

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 436  
3 entitled “An act relating to miscellaneous changes to Vermont’s tax laws”  
4 respectfully reports that it has considered the same and recommends that the  
5 Senate propose to the House that the bill be amended as follows:

6 First: By striking out Sec. 11, 32 V.S.A. § 9706(nn), and its reader  
7 assistance heading in their entirety and inserting in lieu thereof the following:

8 \* \* \* Sales and Use Tax \* \* \*

9 Sec. 11. 32 V.S.A. § 9706(nn) and (oo) are added to read:

10 (nn) The statutory purpose of the exemption for sales of recyclable paper  
11 carryout bags in subdivision 9741(54) of this title is to lessen the cost of  
12 recyclable paper carryout bags incidental to other retail purchases made by  
13 customers in Vermont.

14 (oo) The statutory purpose of the exemption for feminine hygiene products  
15 in subdivision 9741(56) of this title is to limit the cost of goods that are  
16 necessary for the health and welfare of Vermonters.

17 Sec. 11a. 32 V.S.A. § 9741(56) is added to read:

18 (56) Feminine hygiene products. As used in this subdivision, “feminine  
19 hygiene products” means tampons, panty liners, menstrual cups, sanitary  
20 napkins, and other similar tangible personal property designed for feminine

1 hygiene in connection with the human menstrual cycle but does not include  
2 “grooming and hygiene products” as defined in this chapter.

3 Second: By striking out Sec. 17, effective dates, and its reader assistance  
4 heading in their entireties and inserting in lieu thereof the following:

5 \* \* \* Education Property Tax; Yields; Nonhomestead Rate \* \* \*

6 Sec. 17. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR  
7 EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR  
8 FISCAL YEAR 2022

9 (a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the  
10 property dollar equivalent yield shall be \$11,317.00.

11 (b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the income  
12 dollar equivalent yield shall be \$13,770.00.

13 (c) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law  
14 to the contrary, the tax rate for nonhomestead property for fiscal year 2022  
15 shall be \$1.612 per \$100.00 of equalized education property value.

16 \* \* \* Exclusion from Excess Spending Penalty; Capital Project Costs \* \* \*

17 Sec. 18. 16 V.S.A. § 4001 is amended to read:

18 § 4001. DEFINITIONS

19 As used in this chapter:

20 \* \* \*

1           (6) “Education spending” means the amount of the school district  
2 budget, any assessment for a joint contract school, career technical center  
3 payments made on behalf of the district under subsection 1561(b) of this title,  
4 and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is  
5 paid for by the school district, but excluding any portion of the school budget  
6 paid for from any other sources such as endowments, parental fundraising,  
7 federal funds, nongovernmental grants, or other State funds such as special  
8 education funds paid under chapter 101 of this title.

9           (A) [Repealed.]

10           (B) For purposes of calculating excess spending pursuant to  
11 32 V.S.A. § 5401(12), “education spending” shall not include:

12           (i) Spending during the budget year for:

13           (I) approved school capital construction for a project that  
14 received preliminary approval under section 3448 of this title, including  
15 interest paid on the debt, provided the district shall not be reimbursed or  
16 otherwise receive State construction aid for the approved school capital  
17 construction; or

18           (II) spending on eligible school capital project costs pursuant to  
19 the State Board of Education’s Rule 6134 for a project that received  
20 preliminary approval under section 3448 of this title.





1           (3) A school district that is eligible to receive an annual small schools  
2           grant under this subsection shall not also be eligible to receive a small school  
3           grant or its equivalent under subsection (b) of this section or under any other  
4           provision of law.

5                           \* \* \* Annual Link to Federal Statutes \* \* \*

6           Sec. 21. 32 V.S.A. § 5824 is amended to read:

7           § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

8           The statutes of the United States relating to the federal income tax, as in  
9           effect on ~~December 31, 2020~~ March 31, 2021, but without regard to federal  
10          income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of  
11          computing the tax liability under this chapter, and shall continue in effect as  
12          adopted until amended, repealed, or replaced by act of the General Assembly.

13          Sec. 22. 32 V.S.A. § 7402(8) is amended to read:

14          (8) “Laws of the United States” means the U.S. Internal Revenue Code  
15          of 1986, as amended through December 31, 2020, ~~which shall continue in~~  
16          ~~effect as adopted until amended, repealed, or replaced by act of the General~~  
17          ~~Assembly.~~ As used in this chapter, “Internal Revenue Code” has the same  
18          meaning as “laws of the United States” as defined in this subdivision. The date  
19          through which amendments to the U.S. Internal Revenue Code of 1986 are  
20          adopted under this subdivision shall continue in effect until amended, repealed,  
21          or replaced by act of the General Assembly.

1       Sec. 23. REPEAL; FORGIVEN PAYROLL PROTECTION PROGRAM  
2                   LOANS INCLUDED IN TAXABLE INCOME

3               2021 Acts and Resolves No. 9, Sec. 23c is repealed.

4                               \* \* \* Tax Increment Financing Districts \* \* \*

5       Sec. 24. 32 V.S.A. § 5404a(1)(1) is amended to read:

6       [...]

7                               \* \* \* Effective Dates \* \* \*

8       Sec. 25. EFFECTIVE DATES

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

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

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

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

19              (4) Secs. 19–20 (3.5 percent hold harmless; small schools grant) shall  
20              take effect on passage.

1           (5) Notwithstanding 1 V.S.A. § 214, Sec. 21 (tax year 2021 link to  
2           federal income tax statutes) shall take effect retroactively on March 31, 2021  
3           and shall apply to taxable years beginning on and after January 1, 2021.

4           (6) Notwithstanding 1 V.S.A. § 214, Sec. 22 (tax year 2020 link to  
5           federal estate tax statutes) shall take effect retroactively on January 1, 2021 and  
6           shall apply to taxable years beginning on and after January 1, 2020.

7           (7) Notwithstanding 1 V.S.A. § 214, Sec. 23 (repeal; forgiven PPP loans  
8           included in taxable income) shall take effect retroactively on January 1, 2021.

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

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Senator \_\_\_\_\_

FOR THE COMMITTEE