1	H.546
2	An act relating to administrative and policy changes to tax laws
3	It is hereby enacted by the General Assembly of the State of Vermont:
4	* * * Per Parcel Fee for Property Reappraisal * * *
5	Sec. 1. 32 V.S.A. § 4041a is amended to read:
6	§ 4041a. REAPPRAISAL
7	(a) A municipality shall be paid \$8.50 per grand list parcel per year from
8	the Education General Fund to be used only for reappraisal and costs related to
9	reappraisal of its grand list properties and for maintenance of the grand list.
10	* * *
11	Sec. 2. 32 V.S.A. § 5412 is amended to read:
12	§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF
13	EDUCATION TAX LIABILITY
14	(a)(1) If a listed value is reduced as the result of an appeal or court action
15	made pursuant to section 4461 of this title, a municipality may submit a
16	request for the Director of Property Valuation and Review to recalculate its
17	education property tax liability for the education grand list value lost due to a
18	determination, declaratory judgment, or settlement. The Director shall
19	recalculate the municipality's education property tax liability for each year at
20	issue, in accord with the reduced valuation, provided that:

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1	(A) The reduction in valuation is the result of an appeal under chapter
2	131 of this title to the Director of Property Valuation and Review or to a court,
3	with no further appeal available with regard to that valuation, or any judicial
4	decision with no further right of appeal, or a settlement of either an appeal or
5	court action if the Director determines that the settlement value is the fair
6	market value of the parcel. The Director may waive the requirement of
7	continuing an appeal or court action until there is no further right of appeal if
8	the Director concludes that the value determined by an adjudicated decision is
9	a reasonable representation of the fair market value of the parcel.
10	(B) The municipality submits the request on or before January 15 for
11	a request involving an appeal or court action resolved within the previous
12	calendar year.
13	(C) [Repealed.]
14	(D) The Director determines that the municipality's actions were
15	consistent with best practices published by the Property Valuation and Review
16	in consultation with the Vermont Assessors and Listers Association. The
17	municipality shall have the burden of showing that its actions were consistent
18	with the Director's best practices.
19	* * *

1	* * * Annual Link to Federal Income Tax Law * * *
2	Sec. 3. 32 V.S.A. § 5824 is amended to read:
3	§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS
4	The statutes of the United States relating to the federal income tax, as in
5	effect on December 31, $\frac{2022}{2023}$ , but without regard to federal income tax
6	rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the
7	tax liability under this chapter and shall continue in effect as adopted until
8	amended, repealed, or replaced by act of the General Assembly.
9	Sec. 4. 32 V.S.A. § 7402 is amended to read:
10	§ 7402. DEFINITIONS
11	As used in this chapter unless the context requires otherwise:
12	* * *
13	(8) "Laws of the United States" means the U.S. Internal Revenue Code
14	of 1986, as amended through December 31, 2022 2023. As used in this
15	chapter, "Internal Revenue Code" has the same meaning as "laws of the United
16	States" as defined in this subdivision. The date through which amendments to
17	the U.S. Internal Revenue Code of 1986 are adopted under this subdivision
18	shall continue in effect until amended, repealed, or replaced by act of the
19	General Assembly.
20	* * *

1	* * * Expansion of Renter Credit * * *
2	Sec. 5. 32 V.S.A. § 6061 is amended to read:
3	§ 6061. DEFINITIONS
4	As used in this chapter unless the context requires otherwise:
5	* * *
6	(20) "Very low-income limit" means an amount of income 1.3 times the
7	amount of the income limit for very low-income families as determined by the
8	U.S. Department of Housing and Urban Development pursuant to 42 U.S.C.
9	§ 1437a as of June 30 of the taxable year, provided that for claimants who
10	reside in Franklin or Grand Isle county County, "very low-income limit"
11	means 1.3 times the average of the very low-income limits for the State as
12	determined by the U.S. Department of Housing and Urban Development.
13	* * * Repeal of Property Tax Credit Late Fee * * *
14	Sec. 6. 32 V.S.A. § 6066a is amended as follows:
15	§ 6066a. DETERMINATION OF PROPERTY TAX CREDIT
16	(a) Annually, the Commissioner shall determine the property tax credit
17	amount under section 6066 of this title, related to a homestead owned by the
18	claimant, based on the prior taxable year's income and crediting property taxes
19	paid in the prior year. The Commissioner shall notify the municipality in
20	which the housesite is located of the amount of the property tax credit for the
21	claimant for homestead property tax liabilities on a monthly basis. The tax
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1	credit of a claimant who was assessed property tax by a town that revised the
2	dates of its fiscal year, however, is the excess of the property tax that was
3	assessed in the last 12 months of the revised fiscal year, over the adjusted
4	property tax of the claimant for the revised fiscal year, as determined under
5	section 6066 of this title, related to a homestead owned by the claimant.
6	* * *
7	(d) For late claims filed after April 15, the property tax credit amount shall
8	be reduced by \$15.00 [Repealed.]
9	* * *
10	Sec. 7. 32 V.S.A. § 6068 is amended to read:
11	§ 6068. APPLICATION AND TIME FOR FILING
12	(a) A property tax credit claim or request for allocation of an income tax
13	refund to homestead property tax payment shall be filed with the
14	Commissioner on or before the due date for filing the Vermont income tax
15	return, without extension, and shall describe the school district in which the
16	homestead property is located and shall particularly describe the homestead
17	property for which the credit or allocation is sought, including the school
18	parcel account number prescribed in subsection 5404(b) of this title. A renter
19	credit claim shall be filed with the Commissioner on or before the due date for
20	filing the Vermont income tax return, without extension.

