

House Floor Amendment
H.687; Tax and Revenue Sections
May 7, 2024
Kirby Keeton, Office of Legislative Council

Section	Floor Amendment
68	Deleted. In the income tax credit definitions, this changed the terminology for designated downtowns, village centers, and neighborhood development areas to “designated center or neighborhood” on January 1, 2027.
73	Replaces Senate PTT rate on second homes with House approach from H.829. Imposes a higher rate of 3.65% on the value of property in excess of \$750,000.00 in value. Increases the amount of value of a principal residence that is not taxed from \$110,000.00 to \$200,000.00 if the residence is purchased with a mortgage funded by VHCB/VHFA/USDARD. Increases the amount of value taxed at a lower rate of 0.5% from \$100,000.00 to \$200,000.00 for all other principal residences.
74	Increases the CWS rate to 0.22 percent and increases the amount of value of a principal residence that is not taxed from \$200,000.00 to \$250,000.00 if the residence is purchased with a mortgage funded by VHCB/VHFA/USDARD. Increases the amount of value not taxed from \$100,000.00 to \$200,000.00 for all other principal residences.
75	Conforming change for changes to PTT in 2027.
76	Changes the statutory allocation of PTT revenue for the MRPF from 17 percent to 13 percent.
77	Changes the statutory allocation of PTT revenue for the GF from 33 percent to 37 percent.
78	(1) \$6,356,310.00 shall be transferred from the General Fund into the Vermont Housing and Conservation Trust Fund. (2) \$1,279,740.00 shall be transferred from the General Fund into the Municipal and Regional Planning Fund.
79-83	Deleted.
83a	Creates two new PTT exemptions: 1. Transfers of abandoned properties for rehabilitation. 2. Transfers of a new mobile home that bears a label evidencing greater energy efficiency provided under the ENERGY STAR Program.
Effective Dates	This act shall take effect on passage, except that: (1) Secs. 12 (10 V.S.A. § 6001), 13 (10 V.S.A. § 6086(a)(8)), and 20 (10 V.S.A. § 6001) shall take effect on December 31, 2026; (2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1, 2026; (3) Secs. 73 (property transfer tax rates) and 83a (property transfer tax exemptions) shall take effect on August 1, 2024; and

	(4) Sec. 75 (clean water surcharge) shall take effect on July 1, 2027. and that after passage the title of the bill be amended to read: “An act relating to land use planning, development, and housing”
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Section	Removed Sections
73	<p>Imposes a higher rate of 2.5% for purchases of residences that are not principal residences and will not be used for long-term rentals.</p> <p>Increases the amount of value of a principal residence that is not taxed from \$110,000.00 to \$150,000.00 if the residence is purchased with a mortgage funded by VHCB/VHFA/USDARD.</p>
74	<p>(1) \$5,113,510.00 shall be transferred from the General Fund into the Vermont Housing and Conservation Trust Fund.</p> <p>(2) \$1,279,740.00 shall be transferred from the General Fund into the Municipal and Regional Planning Fund.</p>
77-78	Statutory allocation of \$900,000.00 to the Act 250 Permit Fund.
79-83	<p>A variation of the administration’s proposal for an education property tax freeze program that would allow qualifying properties to have their property value frozen for three years. Expands the area in which the value freeze is allowed to within a half mile of designated areas.</p> <p>Limits the property value freeze to flood-affected counties and allows the credit within TIF districts after a vote by the legislative body of a municipality.</p>