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Act No. 145 (H.657). An act relating to the modernization of Vermont's communications taxes and fees

Subjects: Fees; taxes; communications property and services; Vermont Universal Service Fund; tangible personal property; public right-of-way

This act concerns taxes and fees applicable to communications providers and services. First, there are several changes to the financial structure of the Vermont Universal Service Fund. First, it changes the contribution method applicable to the Fund by replacing the 2.4 percent proportional charge with a \$0.72 charge for each retail access line in service. It creates a carve-out for prepaid wireless communications service, which will continue to be subject to the 2.4 percent charge at the point of sale. In addition, the act authorizes distributions from the Fund to support the operational and capital costs of the Vermont 988 Suicide and Crisis Lifeline, within annual limits approved in advance by the General Assembly, and it specifies that 17 percent of Fund revenue shall be distributed to the Vermont Community Broadband Board. These changes take effect July 1, 2025.

Second, the act repeals the telephone personal property tax and the alternative gross receipts tax. Instead, certain communications network infrastructure (telephone, cable television, and broadband facilities, such as wires, cables, antennas, poles, and towers) shall be set in the grand list as real estate and taxed at fair market value. All other tangible communications personal property shall be taxed as business personal property.

Third, the act requires the Secretary of Transportation, in consultation with the Commissioner of Public Service and the Secretary of Digital Services, to conduct a study concerning access to and use of the public right-of-way in Vermont by telephone (wired and wireless) and broadband companies. On or before December 15, 2024, the Secretary shall submit a written report of the Secretary's findings and recommendations to the Senate Committees on Transportation and on Finance and the House Committees on Transportation, on Ways and Means, and on Environment and Energy.

Multiple effective dates, beginning on June 3, 2024