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H.249

Introduced by Representatives Colston of Winooski and McCormack of
Burlington

Referred to Committee on

Date:

Subject: Taxation; sales and use tax; motor vehicles; Reach Up Program

Statement of purpose of bill as introduced: This bill proposes to exempt motor vehicles purchased by a participant in the Reach Up Program as a benefit provided through the Department for Children and Families from sales and use tax and waive the initial registration fee for motor vehicles purchased by a participant in the Reach Up Program as a benefit provided through the Department for Children and Families.

An act relating to additional Reach Up Program benefits

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

Sec. 1. 32 V.S.A. § 8903 is amended to read:

§ 8903. TAX IMPOSED

(a)(1) There is ~~hereby~~ imposed upon the purchase in Vermont of a motor vehicle by a resident a tax at the time of such purchase, ~~payable as hereinafter provided.~~ Except as otherwise provided in this subsection or excepted in

1 section 8911 of this title, the amount of the tax shall be six percent of the
2 taxable cost of a:

- 3 (A) pleasure car as defined in 23 V.S.A. § 4;
4 (B) motorcycle as defined in 23 V.S.A. § 4;
5 (C) motor home as defined in subdivision 8902(11) of this title; or
6 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
7 23 V.S.A. § 367, other than a farm truck.

8 (2) For any other motor vehicle, it shall be six percent of the taxable cost
9 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
10 except that pleasure cars that are purchased, leased, or otherwise acquired for
11 use in short-term rentals shall be subject to taxation under subsection (d) of this
12 section.

13 (b)(1) ~~There~~ Except as otherwise provided in this subsection or excepted in
14 section 8911 of this title, there is hereby imposed upon the use within this State
15 a tax of six percent of the taxable cost of a:

- 16 (A) pleasure car as defined in 23 V.S.A. § 4;
17 (B) motorcycle as defined in 23 V.S.A. § 4;
18 (C) motor home as defined in subdivision 8902(11) of this title; or
19 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
20 23 V.S.A. § 367, other than a farm truck.

1 (2) For any other motor vehicle, it shall be six percent of the taxable cost
2 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
3 by a person at the time of first registering or transferring a registration to such
4 motor vehicle ~~payable as hereinafter provided~~, except no use tax shall be
5 payable ~~hereunder~~ if the tax imposed by subsection (a) of this section has been
6 paid, or the vehicle is a pleasure car that was purchased, leased, or otherwise
7 acquired for use in short-term rentals, in which case the vehicle shall be subject
8 to taxation under subsection (d) of this section.

9 (c) The Vermont registration, transfer of Vermont registration, or the
10 issuance of a Vermont certificate of title of a motor vehicle shall be conclusive
11 evidence that the purchase and use tax applies except as provided in section
12 8911 of this title.

13 (d) There is ~~hereby~~ imposed a use tax on the rental charge of each
14 transaction, in which the renter takes possession of the vehicle in this State,
15 during the life of a pleasure car purchased for use in short-term rentals, which
16 tax is to be collected by the rental company from the renter and remitted to the
17 Commissioner. The amount of the tax shall be nine percent of the rental
18 charge. Rental charge means the total rental charge for the use of the pleasure
19 car, but does not include a separately stated charge for insurance, or recovery
20 of refueling cost, or other separately stated charges which are not for the use of
21 the pleasure car. In the event of resale of the vehicle in this State for use other

1 than short-term rental, such transaction shall be subject to the tax imposed by
2 subsection (a) of this section.

3 (e)(1) Any person registering a pleasure car in this State subject to the tax
4 imposed by subsection (d) of this section must pay the tax imposed by
5 subsection (a) or (b) upon demand of the Commissioner if:

6 (A) the vehicle is rented for less than 30 days in a continuous period
7 of 365 days or for less than 60 days in a continuous period of 730 days; or

8 (B) the vehicle is no longer used in short-term rentals; and

9 (C) the vehicle has not been stolen, converted, or abandoned.

10 (2) For taxation purposes, the value of the vehicle shall be fixed in
11 accordance with section 8907 of this title as of the time the event causing the
12 imposition of the tax under subsection (a) or (b) of this section occurs.

13 (f) There is hereby imposed a tax at the rate prescribed in subsection (a) of
14 this section on any amount charged at the end of a motor vehicle lease contract
15 resulting from excess wear and tear or excess mileage.

16 (g)(1) There is hereby imposed upon the titling in this State a tax at the rate
17 provided for in subsection (a) or (b) of this section of the taxable cost of a:

18 (A) pleasure car as defined in 23 V.S.A. § 4;

19 (B) motorcycle as defined in 23 V.S.A. § 4;

20 (C) motor home as defined in subdivision 8902(11) of this title; or

1 shall be \$136.00. The annual fee shall be waived for one year for pleasure cars
2 purchased by a participant in the Reach Up Program established pursuant to
3 33 V.S.A. chapter 11 as a benefit provided through the Department for
4 Children and Families.

5 Sec. 4. EFFECTIVE DATE

6 This act shall take effect on July 1, 2019.