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**Act No. 179 (H.738). Taxation; income taxes; property transfer tax; sales and use tax; property valuation; tax increment financing; administration of taxes; miscellaneous**

**An act relating to technical and administrative changes to Vermont's tax laws**

This act makes numerous technical and administrative changes to Vermont's tax laws, including:

- clarifies that property transfer tax applies to enhanced life estate deeds in the same way as to conventional life estates, and defines the value of life estate or enhanced life estate deeds to which the property transfer tax applies;
- aligns corporate income tax estimated payment and filing deadlines for purposes of penalties and interest on underpayments;
- replaces all references to the Children's Trust Fund with the Vermont Children's Trust Foundation for purposes of administering the income tax return checkoff box for individuals to elect to donate a portion of their income tax refund;
- authorizes Vermont to require reporting or to assess tax on partnerships following federal audits and adjustments, when federal tax is assessed to and paid by the partnership or by individual partners, and allows partnerships to elect either to pay the adjusted Vermont tax or to allow individual partners to pay;
- amends uniform capacity tax section cross-reference to property tax system with regard to valuation of land underlying a solar energy plant or an energy storage facility;
- amends mileage reimbursement for legislators during any session of the General Assembly so that only actual mileage traveled will be reimbursed;
- expands the list of allowable uses of funds withdrawn from a Vermont Higher Education Investment Plan account (529 plan account) that will not trigger recapture of the 10 percent Vermont tax credit, to include the new allowable use of repayment of student loans for higher education only;
- authorizes the City of Montpelier, with Vermont Economic Progress Council's approval, to reset the original taxable value in its tax

increment financing (TIF) district to April 1, 2023 grand list values, provided certain conditions are met;

- expands the sales and use tax exemption for manufacturing machinery and equipment so that manufacturing machinery and equipment that is part of an integrated production process will be exempt; and
- replaces the description of menstrual products exempt from the sales and use tax with more respectful language.

This act also makes numerous miscellaneous changes to Vermont statutes, including:

- clarifies that fishing, hunting, or trapping licenses for a certified citizen of a State-recognized Native American Indian tribe will be received free of charge;
- strikes requirement that ownership of grant-funded network assets of a grantee of the Broadband Construction Grant Program be automatically transferred “to the State” if the grantee materially fails to comply with the grant conditions;
- requires a communications union district (CUD) to notify the Vermont Community Broadband Board if it is at risk of defaulting on a loan payment, and the Board, in turn, must notify the General Assembly (or the Joint Fiscal Committee if the General Assembly is not in session); and
- allows certain town officers and employees and school directors to have crime insurance coverage instead of requiring the individuals to give a bond conditioned for the faithful performance of the individual’s duties.

Multiple effective dates, beginning on July 1, 2021