

1 Introduced by Committee on Ways and Means

2 Referred to Committee on

3 Date:

4 Subject: Taxation; meals and rooms tax; property tax credit; payment methods;
5 administration

6 Statement of purpose of bill as introduced: This bill proposes to make
7 numerous substantive and administrative changes to Vermont’s tax laws.

8 An act relating to miscellaneous changes to Vermont’s tax laws

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

10 * * * Meals and Rooms Tax * * *

11 Sec. 1. 32 V.S.A. § 9202 is amended to read:

12 § 9202. DEFINITIONS

13 The following words, terms, and phrases when used in this chapter shall
14 have the meanings ascribed to them in this section unless the context clearly
15 indicates a different meaning:

16 * * *

17 (4) “Operator” means any person, or his or her agent, operating a hotel,
18 whether as owner or proprietor or lessee, sublessee, mortgagee, licensee, or
19 otherwise; and any person, or his or her agent, charging for a taxable meal or
20 alcoholic beverage; and any person, or his or her agent, engaged in both of the

1 (II) served or furnished on the premises of a school as defined
2 herein;

3 (III) served or furnished on the premises of any institution of
4 the State, political subdivision thereof or of the United States to inmates and
5 employees of such institutions;

6 (IV) prepared by the employees thereof and served in any
7 hospital licensed under 18 V.S.A. chapter 43;

8 (V) furnished by any person while transporting passengers for
9 hire by train, bus, or airplane if furnished on any train, bus, or airplane;

10 (VI) furnished by any person while operating a summer camp
11 for children, in such camp;

12 (VII) sold by nonprofit organizations at bazaars, fairs, picnics,
13 church suppers, or similar events to the extent of four such events of a day's
14 duration, held during any calendar year; provided, however, where sales are
15 made at such events by an organization required to have a meals and rooms
16 registration license or otherwise required to have a license because its selling
17 events are in excess of the number permitted, the sale of such food or beverage
18 or alcoholic beverages shall constitute sales made in the regular course of
19 business and are not exempted from the Vermont meals and rooms gross
20 receipts tax;

1 (VIII) furnished to any employee of an operator as
2 remuneration for his employment;

3 (IX) provided to the elderly pursuant to the Older Americans
4 Act, 42 U.S.C. chapter 35, subchapter III;

5 (X) purchased under the USDA Supplemental Nutrition
6 Assistance Program (SNAP);

7 (XI) served or furnished on the premises of a continuing care
8 retirement community certified under 8 V.S.A. chapter 151; or

9 (XII) prepared and served by the employees, volunteers, or
10 contractors of any nursing home, residential care home, assisted living
11 residence, home for the terminally ill, therapeutic community residence as
12 defined pursuant to 33 V.S.A. chapter 71, or independent living facility;
13 provided, however, that “contractor” under this subdivision excludes meals or
14 alcoholic beverages provided by a restaurant as defined by subdivision (15) of
15 this section when those meals or alcoholic beverages are not otherwise
16 available generally to residents of the facility.

17 * * *

18 (11) “Alcoholic beverages” means any malt beverages, vinous
19 beverages, spirits, or fortified wines as defined in 7 V.S.A. § 2 and served for
20 immediate consumption. “Alcoholic beverages” ~~do not include any beverages~~
21 served shall be exempt from the tax imposed under section 9241 of this chapter

1 when served under the circumstances enumerated in subdivision (10)(D)(ii) of
2 this section under which food or beverages or alcoholic beverages are excepted
3 from the definition of “taxable meal.”

4 * * * Property Tax Credit; Claim Amendment * * *

5 Sec. 3. 32 V.S.A. § 6074 is amended to read:

6 § 6074. AMENDMENT OF CERTAIN CLAIMS

7 At any time within three years after the date for filing claims under
8 subsection 6068(a) of this chapter, a claimant who filed a claim by October 15
9 may file to amend that claim with regard to housesite value, housesite
10 education tax, housesite municipal tax, and ownership percentage, or to correct
11 the amount of household income reported on that claim.

