

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 56
3 entitled “An act relating to child care and early childhood education”
4 respectfully reports that it has considered the same and recommends that the
5 report of the Committee on Health and Welfare be amended as follows:

6 First: By striking out Secs. 14–16, 32 V.S.A. §§ 3802(22), 3800(q), and
7 5401(7), and their reader assistance heading in their entirety and inserting in
8 lieu thereof the following:

9 * * * Repeals; Child Tax Credit * * *

10 Sec. 14. REPEALS; CHILD TAX CREDIT

11 The following are repealed:

12 (1) 32 V.S.A. § 5830f (Vermont child tax credit); and

13 (2) 32 V.S.A. § 5813(y) (statutory purpose; Vermont child tax credit).

14 * * * Child Care and Parental Leave Contribution * * *

15 Sec. 15. 32 V.S.A. chapter 246 is added to read:

16 CHAPTER 246. CHILD CARE AND PARENTAL LEAVE

17 CONTRIBUTION

18 § 10551. PURPOSE

19 The Child Care and Parental Leave Contribution is established to provide
20 funding for State support of child care and the Parental Leave Benefit Program
21 established pursuant to 33 V.S.A. § 2001.

1 § 10552. DEFINITIONS

2 As used in this chapter:

3 (1) “Covered wages” means wages paid to an employee by an employer
4 up to the amount of the Social Security Contribution and Benefit Base.

5 (2) “Employee” means an individual who receives payments with
6 respect to services performed for an employer from which the employer is
7 required to withhold Vermont income tax pursuant to chapter 151, subchapter
8 4 of this title.

9 (3) “Employer” means a person who employs one or more employees
10 who is required to withhold income tax from wages paid to the employees
11 pursuant to chapter 151, subchapter 4 of this title.

12 (4) “Wages” means payments that are included in the definition of
13 wages set forth in 26 U.S.C. § 3401.

14 § 10553. CONTRIBUTION; RATE; COLLECTION

15 (a) Each employer shall pay the Child Care and Parental Leave
16 Contribution on all covered wages paid to each of the employer’s employees
17 and shall remit those amounts to the Department of Taxes pursuant to the
18 provisions of this section. An employer shall pay the contributions required
19 pursuant to this section as if the contributions were Vermont income tax
20 subject to the withholding requirements of chapter 151, subchapter 4 of this
21 title, including the requirements relating to the time and manner of payment.

1 (b) The contribution rate shall be X.XX percent of each employee’s
2 covered wages.

3 (c)(1) The Department shall collect the contributions required pursuant to
4 this section. The administrative and enforcement provisions of chapter 151 of
5 this title shall apply to the contribution requirements under this section as if the
6 contributions required pursuant to this section were Vermont income tax,
7 except penalty and interest shall apply according to chapter 103 of this title.

8 (2) Employers shall be responsible for the full amount of any unpaid
9 contributions due pursuant to subsection (a) of this section.

10 § 10554. CHILD CARE AND PARENTAL LEAVE CONTRIBUTION

11 SPECIAL FUND

12 (a) The Child Care and Parental Leave Contribution Special Fund is
13 created pursuant to chapter 7, subchapter 5 of this title and shall be
14 administered by the Department for Children and Families and the Department
15 of Taxes. Monies in the Fund may be expended by the Department of Taxes
16 for the administration of the Child Care and Parental Leave Contribution
17 created under this chapter, by the Department for Children and Families for
18 benefits provided by State supported child care and under the Parental Leave
19 Benefit Program established pursuant to 33 V.S.A. § 2001, and by the
20 Departments for necessary costs incurred in administering the Fund. All
21 interest earned on Fund balances shall be credited to the Fund.

1 (b) The Fund shall consist of:

2 (1) contributions collected or recovered pursuant to section 10553 of
3 this title;

4 (2) any amounts transferred or appropriated to the Fund by the General
5 Assembly; and

6 (3) any interest earned by the Fund.

7 (c) The Departments may seek and accept grants from any source, public or
8 private, to be dedicated for deposit into the Fund.

9 Sec. 16. DEPARTMENT OF TAXES; POSITIONS

10 The establishment of the following 15 new permanent classified positions is
11 authorized in the Department of Taxes in fiscal year 2024:

12 (1) eight full-time, classified tax examiners within the Taxpayer
13 Services Division;

14 (2) two full-time, classified tax examiners within the Compliance
15 Division;

16 (3) three full-time, classified tax compliance officers within the
17 Compliance Division;

18 (4) one full-time, classified financial specialist III within the Revenue
19 Accounting and Returns Processing Division; and

20 (5) one business analyst–tax within the VTax Division.

1 Second: In Sec. 73, appropriations, by adding a new subsection (c) to read
2 as follows:

3 (c) In fiscal year 2024, the amount of \$6,504,916.00 is appropriated from
4 the General Fund to the Department of Taxes to be used for the
5 implementation of the Child Care and Parental Leave Contribution pursuant to
6 32 V.S.A. chapter 246 created by this act.

7 Third: In Sec. 74, effective dates, by striking out subdivision (b)(3)
8 (property tax exemption; property used by child care providers) in its entirety
9 and inserting in lieu thereof new subdivisions (b)(3) and (b)(4) to read as
10 follows:

11 (3) Notwithstanding 1 V.S.A. § 214, Sec. 14 (repeals; child tax credit)
12 shall take effect retroactively on January 1, 2023 and shall apply to taxable
13 years beginning on and after January 1, 2023.

14 (4) Sec. 15, 32 V.S.A. chapter 246, (child care and parental leave
15 contribution) shall take effect on July 1, 2024.

16 and by renumbering the remaining subdivisions to be numerically
17 correct.

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2 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE