

1 Introduced by Senator Hardy
2 Referred to Committee on
3 Date:
4 Subject: Taxation; education funding; property tax data; sales and use tax
5 Statement of purpose of bill as introduced: This bill proposes to amend the
6 sales and use tax exemption for clothing so that any individual item of clothing
7 that costs less than \$150.00 will continue to be exempt, but any individual item
8 of clothing that costs \$150.00 or more will be fully taxable. This bill also
9 proposes to require the Department of Taxes to report to the General Assembly
10 proposing options for collecting data on the number and grand list value of
11 secondary residences within Vermont. This bill would further create a
12 Taxation Review Working Group to study the Final Report of the Vermont
13 Tax Structure Commission and to report to the General Assembly any
14 legislative changes to Vermont’s tax laws that it recommends for
15 implementation.

16 An act relating to education funding

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

1 * * * Sales and Use Tax; Clothing Exemption * * *

2 Sec. 1. 32 V.S.A. § 9741(45) is amended to read:

3 (45) Clothing for which the sales price is less than \$150.00 per item; but
4 clothing shall not include clothing accessories or equipment, protective
5 equipment, or sport or recreational equipment.

6 * * * Data Collection; Secondary Residences * * *

7 Sec. 2. REPORT; DEPARTMENT OF TAXES; SECONDARY
8 RESIDENCES

9 On or before January 15, 2022, the Commissioner of Taxes, in consultation
10 with the Vermont League of Cities and Towns and the Vermont Municipal
11 Clerks' and Treasurers' Association, shall submit a report to the House
12 Committee on Ways and Means and the Senate Committee on Finance
13 proposing options to collect and report data annually on the number and grand
14 list value of secondary residences located within this State. The report
15 required under this section shall include the following recommendations:

16 (1) a definition for “secondary residences” to determine the new grand
17 list classification of properties that would be subject to data collection and
18 reporting;

19 (2) a structure and an implementation plan for collecting and reporting
20 data on secondary residences as part of the grand list, including the State entity

1 or State and municipal entities that would conduct the data collection and
2 reporting; and

3 (3) initial and on-going education and guidance for municipalities and
4 listers.

5 * * * Taxation Review Working Group * * *

6 Sec. 3. TAXATION REVIEW WORKING GROUP

7 (a) Creation and required report. There is created the Taxation Review
8 Working Group to study the structural tax reforms proposed in the Final
9 Report of the Vermont Tax Structure Commission dated February 8, 2021 and
10 to make recommendations for legislative action to implement any of those
11 proposals that it deems advisable. On or before January 15, 2022, the Taxation
12 Review Working Group shall submit a report to the General Assembly that
13 shall consider and make a recommendation for or against each proposal of the
14 Tax Structure Commission’s Final Report, including:

15 (1) an analysis of the cost and administrative feasibility of
16 implementation;

17 (2) the policy goals and potential outcomes, within the context of the
18 COVID-19 pandemic; and

19 (3) any stakeholder perspectives.

20 (b) Membership. The Taxation Review Working Group shall be composed
21 of the following five members:

