
This act summary is provided for the convenience of the public and members of the General Assembly. It is intended to provide a general summary of the act and may not be exhaustive. It has been prepared by the staff of the Office of Legislative Counsel without input from members of the General Assembly. It is not intended to aid in the interpretation of legislation or to serve as a source of legislative intent.

Act No. 73 (H.436). Taxation and fees; miscellaneous

An act relating to miscellaneous changes to Vermont's tax laws

This act makes numerous miscellaneous changes to Vermont's tax laws, including the meals and rooms tax, sales and use tax, education property tax, and income tax. By tax type, this act makes the following notable changes:

- Meals and rooms tax
 - Applies meals tax to taxable meals delivered to customers and to any delivery or other facilitator charge. Makes taxable meal facilitators liable for collection and remittance of meals tax. Effective August 1, 2021.
 - Exempts alcoholic beverages from tax when sold under the same circumstances under which food or beverage is exempt. Effective April 1, 2021.
- Sales and use tax
 - Creates a new exemption for “feminine hygiene products.”
 - Clarifies that wood pellets sold at retail to an individual or delivered to an individual's residence are presumed to be tax-exempt as residential sales of fuel for domestic use.
- Education property tax
 - Sets the education property tax yields and nonhomestead rate for fiscal year 2022.
 - Allows certain mistakes on the property tax credit claim form to be amended by the claimant without requiring an extraordinary relief order.
 - Excludes capital project costs when granted preliminary approval from excess spending penalty calculation.
 - Creates 3.5% hold harmless provision for purposes of determining a school district's weighted membership.
 - Allows a school district that received a small schools grant in fiscal year 2020 to continue to receive an annual small schools grant.
 - Requires the Commissioner of Taxes, on or before January 15, 2022, to submit a report to the Legislature proposing ways to assist towns with appraising high-value or unique commercial properties, including property owned by utilities.

- Amends the audit schedule for Burlington Waterfront Tax Increment Financing (TIF) district and extends the periods for TIF districts to incur indebtedness by one year.
- Income tax
 - Conforms Vermont income tax law applicable to taxable years 2021 and after, to the federal statutes in effect on March 31, 2021.
 - Conforms to the federal exclusion of forgiven Payroll Protection Program loans from taxable income.

This act also makes the following miscellaneous changes:

- sets the workers' compensation rates for fiscal year 2022
- amends certain town clerk recording fees
- extends the repeal of certain health care-related taxes
- amends the dates for pharmaceutical manufacturers to report and pay fees to the Attorney General's Office for allowable expenditures or gifts
- requires the Commissioner of Taxes, on or before January 15, 2022, to submit a report to the Legislature proposing options to collect and report data annually on the number and grand list value of secondary residences located within Vermont
- retroactively corrects an erroneous technical revision to contingent current use liens
- allows the Commissioner of Taxes to accept all methods of payment deemed necessary for the effective administration of taxes

Multiple effective dates, beginning on July 1, 2020