12 * * * Methods of Payment Accepted by Commissioner of Taxes * * *

13 Sec. 4. 32 V.S.A. § 3110 is amended to read:

14 § 3110. ~~PAYMENTS BY CREDIT CARD~~ ACCEPTED BY THE
15 COMMISSIONER

16 ~~The~~ Notwithstanding 32 V.S.A. § 583 and any other provision of law to the
17 contrary, the Commissioner may accept payment of taxes, license fees,
18 penalties, interest, fees, or other charges by any means ~~of that the~~
19 Commissioner deems necessary for the effective administration of
20 taxes. When accepting payment by bank credit cards and, the Commissioner
21 may charge the taxpayer an additional amount ~~which~~ that approximates the

1 cost of providing the service and ~~which~~ that is approved by the Secretary of
2 Administration for each payment made by credit card. Notwithstanding
3 section 502 of this title, the Commissioner may charge against ~~such~~ collections
4 paid using a bank credit card a percentage of collections and any service fee
5 imposed.

6 Sec. 5. 32 V.S.A. § 5874 is amended to read:

7 § 5874. METHOD OF PAYMENT

8 All tax liabilities imposed by this chapter may be paid pursuant to section
9 3110 of this title. A tax liability may be paid with uncertified check, ~~unless the~~
10 ~~Commissioner otherwise prescribes~~, but if a an uncertified check ~~so received~~ is
11 not honored by the bank on which it is drawn, the taxpayer shall remain liable
12 for the payment of the tax and for all lawful penalties and interest, in the same
13 manner as if the check had not been tendered.

14 Sec. 6. 32 V.S.A. § 7483 is amended to read:

15 § 7483. METHOD OF PAYMENT

16 All tax liabilities imposed by this chapter may be paid pursuant to section
17 3110 of this title. A tax liability may be paid with uncertified check, ~~unless the~~
18 ~~Commissioner otherwise prescribes~~, but if a an uncertified check ~~so received~~ is
19 not honored by the bank on which it is drawn, the taxpayer shall remain liable
20 for the payment of the tax and for all lawful penalties and interest, in the same
21 manner as if the check had not been tendered.

1 Sec. 7. 32 V.S.A. § 9243(a) is amended to read:

2 (a) Where the meals and rooms tax liability under this chapter for the
3 immediately preceding full calendar year has been (or would have been in
4 cases when the business was not operating for the entire year) \$500.00 or less,
5 the gross receipts taxes imposed by this chapter shall be due and payable in
6 quarterly installments on or before the 25th day of the calendar month
7 succeeding the quarter ending the last day of March, June, September, and
8 December of each year. In all other cases, the gross receipts tax imposed by
9 this chapter shall be due and payable monthly on or before the 25th (23rd of
10 February) day of the month following the month for which the tax is due. ~~The~~
11 Pursuant to section 3110 of this title, the Commissioner may authorize
12 payment of the tax due by electronic funds transfer. The Commissioner may
13 require payment by electronic funds transfer from any taxpayer who is required
14 by federal tax law to pay any federal tax in that manner, or from any taxpayer
15 who has submitted to the Department of Taxes two or more protested or
16 otherwise uncollectible checks with regard to any State tax payment in the
17 prior two years. Each operator shall make out and sign under the pains and
18 penalties of perjury a return for each quarter or month. The return shall be
19 filed with the Commissioner on a form prescribed by the Commissioner. The
20 Commissioner shall distribute return forms to the operators, upon request, but
21 no operator shall be excused from liability for failure to file a return or pay the

1 tax because he or she has failed to receive a form. A remittance for the amount
2 of taxes shall accompany each quarterly or monthly return. Returns shall be
3 made on forms provided by the Commissioner. Payment of taxes by electronic
4 funds transfer does not affect the requirement to file returns.