1	(b) If the claimant fails to file a timely claim, the amount of the property
2	tax credit under this chapter shall be reduced by \$15.00, but not below \$0.00,
3	which shall be paid to the municipality for the cost of issuing an adjusted
4	homestead property tax bill. If the claimant files a claim after October 15 but
5	on or before March 15 of the following calendar year, the property tax credit
6	under this chapter:
7	(1) shall be reduced in amount by \$150.00, but not below \$0.00;
8	(2) shall be issued directly to the claimant; and
9	(3) shall not require the municipality where the claimant's property is
10	located to issue an adjusted homestead property tax bill.
11	(c) No request for allocation of an income tax refund or for a renter credit
12	claim may be made after October 15. No property tax credit claim may be
13	made after March 15 of the calendar year following the due date under
14	subsection (a) of this section.
15	* * * Utility Property Valuation * * *
16	Sec. 8. 32 V.S.A. § 4452 is amended to read:
17	§ 4452. VALUATIONS
18	(a) On or before May 1 of each year, the Division of Property Valuation
19	and Review of the Department of Taxes shall furnish the listers in each town or
20	city with the valuation of all taxable property of any public utility situated
21	therein as reported by such utility to the Division.

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1	(b) Each public utility shall furnish to the Division not later than March 31
2	in each year a sworn inventory of all its taxable property in such form as will
3	show the valuation of its property in each town, city, or other municipality.
4	(c) The Division shall prescribe the form of such report and the officer or
5	officers who shall make oath thereto.
6	(d) The valuations so furnished <u>under this section</u> shall be considered along
7	with any other information as may reasonably be required by such listers in
8	determining and fixing the valuations of such property for the purposes of local
9	property taxation. The Division may require that each municipality use certain
10	valuations furnished under this section. The valuations provided by the
11	Division for property used for the transmission and distribution of electricity
12	shall be used by the listers as the valuations of that property for purposes of
13	property taxation.
14	* * * Property Tax Exemptions * * *
15	Sec. 9. 32 V.S.A. § 3802(22) is added to read:
16	(22) Real and personal estate owned by a county of this State, except
17	land and buildings outside of a county's territorial limits shall be subject to
18	municipal property tax by the municipality in which the land or buildings are
19	situated. Notwithstanding the preceding provision, the exemption for public,
20	pious, and charitable uses under subdivision (4) of this section shall be

1	available for qualifying county land and buildings outside of the county's
2	territorial limits.
3	* * * Fuel Tax * * *
4	Sec. 10. 33 V.S.A. § 2503(d) is amended to read:
5	(d) No tax under this section shall be imposed for any month ending after
6	June 30, <del>202</del> 4 <u>2029</u> .
7	* * * Health IT Fund Sunset Extension * * *
8	Sec. 11. 2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017
9	Acts and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187, Sec. 5,
10	2019 Acts and Resolves No. 71, Sec. 21, 2021 Acts and Resolves No. 73,
11	Sec. 14, and 2023 Acts and Resolves No. 78, Sec. E.306.1, is further amended
12	to read:
13	(10) Secs. 48–51 (health care claims tax) shall take effect on July 1,
14	2013 and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, $\frac{2025}{2013}$
15	<u>2026</u> .
16	Sec. 12. 2019 Acts and Resolves No. 6, Sec. 105, as amended by 2019 Acts
17	and Resolves No. 71, Sec. 19, 2022 Acts and Resolves No. 83, Sec. 75, and
18	2023 Acts and Resolves No. 78, Sec. E.306.2, is further amended to read:
19	Sec. 105. EFFECTIVE DATES
20	* * *

