

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred House Bill  
3 No. 249 entitled “An act relating to the Reach Up and Reach Ahead pilot  
4 program” respectfully reports that it has considered the same and recommends  
5 that the Senate propose to the House that the bill be amended by striking out all  
6 after the enacting clause and inserting in lieu thereof the following:

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

8 § 8903. TAX IMPOSED

9 (a)(1) There is hereby imposed upon the purchase in Vermont of a motor  
10 vehicle by a resident a tax at the time of such purchase, ~~payable as hereinafter~~  
11 ~~provided. The~~ Except as otherwise provided in this subsection or excepted in  
12 section 8911 of this title, the amount of the tax shall be six percent of the  
13 taxable cost of a:

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

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

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

17 (D) vehicle weighing up to 10,099 pounds, registered pursuant to  
18 23 V.S.A. § 367, other than a farm truck.

19 (2) For any other motor vehicle, it shall be six percent of the taxable cost  
20 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,  
21 except that pleasure cars that are purchased, leased, or otherwise acquired for

1 use in short-term rentals shall be subject to taxation under subsection (d) of this  
2 section.

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

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

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

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

9 (D) vehicle weighing up to 10,099 pounds, registered pursuant to  
10 23 V.S.A. § 367, other than a farm truck.

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

19 (c) The Vermont registration, transfer of Vermont registration, or the  
20 issuance of a Vermont certificate of title of a motor vehicle shall be conclusive

1 evidence that the purchase and use tax applies except as provided in section  
2 8911 of this title.

3 (d) There is hereby imposed a use tax on the rental charge of each  
4 transaction, in which the renter takes possession of the vehicle in this State,  
5 during the life of a pleasure car purchased for use in short-term rentals, which  
6 tax is to be collected by the rental company from the renter and remitted to the  
7 Commissioner. The amount of the tax shall be nine percent of the rental  
8 charge. Rental charge means the total rental charge for the use of the pleasure  
9 car, but does not include a separately stated charge for insurance, or recovery  
10 of refueling cost, or other separately stated charges which are not for the use of  
11 the pleasure car. In the event of resale of the vehicle in this State for use other  
12 than short-term rental, such transaction shall be subject to the tax imposed by  
13 subsection (a) of this section.

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

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

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

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

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

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

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

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

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

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

12                   (D) vehicle weighing up to 10,099 pounds, registered pursuant to  
13           23 V.S.A. § 367, other than a farm truck.

14           (2) For any other motor vehicle, it shall be at the rate provided for in  
15           subsection (a) or (b) of this section and paid by a person at the time of  
16           obtaining a certificate of title to the vehicle, except no tax shall be payable  
17           ~~hereunder~~ if the tax imposed by subsection (a) or (b) of this section has been  
18           paid, or the vehicle is a pleasure car which was purchased, leased, or otherwise  
19           acquired for use in short-term rentals, in which case the vehicle shall be subject  
20           to taxation under subsection (d) of this section.

1 Sec. 2. 32 V.S.A. § 8911 is amended to read:

2 § 8911. EXCEPTIONS

3 The tax imposed by this chapter shall not apply to:

4 \* \* \*

5 (6) A pleasure car purchased by the Department for Children and  
6 Families for a participant in the Reach Up Program established pursuant to  
7 33 V.S.A. chapter 11 as a support service provided through the Department.

8 \* \* \*

9 Sec. 3. 32 V.S.A. § 8900(g) is added to read:

10 (g) The statutory purpose of the exemption for participants in the Reach Up  
11 Program who are provided with a pleasure car by the Department for Children  
12 and Families in subdivision 8911(6) of this title is to remove certain costs to a  
13 qualifying participant in the Reach Up Program who is provided with a  
14 pleasure car by the Department for Children and Families.

15 Sec. 4. 23 V.S.A. § 361 is amended to read:

16 § 361. PLEASURE CARS

17 The annual fee for registration of any motor vehicle of the pleasure car type,  
18 and all vehicles powered by electricity, shall be \$74.00, and the biennial fee  
19 shall be \$136.00. The annual fee shall be waived for one year for pleasure cars  
20 purchased by the Department for Children and Families for a participant in the

1 Reach Up Program established pursuant to 33 V.S.A. chapter 11 as a support  
2 service provided through the Department.

3 Sec. 5. 3 V.S.A. § 2822(m)(1) is amended to read:

4 (m)(1) Except as provided in subdivision (3) of this subsection, in addition  
5 to any other requirement or fee required for registration, on and after January  
6 1, 1994, a motor vehicle registered under 23 V.S.A. chapter 7 shall be assessed  
7 an annual emission fee of \$2.00 at time of first registration and annually  
8 thereafter unless the registration fee is waived pursuant to 32 V.S.A. § 361.

9 Sec. 6. EFFECTIVE DATE

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

11 and that after passage the title of the bill be amended to read: “An act relating  
12 to additional Reach Up Program support services”

13

14

15

16

17

18

19 (Committee vote: \_\_\_\_\_)

20

21

\_\_\_\_\_

Senator \_\_\_\_\_

1

FOR THE COMMITTEE