5 Sec. 8. 32 V.S.A. § 9776 is amended to read:

6 § 9776. PAYMENT OF TAX

7 Every person required to file a return under this chapter shall, at the time of
8 filing the return, pay to the Commissioner the taxes imposed by this chapter as
9 well as all other monies collected under this chapter; provided, however, that
10 every person who collects the tax from purchasers of taxable items according
11 to the tax bracket schedule of section 9772 of this title shall be allowed to
12 retain, as partial compensation for services rendered to the State of Vermont in
13 collecting the tax, any amount lawfully collected in excess of the tax imposed
14 by this chapter. ~~The Pursuant to section 3110 of this title, the~~ Commissioner
15 may authorize payment by electronic funds transfer. The Commissioner may
16 require payment by electronic funds transfer from any taxpayer who is required
17 by federal tax law to pay any federal tax in that manner, or from any taxpayer
18 who has submitted to the Department of Taxes two or more protested or
19 otherwise uncollectible checks with regard to any State tax payment in the
20 prior two years. All the taxes for the period for which a return is required to be
21 filed or for such lesser interval as shall have been designated by the

1 Commissioner, shall be due and payable to the Commissioner on the date
2 limited for the filing of the return for that period, or on the date limited for
3 such lesser interval as the Commissioner has designated, without regard to
4 whether a return is filed or whether the return which is filed correctly shows
5 the amount of receipts, amusement charges or the value of property or services
6 sold or purchased or the taxes due thereon.

7 * * * Current Use Contingent Lien; Subordination Fee * * *

8 Sec. 9. 32 V.S.A. § 3757(f) is added to read:

9 (f)(1)(A) When the application for use value appraisal of agricultural land
10 and forestland has been approved by the State, the State shall record a notice of
11 contingent lien against the enrolled land in the land records of the municipality.

12 (B) The landowner shall bear the recording cost.

13 (C) The notice of contingent lien shall constitute notice to all
14 interested parties that a lien against the enrolled land will be created upon the
15 recording in the land records of a determination that development of that land,
16 as defined in section 3752 of this title, has occurred.

17 (D) The lien created by the recording of the notice of development
18 shall be for the amount of the land use change tax then due as specified in the
19 notice of development.

20 (E) A lien recorded in the land records of a municipality under this
21 section on or after April 17, 1978 shall be deemed to be a contingent lien.

1 (2) The land use change tax and any obligation to repay benefits paid in
2 error shall not constitute a personal debt of the person liable to pay the same
3 but shall constitute a lien that shall run with the land. All of the administrative
4 provisions of chapter 151 of this title, including those relating to collection and
5 enforcement, shall apply to the land use change tax. The Director shall release
6 the lien when notified that:

7 (A) the land use change tax is paid;

8 (B) the land use change tax is abated pursuant to this section;

9 (C) the land use change tax is abated pursuant to subdivision 3201(5)
10 of this title;

11 (D) the land is exempt from the levy of the land use change tax
12 pursuant to this section and the owner requests release of the lien; or

13 (E) the land is exempt from the levy of the land use change tax
14 pursuant to this section and the land is developed.

15 (3) Any fees related to the release of a lien under this subsection shall be
16 the responsibility of the owner of the land subject to the lien.

17 Sec. 10. REPEAL

18 32 V.S.A. § 3777 is repealed.

19 * * * Tax Expenditure; Statutory Purpose * * *

20 Sec. 11. 32 V.S.A. § 9706(nn) is added to read:

1 the name and address of the individual responsible for the manufacturer's
2 compliance with the provisions of this section.

3 * * *

4 (b)(1) ~~Beginning January 1, 2013 and annually thereafter~~ Annually on or
5 before April 1, the Office of the Attorney General shall collect a \$500.00 fee
6 from each manufacturer of prescribed products filing annual disclosures of
7 expenditures greater than zero described in subsection (a) of this section.

8 * * *

9 * * * Effective Dates * * *

10 Sec. 16. EFFECTIVE DATES

11 This act shall take effect on July 1, 2021 except:

12 (1) Sec. 1 (taxable meal facilitators) shall take effect on August 1, 2021.

13 (2) Notwithstanding 1 V.S.A. § 214, Sec. 2 (alcoholic beverages) shall
14 take effect retroactively on April 1, 2021 and apply to sales made on and after
15 April 1, 2021.

16 (3) Notwithstanding 1 V.S.A. § 214, Secs. 9–10 (current use contingent
17 lien and subordination fee) and 11 (tax expenditure statutory purpose) shall
18 take effect retroactively on July 1, 2020. Secs. 9–10 shall take effect
19 retroactively to correct an erroneous technical revision to 2019 Acts and
20 Resolves, No. 20, Sec. 109(a).