

**H.436 – Miscellaneous Tax Bill – Side-by-Side Summary**  
As Passed by House vs. Senate Proposal of Amendment vs. House W&M Proposal of Amendment  
5/20/2021

Sec.	As Passed House	Sec.	Senate Proposal of Amendment	Sec.	House W&M Proposal of Amendment
<b>Meals and Rooms Tax</b>					
<b>1</b>	<p>32 V.S.A. § 9202</p> <p>Application of the meals tax when a meal delivery platform delivers meals to consumers and to any delivery or other facilitator charge. Adds new definition of “taxable meal facilitators,” who will be considered “operators” liable for collection and remittance of meals tax.</p>				
<b>2</b>	<p>32 V.S.A. § 9202</p> <p>Amends definitions of taxable meal and alcoholic beverages to exempt alcoholic beverages from tax when sold under the same circumstances under which food or beverage is exempt.</p>				
<b>Property Tax Credit Claim Form</b>					
<b>3</b>	<p>32 V.S.A. § 6074</p> <p>Allows claimants to amend certain lines of their Property Tax Credit claim form: housesite value, housesite education tax, housesite municipal tax, and ownership percentage. Currently, the only line that may be amended is household income and the only recourse for correcting other line errors is to request an extraordinary relief remedy from the Commissioner of Taxes through the Taxpayer Advocate.</p>				

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<b>Administration; payment methods</b>					
<b>4- 8</b>	<p>32 V.S.A. §§ 3110, 5874, 7483, 9243, 9776</p> <p>Allows Department to accept all payment types. Conforms to current Department policy to accept payment by check or ACH and to require payment by other means if an uncertified check is not honored.</p> <p>Amends methods of payments for several tax types to refer to 32 V.S.A. § 3110: income tax, estate tax, meals and rooms tax, and sales tax.</p>				
<b>Current Use</b>					
<b>9- 10</b>	<p>32 V.S.A. §§ 3757(f) and 3777</p> <p>Replaces inadvertently repealed subsection (§ 3757(f)) and repeals fee section (§ 3777) intended to be repealed on July 1, 2020.</p>				
<b>Sales and Use Tax</b>					
<b>11</b>	<p>32 V.S.A. § 9706(nn)</p> <p>Creates new statutory purpose for tax expenditure created in 2020: sales tax exemption for sales of recyclable paper carryout bags.</p>	<b>11</b>	<p>32 V.S.A. § 9706(nn) and (oo)</p> <p>Creates two new statutory purposes for tax expenditures:</p> <p>(nn) sales tax exemption for sales of recyclable paper carryout bags, which was created in 2020.</p> <p>(oo) sales tax exemption for feminine hygiene products.</p>		

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		11a	<p>32 V.S.A. § 9741(26) and (56)</p> <p>Clarifies existing sales and use tax exemption for fuel used in residences to create a presumption that wood pellets sold to an individual on a vendor’s premises or delivered to an individual’s residence is a sale for residential use and is tax-exempt.</p> <p>Creates a new sales and use tax exemption for feminine hygiene products and defines those products.</p>		
<b>Town Clerk Recording Fees</b>					
12	<p>32 V.S.A. § 5258</p> <p>Increases certain town clerk fees relating to warrant and levy for delinquent taxes from \$10 to \$15 per page or recording and decreases one fee from \$30 to \$15.</p>				
<b>Health Care Sunset Extensions</b>					
13	<p>33 V.S.A. § 1955a</p> <p>Extends home health agency assessment sunset from July 1, 2021 to July 1, 2023.</p>				
14	<p>32 V.S.A. § 10402</p> <p>Extends allocation of health care claims tax revenues to Health IT-Fund sunset from July 1, 2021 to July 1, 2023.</p>				

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<b>Pharmaceutical Manufacturers Annual Reporting</b>					
<b>15</b>	18 V.S.A. § 4632 Amends annual deadlines for manufacturers of prescribed products to report and pay fees to Attorney General’s Office for allowable expenditures or gifts. Makes both reporting and fee payment due on or before April 1.				
<b>Workers’ Compensation; FY 2022</b>					
<b>16</b>	The FY22 rate of contribution is unchanged from FY21 rate: <ul style="list-style-type: none"> <li>• 1.4% for workers’ compensation insurance premiums; and</li> <li>• 1% for self-insured workers’ compensation losses.</li> </ul>				
<b>Effective Dates</b>			<b>Education Property Tax; Yields; Nonhomestead Rate</b>		
<b>17</b>	Default effective date is July 1, 2021	<b>17</b>	Sets fiscal year 2022 yields and nonhomestead rate: <ul style="list-style-type: none"> <li>• property dollar equivalent yield: \$11,202</li> <li>• income dollar equivalent yield: \$13,770</li> <li>• nonhomestead rate: \$1.628</li> </ul>	<b>17</b>	Sets fiscal year 2022 yields and nonhomestead rate: <ul style="list-style-type: none"> <li>• property dollar equivalent yield: \$11,317</li> <li>• income dollar equivalent yield: \$13,770</li> <li>• nonhomestead rate: \$1.612</li> </ul>
<b>(1)</b>	Sec. 1 (taxable meal facilitators) takes effect on August 1, 2021.				
<b>(2)</b>	Sec. 2 (alcoholic beverages) takes effect retroactively on April 1, 2021.				
<b>(3)</b>	Secs. 9–10 (current use contingent lien and subordination fee) and 11 (tax expenditure statutory purpose) take effect retroactively on July 1, 2020. Notes that Secs. 9–10 are				

