

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred Senate Bill No.
3 181 entitled “An act relating to authorizing miscellaneous regulatory authority
4 for municipal governments” respectfully reports that it has considered the same
5 and recommends that the report of the Committee on Government Operations
6 be amended by striking out Sec. 14, effective date, and its reader assistance
7 heading in their entirety and inserting lieu thereof the following:

8 * * * JFO Report; Local Revenue Share * * *

9 Sec. 14. REPORT; JOINT FISCAL OFFICE; LOCAL OPTION TAX;

10 LOCAL REVENUE SHARE

11 The Joint Fiscal Office, in consultation with the Commissioner of Taxes,
12 the Vermont League of Cities and Towns, and the Vermont Municipal Clerks’
13 and Treasurers’ Association, shall analyze and evaluate a proposal to repeal the
14 existing local option tax relating to the sales and use tax under 24 V.S.A. §
15 138(b)(1) and the creation of a uniform local share of sales and use tax revenue
16 for all municipalities. On or before January 15, 2023, the Joint Fiscal Office
17 shall submit a written report to the House Committees on Government
18 Operations and on Ways and Means and the Senate Committees on Finance
19 and on Government Operations detailing the analysis required under this
20 section, which shall address the following issues:

1 (1) an allocation formula for the distribution of local share revenues to
2 municipalities that is based on the destination of each taxable sale and any
3 other relevant factors;

4 (2) a uniform percentage for the local share that will generate revenues
5 that are:

6 (A) sufficient to fund the State Payment in Lieu of Taxes program;

7 and

8 (B) substantially equivalent to revenues currently raised by
9 municipalities with an existing local option tax; and

10 (3) any other relevant factors, including the potential to lower the State
11 sales and use tax rate imposed under 32 V.S.A. §§ 9771 and 9773.

12 * * * Effective Date * * *

13 Sec. 15. EFFECTIVE DATE

14 This act shall take effect on July 1, 2022.

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18 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE