

1 S.80

2 Introduced by Senator Pearson

3 Referred to Committee on

4 Date:

5 Subject: Commerce and trade

6 Statement of purpose of bill as introduced: This bill proposes to make a
7 Vermont nonprofit organization ineligible for the State tax benefits that would
8 otherwise be available if the nonprofit provides compensation to any officer,
9 director, or employee that exceeds the salary of the President of the United
10 States.

11 An act relating to limiting employee compensation for State-funded
12 nonprofit organizations

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

14 Sec. 1. 32 V.S.A. § 707 is added to read:

15 § 707. NONPROFIT RECIPIENTS OF STATE FUNDING; LIMITATION

16 ON EMPLOYEE COMPENSATION

17 (a) If a nonprofit organization provides to any of its officers, directors, or
18 employees in its most recent fiscal year total compensation that exceeds the
19 compensation specified for the President of the United States, as specified in
20 3 U.S.C. § 102, then the organization is ineligible for any tax benefit conferred

1 under Vermont statute that is based on nonprofit status, including those
2 allowed under chapters 125 and 135 (property tax), 151 (income taxes), 225
3 (meals and rooms tax), 231 (property transfer tax), 233 (sales and use tax), and
4 236 (land gains tax) of this title, for two consecutive years following the year
5 in which the violation occurred.

6 (b)(1) The Secretary of Administration shall have the authority to collect
7 from nonprofit organizations information that is necessary to assess nonprofit
8 status pursuant to subsection (a) of this section.

9 (2) A nonprofit organization that refuses to provide information
10 requested by the Secretary is ineligible for tax benefits conferred under
11 Vermont statute pursuant to subsection (a) of this section.

12 Sec. 2. EFFECTIVE DATE

13 This act shall take effect on July 1, 2021.