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1	(b) Sec. 73 (further amending 32 V.S.A. § 10402) shall take effect on July 1,
2	<del>2025</del> <u>2026</u> .
3	* * *
4	Sec. 13. LOCAL GOVERNMENT REVENUE; WORKING GROUP;
5	REPORT
6	(a) Creation. There is created the Local Government Revenue Working
7	Group to evaluate municipal revenue sources and to make recommendations
8	for State authorization of new revenue generation for municipalities.
9	(b) Membership. The Working Group shall be composed of the following
10	members:
11	(1) the Commissioner of Housing and Community Development or
12	designee;
13	(2) the Commissioner of Taxes or designee;
14	(3) the Secretary of Administration or designee;
15	(4) two representatives of local government, appointed by the Vermont
16	League of Cities and Towns; and
17	(5) the State Treasurer or designee.
18	(c) Powers and duties. The Working Group shall build on the findings of
19	the Joint Fiscal Report of 2024 entitled "Financing Public Infrastructure in
20	Vermont Municipalities" by considering the following topics:
21	(1) the authorization of new revenue generation tools, including:

1	(A) the ability for all municipalities to adopt a local option tax by
2	vote;
3	(B) allocating existing local option tax revenue differently;
4	(C) a local option tax rate that exceeds one percent; and
5	(D) applying a local option tax to new tax bases, such as motor
6	vehicle sales, transportation services, property transfers, cannabis sales, and
7	vehicle rentals;
8	(2) how to best implement a municipal revenue sharing program,
9	including:
10	(A) revenue sharing programs in other states;
11	(B) existing State grant and aid programs for municipalities; and
12	(C) new or existing State revenue that could be allocated to a
13	municipal revenue sharing program; and
14	(3) a formula to distribute dedicated municipal revenue sharing,
15	including a system that is based on municipal characteristics, such as
16	population, the income of residents, and municipal tax capacity.
17	(d) Report. On or before December 15, 2024, the Working Group shall
18	submit a written report to the House Committees on Ways and Means and on
19	Government Operations and Military Affairs and the Senate Committees on
20	Finance and on Government Operations with its finding on how best to

1	diversify and increase funding for Vermont municipalities and any
2	recommendations for legislative action.
3	(e) Meetings.
4	(1) The Secretary of Administration, or designee, shall call the first
5	meeting of the Working Group to occur on or before July 15, 2024.
6	(2) The Committee shall select a chair from among its members at the
7	first meeting.
8	(3) A majority of the membership shall constitute a quorum.
9	(4) The Working Group shall cease to exist on July 1, 2025.
10	Sec. 14. WEALTH TAX COMMISSION; REPORT
11	(a) Creation. There is created the Wealth Tax Commission to study the
12	taxation of wealth and investment gains that currently escape income taxation.
13	(b) Membership. The Wealth Tax Commission shall be composed of the
14	following members:
15	(1) one current member of the House of Representatives, who shall be
16	appointed by the Speaker of the House;
17	(2) one current member of the Senate, who shall be appointed by the
18	President Pro Tempore;
19	(3) the Commissioner of the Department of Financial Regulation or
20	designee; and
21	(4) the Commissioner of Taxes or designee.

1	(c)(1) Assistance. The Wealth Tax Commission shall have the
2	administrative and technical assistance of the Joint Fiscal Office, which shall
3	contract with a facilitator who has knowledge of wealth taxes, mark-to-market
4	income tax reform, or other reforms for taxing wealth and investment gains
5	that currently escape income taxation.
6	(2) The facilitator contracted pursuant to subdivision (1) of this
7	subsection shall coordinate with the following institutions for participation
8	with the Wealth Tax Commission:
9	(A) legislative members and staff from other states;
10	(B) administrators and staff from the revenue agencies of other states;
11	(C) national academic and legal experts on wealth and income
12	taxation; and
13	(D) the Multistate Tax Commission.
14	(d)(1) Powers and duties. The Wealth Tax Commission shall study the
15	policy considerations surrounding the taxation of wealth and investment gains
16	that currently escape taxation, implementation issues, and coordinating with
17	other states to uniformly tax forms of wealth and investment gains.
18	(2) The Wealth Tax Commission shall report on the following issues
19	relating to the implementation of a wealth tax:
20	(A) addressing taxpayers who move into and away from a state
21	during a tax year and identifying the best approach for residency criteria for
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1	subjecting individuals to a tax on wealth and investments gains that currently
2	escape income taxation;
3	(B) valuing nonpublic assets, including a functional mechanism for
4	taxpayers to contest a state's value and alternative mechanisms for valuing
5	difficult-to-value assets;
6	(C) addressing losses in taxpayers' net worth, including whether
7	losses should be carried over in future tax years;
8	(D) addressing situations where wealth is primarily held in real
9	estate, such as farmers and other taxpayers who may lack the funds needed to
10	pay the tax without selling real estate;
11	(E) determining whether legislative changes are needed to require
12	nonpublic information be made public for purposes of asset valuation, such as
13	adding transparency to private business valuations; and
14	(F) determining the best practices of other states by conducting a
15	survey of other states' experiences with key components of taxing wealth and
16	investment gains that currently escape taxation, including valuing businesses,
17	using financial accounting information, and withholding the income of
18	nonresident individuals.
19	(3) The Wealth Tax Commission shall report on the following issues
20	relating to coordinating with other states to enact a wealth tax:

1	(A) identifying and addressing legal considerations across states,
2	such as federal preemption, the ability to form an interstate compact for state
3	taxation, constitutional differences between states that could affect the
4	coordination of enacting uniform tax laws, and the plausibility of developing a
5	uniform approach or provisions for taxation of wealth and investment gains
6	that currently escape income taxation;
7	(B) identifying the best approach for multiple states to enact a wealth
8	tax contingent on passage or enactment in other states;
9	(C) identifying the components of a wealth tax that are most
10	desirable to be uniform across and the components that can be left to the
11	discretion of individual states;
12	(D) addressing how to best coordinate residency requirements, basis
13	adjustments, crediting taxes paid in other states on wealth and investment gains
14	that currently escape income taxation, enforcement, and information reporting
15	across states; and
16	(E) determining whether interstate cooperation or a compact requires
17	wealth tax categories to be uniform across states, including an examination of
18	the differences between mark-to-market taxation and other forms of wealth
19	taxation.

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1	(e) Report. On or before November 1, 2025, the Wealth Tax Commission
2	shall submit a written report to the House Committee on Ways and Means and
3	the Senate Committee on Finance with its findings and recommendations.
4	(f) Meetings.
5	(1) The facilitator shall call the first meeting of the Commission to occur
6	on or before September 15, 2024.
7	(2) The Commission shall elect a chair from among its legislative
8	members at the first meeting.
9	(3) A majority of the membership shall constitute a quorum.
10	(4) The Commission shall cease to exist on July 1, 2026.
11	(g) For attendance at meetings during adjournment of the General
12	Assembly, a legislative member of the Commission shall be entitled to per
13	diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23
14	for not more than 12 meetings. These payments shall be made from monies
15	appropriated to the General Assembly.
16	(h) Appropriation. To the extent funds are available, the sum of
17	\$125,000.00 is appropriated to the Joint Fiscal Office from the General Fund in
18	fiscal year 2025 to contract with a facilitator pursuant to subdivision (c)(1) of
19	this section and for other resources relating to the work of the Commission.

1	* * * Fees * * *
2	Sec. 15. 18 V.S.A. § 5017 is amended to read:
3	§ 5017. FEES FOR COPIES
4	(a) For a certified copy of a vital event certificate, the fee shall be $$10.00$ .
5	(b) The State Registrar shall waive the fee for certified copies of vital event
6	certificates issued to:
7	(1) an individual attesting to a lack of fixed, regular, and adequate
8	nighttime residence; and
9	(2) an individual between 18 and 24 years of age who resided in a foster
10	home or residential child care facility between 16 and 18 years of age pursuant
11	to placement by a child-placing agency.
12	* * * Effective Dates * * *
13	Sec. 16. EFFECTIVE DATES
14	(a) This section, Secs. 1 (reappraisals), 2 (property valuation and review
15	waiver), 9 (exemption for county-owned property), 10 (fuel tax extension), 11
16	and 12 (extension of Health IT Fund), 13 (Local Government Revenue
17	Working Group), and 14 (Wealth Tax Commission) shall take effect on
18	passage.
19	(b) Notwithstanding 1 V.S.A. § 214, Secs. 3 and 4 (link to federal income
20	tax laws) shall take effect retroactively on January 1, 2024 and apply to taxable
21	years beginning on and after January 1, 2023.

1	(c) Sec. 5 (renter credit expansion) shall take effect on passage and apply to
2	claim years 2025 and after.
3	(d) Secs. 6 and 7 (repeal of property tax credit late fee) shall take effect on
4	passage and apply to claim years 2024 and after.
5	(e) Sec. 8 (utility property valuation) shall take effect on passage and apply
6	to grand lists filed on or after April 1, 2025.
7	(f) Sec. 15 (fee waiver for vital event certificates) shall take effect on July

8 <u>1, 2024.</u>