

1 Sec. X. 32 V.S.A. § 9602 is amended to read:

2 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

3 A tax is hereby imposed upon the transfer by deed of title to property  
4 located in this State, or a transfer or acquisition of a controlling interest in any  
5 person with title to property in this State. The amount of the tax equals one  
6 and one-quarter percent of the value of the property transferred, or \$1.00,  
7 whichever is greater, except as follows:

**Commented [KK1]:** General rate – 1.25 percent.

8 (1) With respect to the transfer of property to be used for the principal  
9 residence of the transferee, the tax shall be imposed at the rate of five-tenths of  
10 one percent of the first \$100,000.00 in value of the property transferred and at  
11 the rate of one and one-quarter percent of the value of the property transferred  
12 in excess of \$100,000.00; except that no tax shall be imposed on the first  
13 \$110,000.00 in value of the property transferred if the purchaser obtains a  
14 purchase money mortgage funded in part with a homeland grant through the  
15 Vermont Housing and Conservation Trust Fund or that the Vermont Housing  
16 and Finance Agency or U.S. Department of Agriculture and Rural  
17 Development has committed to make or purchase; and tax at the rate of one  
18 and one-quarter percent shall be imposed on the value of that property in  
19 excess of \$110,000.00.

**Commented [KK2]:** Discounted rate for portion of value for principal residences.

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1           (4) With respect to the transfer of residential property that will not be  
2           used as the principal residence of the transferee, and for which the transferee  
3           will not be required to provide a landlord certificate pursuant to section 6069  
4           of this title, the tax shall be imposed at the rate of two and one-half percent of  
5           the value of the property transferred.

**Commented [KK3]:** Leaving this to the Department to define. Presumably, it would be based off the grand list classification.

**Commented [KK4]:** Principal residence” means principal residence as defined in section 10002a of this title, together with land that is beneath or directly contiguous to the dwelling and that is transferred with the dwelling.

As used in this section, “principal residence” means the principal dwelling of a person whose domicile is in the State of Vermont.

**Commented [KK5]:** The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

**Commented [KK6]:** Tax rate of 2.5 percent for these properties.