

H.954 – MISCELLANEOUS TAX BILL – SIDE BY SIDE

06/18/2020

Sec.	As Passed House	Sec.	Senate Finance Amendments draft 1.1
Education Property Tax			
1	32 V.S.A. § 4261 Allows one additional day for towns to make corrections to grand list: Dec. 31 st (currently corrections must be made before Dec. 31 st).		
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"> • Requires towns to segregate funds received from the State for the preparation of the education grand list. • Removes reference to equalization and reappraisal account, which was removed from Education Fund in 2018. 		
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.		
5	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.		
6	32 V.S.A. § 4465 Increase property tax hearing officer per diem from \$120/day to \$150/day.		

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Property Transfer Tax

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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.

Sales and Use Tax

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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.

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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.

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32 V.S.A. § 9712
Repeals noncollecting vendor reporting requirement to the Dept. of Taxes. Does not remove requirement to report to purchasers.

Universal Service Charge

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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.

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Meals and Rooms Tax			
12	32 V.S.A. § 9248 Repeals short-term rental platform informational reporting to the Dept. of Taxes.	12	Deleted.
Income Tax			
13-14	32 V.S.A. §§ 5824 and 7402(8) Annual link to federal statutes for tax year 2019. See effective dates.		
15	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.		
16	EXTENSION FOR TY16 REFUNDS Extends statute of limitations for petitions for tax year 2016 refunds from April 15 to July 15, 2020.		
17	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.		
18	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.		

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529 Plans			
19	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.	19	32 V.S.A. § 5825a <ul style="list-style-type: none"> • Subsec. (a) excludes contributions to new financial advisor-sponsored VHEIP accounts from tax credit. • Subsec. (b) adds student loan repayment as another allowable use of 529 account funds.
		19a	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.
Administrative Provisions			
20-21	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.		
22	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.		
Public Service Billback Authority			
23	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		

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	certificate revocation, interest to be charged, use of outside collection agency, and use of tax offset program.		
Judiciary Branch Fees			
24	24 V.S.A. § 1981(a) Repeals \$10 surcharge for failure to pay penalty after a hearing or default judgment. Judiciary currently collects surcharge and transfers collections to municipality where violation occurred.		
25	32 V.S.A. § 1431 Clarifies that default \$295 filing fee applies to motions to appeal decisions from Probate Division of Superior Court.		
		25a	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.
Official State Revenue Estimate			
26	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.		
Land Use Change Tax Lien Subordination			
		27	2019 Acts and Resolves No. 20, Sec. 109 Amends repeal of current use lien subordination section.

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Interest Rate on Overpayments and Underpayments			
		28	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.
Effective Dates			
27	Default effective date is upon passage.	29	
27(1)	32 V.S.A. § 5870 (use tax reporting) takes effect retroactively on January 1, 2020.	29(1)	
27(2)	Annual link to 2019 federal statutes takes effect retroactively on January 1, 2020 and applies beginning in taxable year 2019.	29(2)	
27(3)	Extension of statute of limitations for tax year 2016 refund requests takes effect retroactively on April 15, 2020.	29(3)	