Human Services adopted thereunder, in connection with an
17 individual or family who, at the time of ~~depositing~~ contributing funds into an
18 account created pursuant to a Vermont Higher Education Investment Plan,
19 receives public assistance or is otherwise an eligible saver under 33 V.S.A.
20 § 1123.

1 § 2879. INVESTMENT AND PAYMENTS

2 All money paid by a participant in connection with a participation
3 ~~agreements~~ agreement shall be ~~deposited~~ credited to the participant's account
4 as received, held by the Corporation in trust for the benefit of the participant,
5 and shall be promptly invested by the Corporation as selected by the
6 participant from the investment options available under the participation
7 agreement. ~~Deposits and earnings thereon accumulated on behalf of~~
8 ~~participants in the Investment Plan~~ Contributions and earnings accumulated in
9 a participant's Investment Plan account may be used, as provided in the
10 participation agreement, for payments to any institution of postsecondary
11 education including for payments of qualified postsecondary education costs.
12 The trust shall continue in existence as long as it holds any funds belonging to
13 a participant.

14 * * *

15 § 2879c. TAX EXEMPTION

16 * * *

17 (b) Contributions to an account held under ~~the~~ a Vermont Higher Education
18 Investment Plan that is provided directly by the Corporation to a participant
19 shall be eligible for a credit against Vermont income tax as provided under
20 32 V.S.A. § 5825a.

1 § 2879D. PROPERTY RIGHTS TO ASSETS IN THE PLAN

2 The assets of the Vermont Higher Education Investment Plan shall at all
3 times be held in trust for the benefit of the participant, shall not be commingled
4 with any other funds of the Corporation or the State, shall be preserved,
5 invested, and expended solely and only for the purposes set forth in this
6 chapter and in accordance with the participation agreements, and no property
7 rights therein shall exist in favor of the Corporation or the State. Amounts held
8 in, or withdrawn from, a participant's Investment Plan account under a
9 participation agreement shall not be subject to liens, attachment, garnishment,
10 levy, seizure, claim by creditors of the contributors, participants, or any
11 beneficiary, or subject to any involuntary sale, transfer, or assignment by any
12 execution or any other legal or equitable operation of law, including
13 bankruptcy or insolvency laws.

14 * * *

15 Third: By inserting a Sec. 25a to read as follows:

16 Sec. 25a. 32 V.S.A. § 5933(a) is amended to read:

17 (a) A claimant agency may submit any debt of ~~\$50.00~~ \$45.00 or more to
18 the Department for collection under the procedure established by this chapter.
19 This setoff debt collection remedy is in addition to and not in substitution for
20 any other remedy available by law.

1 charged by banks” shall mean the average predominate prime rate quoted by
2 commercial banks to large businesses as determined by the Board of
3 Governors of the Federal Reserve Board.

4 * * * Effective Dates * * *

5 Sec. 29. EFFECTIVE DATES

6 This act shall take effect on passage except:

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

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

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

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

16
17
18 (Committee vote: _____)

19 _____

20 Senator _____

21 FOR THE COMMITTEE