

1       Sec. 7. REPORT; JOINT FISCAL OFFICE; LOCAL OPTION TAX;

2                   LOCAL REVENUE SHARE

3           On or before January 15, 2023, the Joint Fiscal Office, in consultation with  
4       the Commissioner of Taxes, the Vermont League of Cities and Towns, and the  
5       Vermont Municipal Clerks' and Treasurers' Association, shall conduct a study  
6       and submit a written report to the House Committees on Government  
7       Operations and on Ways and Means and the Senate Committees on Finance  
8       and on Government Operations that provides options for repealing the existing  
9       local option tax relating to the sales and use tax under 24 V.S.A. § 138(b)(1)  
10       and creating a uniform local share of sales and use tax revenue for all  
11       municipalities. The report required under this section shall address options for:

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

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

17           (A) sufficient to fund the State Payment in Lieu of Taxes (PILOT)  
18       program; and

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

21           (3) any other relevant factors.

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(Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

FOR THE COMMITTEE