

**H.954 – MISCELLANEOUS TAX BILL – SIDE BY SIDE – 09/15/2020**

As Passed House vs. Senate Proposal of Amendment vs DRAFT W&M Concurrence with Further Proposals of Amendment

Sec.	As Passed House	Sec.	Senate Proposal of Amendment	Sec.	DRAFT W&M Concurrence with Further Proposals of Amendment
<b>Education Property Tax</b>					
1	32 V.S.A. § 4261 Allows one additional day for towns to make corrections to grand list: Dec. 31 <sup>st</sup> (currently corrections must be made before Dec. 31 <sup>st</sup> ).				
2	32 V.S.A. § 4342 Allows towns to request extension for filing grand list with the State without having to record extension with town clerk.				
3	32 V.S.A. § 5405(f) <ul style="list-style-type: none"> <li>• Requires towns to segregate funds received from the State for the preparation of the education grand list.</li> <li>• Removes reference to equalization and reappraisal account, which was removed from Education Fund in 2018.</li> </ul>				
4	PROPERTY TAX COLLECTION PLAN Requires Dept. of Taxes to submit plan to Legislature on Jan. 15, 2021 to transition billing and collection of education property tax from municipalities to Dept.	4	Deleted.	4	PROPERTY TAX COLLECTION REPORT Requires Dept. of Taxes to submit report to Legislature on February 1, 2021 studying approaches to transitioning billing and collection of education property tax from municipalities to Dept.

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<b>5</b>	32 V.S.A. § 3752(10) 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.				
<b>6</b>	32 V.S.A. § 4465 Increase property tax hearing officer per diem from \$120/day to \$150/day.				
<b>Property Transfer Tax</b>					
<b>7</b>	32 V.S.A. § 9605(a) 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.				
<b>Sales and Use Tax</b>					
<b>8</b>	32 V.S.A. § 5870 Decreases use tax safe harbor amounts due following 2018 and 2019 remote seller collection requirement changes (Wayfair and Act 46 of 2019 marketplace facilitators). Changes safe harbor calculation to 0.05% of AGI, and only applies to AGI over \$20K.	<b>8</b>	USE TAX SAFE HARBOR REPORT Requires Dept. of Taxes to submit report on or before Jan. 15, 2021 analyzing fiscal impacts of <i>Wayfair</i> and marketplace facilitators legislation on remittance of Vermont use tax on personal income tax form, and recommending options for statutory change.	<b>8</b>	32 V.S.A. § 5870 Strikes use tax safe harbor report and reinserts use tax safe harbor language As Passed House.

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<b>9</b>	32 V.S.A. § 9701(9) Amends time period for determining whether sales made into Vermont require a remote seller or marketplace facilitator to collect and remit Vermont sales tax.				
<b>10</b>	32 V.S.A. § 9712 Repeals noncollecting vendor reporting requirement to the Dept. of Taxes. Does not remove requirement to report to purchasers.				
		<b>10a</b>	32 V.S.A. § 9741(54) Adds a new sales and use tax exemption for sales of recyclable paper carryout bags to consumers. Clarifies that sales to a store or food establishment, however, are not eligible for this new exemption, nor are they considered purchases for resale under definition of retail sale.	<b>10a</b>	Deletes sales tax exemption for paper bags, which was enacted in Act 150 of 2020 (S.342), Sec. 6.  32 V.S.A. § 9701(60) Inserts new sales tax definition of vendor-hosted prewritten computer software.
				<b>10b</b> - <b>10c</b>	32 V.S.A. §§ 9771 and 9773 Impose sales tax and use tax on sales of vendor-hosted prewritten computer software.
				<b>10d</b>	Repeals 2015 Acts and Resolves No. 51, Sec. G.8 sales and use tax exemption for prewritten software accessed remotely.

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<b>Universal Service Charge</b>					
<b>11</b>	30 V.S.A. § 7521(e) 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.				
<b>Meals and Rooms Tax</b>					
<b>12</b>	32 V.S.A. § 9248 Repeals short-term rental platform informational reporting to the Dept. of Taxes.	<b>12</b>	32 V.S.A. § 9248 Changes mandatory requirement that Dept. of Taxes collect information on short-term rental platforms to a discretionary authority to collect information.		
<b>Income Tax</b>					
<b>13-14</b>	32 V.S.A. §§ 5824 and 7402(8) Annual link to federal statutes for tax year 2019. See effective dates.				
<b>15</b>	32 V.S.A. § 5884(a) Extends statute of limitations for refunds of taxes paid (to prevent interest and penalties from accruing), or when refunds are used to offset other liabilities, when Dept. subsequently reverses its assessment.				
<b>16</b>	<b>EXTENSION FOR TY16 REFUNDS</b> Extends statute of limitations for petitions for tax year 2016 refunds from April 15 to July 15, 2020.				

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<b>17</b>	32 V.S.A. § 5866 Extends requirement that a taxpayer amend state income tax returns within 180 days of a federal audit, instead of 60 days.				
<b>18</b>	32 V.S.A. § 5868 Vermont income tax filing deadline is automatically extended for both individual and corporate taxpayers upon an automatic or good cause extension at the federal level. Corporations are also allowed one additional month to file.				
<b>529 Plans</b>					
<b>19</b>	32 V.S.A. § 5825a(b) Expands types of distributions from Vermont 529 accounts that will not trigger tax credit recapture. New allowable uses: expenses for registered apprenticeship programs and upon death or disability of beneficiary.	<b>19</b>	32 V.S.A. § 5825a Subsec. (a) excludes contributions to new financial advisor-sponsored VHEIP accounts from tax credit.		
		<b>19a</b>	16 V.S.A. ch. 87, subch. 7 Amends VT Higher Education Investment Plan statute to allow financial advisor-sponsored accounts in addition to accounts provided directly by VSAC to participants. Excludes contributions to new accounts from tax credit.		

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<b>Administrative Provisions</b>				
<b>20-21</b>	32 V.S.A. § 3102(n) and 10 V.S.A. § 1530(e) Beverage deposit redemption data reported to Dept. of Taxes is excluded from requirements of tax confidentiality, although data can only be disclosed in aggregate. Dept. of Taxes may provide ANR data in disaggregated form for administration purposes.			
<b>22</b>	32 V.S.A. § 3202(b)(5) Authorizes Dept. of Taxes to impose penalties for fraudulent requests for refunds, even if refund is not issued.			
<b>Public Service Billback Authority</b>				
<b>23</b>	30 V.S.A. § 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 public good certificate revocation, interest to be charged, use of outside collection agency, and use of tax offset program.			
<b>Judiciary Branch Fees</b>				
<b>24</b>	24 V.S.A. § 1981(a) Repeals \$10 surcharge for failure to pay penalty after a hearing or default judgment.			

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	Judiciary currently collects surcharge and transfers collections to municipality where violation occurred.				
<b>25</b>	32 V.S.A. § 1431 Clarifies that default \$295 filing fee applies to motions to appeal decisions from Probate Division of Superior Court.				
		<b>25a</b>	32 V.S.A. § 5933(a) Reduces minimum offset amount from \$50 to \$45 to allow the Dept. of Taxes to offset debts from \$47 Judiciary surcharge.		
<b>Official State Revenue Estimate</b>					
<b>26</b>	OFFICIAL STATE REVENUE ESTIMATE Extends 2020 deadline from July 31 to August 15 for Joint Fiscal Office and Secretary of Administration to submit to E-Board: (1) July estimates of State revenues; and (2) end-of-year Medicaid and Medicare reports.			<b>26</b>	Deleted.
<b>Land Use Change Tax Lien Subordination</b>					
		<b>27</b>	2019 Acts and Resolves No. 20, Sec. 109 Amends repeal of current use lien subordination section.	<b>27</b>	Deleted.

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<b>Interest Rate on Overpayments and Underpayments</b>					
		<b>28</b>	32 V.S.A. § 3108(a) Removes higher interest rate for underpayment of taxes (200 basis points over overpayment rate), to charge the same interest rate for both.		
<b>Tax Increment Financing Districts (TIFs)</b>					
				<b>29</b>	Extension of periods to incur debt in certain TIF districts subject to certain conditions.
				<b>30</b>	2013 Acts and Resolves No. 80, Sec. 18, as amended by 2016 Acts and Resolves No. 134, Sec. 9a. Strikes out executed construction contract requirement for three parcels in Burlington Waterfront TIF (requirement moved to new indebtedness period in Sec. 1).
<b>Effective Dates</b>					
<b>27</b>	Default effective date is upon passage.	<b>29</b>		<b>31</b>	
<b>27</b> <b>(1)</b>	32 V.S.A. § 5870 (use tax reporting) takes effect retroactively on January 1, 2020.	<b>29</b> <b>(1)</b>	Sales and use tax exemption for single-use bags takes effect on July 1, 2020.	<b>31</b> <b>(1)</b>	32 V.S.A. § 5870 (use tax reporting) takes effect retroactively on January 1, 2020.
<b>27</b> <b>(2)</b>	Annual link to 2019 federal statutes takes effect retroactively on January 1, 2020 and applies beginning in taxable year 2019.	<b>29</b> <b>(2)</b>	Universal Service Charge to be collected by marketplace facilitators takes effect on July 1, 2021.	<b>31</b> <b>(2)</b>	Prewritten software takes effect on January 1, 2021.



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<p><b>27</b> <b>(3)</b></p>	<p>Extension of statute of limitations for tax year 2016 refund requests takes effect retroactively on April 15, 2020.</p>	<p><b>29</b> <b>(3)</b></p>	<p>Annual link to 2019 federal statutes takes effect retroactively on January 1, 2020 and applies beginning in taxable year 2019.</p>	<p><b>31</b> <b>(3)</b></p>	<p>Universal Service Charge to be collected by marketplace facilitators takes effect on July 1, 2021.</p>
		<p><b>29</b> <b>(4)</b></p>	<p>Extension of statute of limitations for tax year 2016 refund requests takes effect retroactively on April 15, 2020.</p>	<p><b>31</b> <b>(4)</b></p>	<p>Annual link to 2019 federal statutes takes effect retroactively on January 1, 2020 and applies beginning in taxable year 2019.</p>
				<p><b>31</b> <b>(5)</b></p>	<p>Extension of statute of limitations for tax year 2016 refund requests takes effect retroactively on April 15, 2020.</p>