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	retroactive to correct an erroneous technical revision made to an act in 2019.				
<b>Exclusion from Excess Spending Penalty; Capital Project Cost</b>					
		<b>18</b>	16 V.S.A. § 4001 Adds exclusion from excess spending penalty calculation for capital project costs when granted preliminary approval.		
<b>Declining Enrollment; 3.5% Hold Harmless</b>					
		<b>19</b>	16 V.S.A. § 4010 Creates 3.5% hold harmless provision for purposes of determining a school district's weighted membership		
<b>Small Schools Grant</b>					
		<b>20</b>	16 V.S.A. § 4015 Allows a school district that received a small schools grant in FY 2020 to continue to receive an annual small schools grant.		
<b>Department of Taxes; Property Data Reports</b>					
		<b>21– 22</b>	Requires Commissioner of Taxes, on or before Jan. 15, 2022, to submit 2 reports to Legislature. <ul style="list-style-type: none"><li>• Sec. 21. Proposal for ways to assist towns with appraising high-value or unique commercial properties, including property owned by utilities.</li></ul>		

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			<p>Proposal must be prepared in consultation with VLCT.</p> <ul style="list-style-type: none"> <li>• Sec. 22. Report on options to collect and report data annually on the number and grand list value of secondary residences located within this State. Proposal must be prepared in consultation with VLCT and VMCTA.</li> </ul>		
<b>Annual Link to Federal Statutes</b>					
		<b>23</b>	<p>32 V.S.A. § 5824</p> <p>Updates the date of conformity of Vermont income tax laws to federal statutes in effect on March 31, 2021. This date captures the American Rescue Plan Act changes applicable to tax year 2021.</p>		
		<b>24</b>	<p>32 V.S.A. § 7402(8)</p> <p>Clarifies that Vermont estate tax conformity to federal statutes in effect on a certain date will continue to be the law until amended.</p>		
		<b>25</b>	<p><b>REPEAL; FORGIVEN PPP LOAN TAX TREATMENT</b></p> <p>Repeals 2021 Acts and Resolves No. 9, Sec. 23c, which included forgiven payroll protection program loans in taxable income starting in taxable year 2021.</p>		

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<b>Tax Increment Financing Districts</b>					
		<b>26</b>	32 V.S.A. § 5404a(1) Amends audit schedule for Burlington Waterfront Tax Increment Financing District: (i) not less than 5 years after effective date of rules adopted under 32 V.S.A. § 5404a(j)(1); (ii) not more than 3 years from the date debt is incurred as allowed by 2020 Acts and Resolves No. 175, Sec. 29 (4); (iii) a final audit at the end of the retention period for the District.	<b>26</b>	32 V.S.A. § 5404a(1) Makes one change to audit schedule for Burlington Waterfront TIF District: first audit shall be conducted on or after January 1, 2022.
				<b>26a</b>	2020 Acts and Resolves No. 175, Sec. 29 Extends the periods for TIF districts to incur indebtedness by 1 year.
<b>Effective Dates</b>					
		<b>27</b>	Default effective date is July 1, 2021	<b>27</b>	
		<b>(1)</b>	Sec. 1 (taxable meal facilitators) takes effect on August 1, 2021.		
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			July 1, 2020. Notes that Secs. 9–10 are retroactive to correct an erroneous technical revision made to an act in 2019.		
		(4)	Secs. 19–20 (3.5 percent hold harmless; small schools grant) take effect on passage.		
		(5)	Sec. 23 (TY 2021 link to federal income tax statutes) takes effect retroactively on March 31, 2021 and applies to taxable years 2021 and after.		
		(6)	Sec. 24 (TY 2020 link to federal estate tax statutes) takes effect retroactively on Jan. 1, 2021 and applies to taxable years 2020 and after.		
		(7)	Sec. 25 (repeal; forgiven PPP loans included in taxable income) takes effect retroactively on Jan. 1, 2021.		