

1 S.44

2 Introduced by Senators Pollina, Perchlik and White

3 Referred to Committee on

4 Date:

5 Subject: Taxation; income taxes; natural resources; climate change; Green

6 New Deal

7 Statement of purpose of bill as introduced: This bill proposes to create a
8 Vermont Green New Deal to invest in actions that curb climate change. The
9 Vermont Climate Council would implement and oversee the Vermont Green
10 New Deal to fund energy conservation programs, prioritizing weatherization,
11 renewable energy, regenerative agriculture, and the use of electric vehicles.
12 This bill would also create a new income tax surcharge on high incomes that
13 would be deposited into a Vermont Green New Deal Fund to be administered
14 by the State Treasurer.

15 An act relating to a Vermont Green New Deal

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

17 * * * Vermont Green New Deal * * *

18 Sec. 1. 10 V.S.A. chapter 24 is amended to read:

19 CHAPTER 24. VERMONT CLIMATE COUNCIL ~~AND~~ CLIMATE
20 ACTION PLAN, AND VERMONT GREEN NEW DEAL

1 Subchapter 1. Vermont Climate Council and Climate Action Plan

2 §590. DEFINITIONS

3 * * *

4 Subchapter 2. Vermont Green New Deal

5 § 595. PURPOSE

6 The purpose of the Vermont Green New Deal is to invest in actions that
7 curb the impact of climate change caused by greenhouse gas emissions by
8 promoting and investing in energy conservation programs. Energy
9 conservation programs include weatherization, renewable energy, regenerative
10 agriculture, and the use of electric vehicles.

11 § 596. VERMONT GREEN NEW DEAL FUND

12 (a) There is created a special fund in the State Treasury to be known as the
13 “Vermont Green New Deal Fund.” The Fund shall be administered by the
14 State Treasurer and shall comprise all revenue raised by the income tax
15 surcharge imposed under 32 V.S.A. § 5822(a)(7) and any monies from time to
16 time appropriated to the Fund by the General Assembly or received from any
17 other source, private or public, approved by the State Treasurer. Unexpended
18 balances, interest, and earnings shall be administered in accordance with
19 32 V.S.A. § 588.

20 (b) Expenditures from the Fund shall only be made to implement and
21 effectuate improvements in energy conservation programs. Annually, a

1 minimum of \$5,000,000.00 shall be dedicated to investments in each of the
2 following areas: weatherization, renewable energy, regenerative agriculture,
3 and the use of electric vehicles.

4 § 597. OVERSIGHT; DUTIES; REPORT

5 (a) The Vermont Climate Council created under section 591 of this title
6 shall implement and oversee the Vermont Green New Deal to promote and
7 invest in improving energy conservation in accordance with this chapter.

8 (b) The Council shall develop standards, conditions, procedures, and
9 priorities for funding activities to combat climate change that are substantially
10 similar to the granting requirements issued by the Secretary of Administration
11 under Bulletin 5 and its attachments. The standards developed under this
12 subsection shall require compliance with the required employment practices
13 pursuant to 21 V.S.A. chapters 5, 9, and 17 and shall prioritize funding for
14 employers who provide a livable wage as established under 2 V.S.A. § 526.

15 (c) Annually on or before January 15 and July 31, the Council shall submit
16 to the Senate Committees on Agriculture, on Finance, and on Natural
17 Resources and Energy and the House Committees on Agriculture and Forestry,
18 on Natural Resources, Fish, and Wildlife, on Ways and Means, and on Energy
19 and Technology a report for the two previous quarters of the fiscal year ending
20 on June 30, detailing the activities undertaken, the revenues collected, and the
21 expenditures made by the Council under this chapter. The provisions of

1 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the reports
2 to be made under this section.

3 * * * Personal Income Tax Surcharge * * *

4 Sec. 2. 32 V.S.A. § 435(b) is amended to read:

5 (b) The General Fund shall be composed of revenues from the following
6 sources:

7 * * *

8 (5) Individual income taxes levied pursuant to chapter 151 of this title,
9 except for revenue levied and transferred pursuant to subdivision 5822(a)(7) of
10 this title;

11 * * *

12 Sec. 3. 32 V.S.A. § 5822(a)(7) is added to read:

13 (7)(A) If the federal adjusted gross income of the taxpayer includes any
14 amounts between \$200,000.00 and \$500,000.00, then the rate of taxation under
15 subdivisions (1)–(6) of this subsection on income between those amounts shall
16 be increased by 1.6 percent.

17 (B) If the federal adjusted gross income of the taxpayer exceeds
18 \$500,000.00, then the rate of taxation under subdivisions (1)–(6) of this
19 subsection on income over that amount shall be increased by 0.15 percent.

20 (C) Each year, on July 1, the Department of Finance and
21 Management shall estimate the amount of revenue raised under subdivisions

1 (A) and (B) of this subdivision (7) in the prior taxable year and that same
2 amount shall be transferred from the General Fund to the Vermont Green New
3 Deal Fund created under 10 V.S.A. § 597.

4 Sec. 4. REPEAL

5 32 V.S.A. § 5822(a)(7) (personal income tax surcharge) is repealed.

6 Sec. 5. 10 V.S.A. § 596(a) is amended to read:

7 (a) There is created a special fund in the State Treasury to be known as the
8 “Vermont Green New Deal Fund.” The Fund shall be administered by the
9 State Treasurer and shall comprise all revenue ~~raised by the income tax~~
10 ~~surcharge imposed under 32 V.S.A. § 5822(a)(7) and any monies from time to~~
11 ~~time~~ appropriated to the Fund by the General Assembly or received from any
12 other source, private or public, approved by the State Treasurer. Unexpended
13 balances, interest, and earnings shall be administered in accordance with
14 32 V.S.A. § 588.

15 Sec. 6. 32 V.S.A. § 435(b)(5) is amended to read:

16 (5) Individual income taxes levied pursuant to chapter 151 of this title;
17 ~~except for revenue levied and transferred pursuant to subdivision 5822(a)(7) of~~
18 ~~this title;~~

19 * * * Effective Dates * * *

20 Sec. 7. EFFECTIVE DATES

21 (a) This section shall take effect on passage.

1 (b) Notwithstanding 1 V.S.A. § 214, in Sec. 1, 10 V.S.A. § 596 (special
2 fund creation) and Secs. 2 (General Fund allocation) and 3 (income tax
3 surcharge) shall take effect retroactively on January 1, 2021 and shall apply to
4 taxable years beginning on and after January 1, 2021.

5 (c) In Sec. 1, 10 V.S.A. § 595 (Vermont Green New Deal purpose) and
6 10 V.S.A. § 597 (oversight by Vermont Climate Council) shall take effect on
7 July 1, 2021. In Sec. 1, the report required under 10 V.S.A. § 597(c) shall first
8 be due on or before January 15, 2022.

9 (d) Secs. 4–6 (repeal of surcharge) shall take effect on January 1, 2026 and
10 shall apply to taxable years beginning on and after January 1, 2026.