

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19

H.377

Introduced by Representatives Rachelson of Burlington and Waters Evans of
Charlotte

Referred to Committee on

Date:

Subject: Taxation; income tax; tax credit

Statement of purpose of bill as introduced: This bill proposes to create an
income tax credit for small businesses that purchase advertising in local media
outlets.

An act relating to the local media advertising tax credit

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 5813 is amended to read:

§ 5813. STATUTORY PURPOSES

* * *

(aa) The statutory purpose of the local media advertising tax credit in
section 5830g of this title is to provide an incentive to small businesses to
advertise with local media outlets.

Sec. 2. 32 V.S.A. § 5830g is added to read:

§ 5830g. LOCAL MEDIA ADVERTISING TAX CREDIT

1 (a) Credit. A small business shall be entitled to a refundable credit against
2 the tax imposed by section 5822 of this title for the taxable year in an amount
3 equal to 50 percent of the expenditures paid or incurred by the small business
4 for advertising in a local media outlet, up to a maximum credit of \$250.00.

5 (b) Definitions. As used in this section:

6 (1) “Local broadcast organization” means an organization licensed to
7 broadcast in the State by the Federal Communications Commission.

8 (2) “Local media outlet” means a local broadcast organization or a local
9 news organization.

10 (3) “Local news organization” means an organization that:

11 (A) engages professionals to create, edit, produce, and distribute
12 original content concerning matters of public interest through reporting
13 activities;

14 (B) employs a full-time employee who dedicates at least 30 hours a
15 week to providing coverage of an area of the State for dissemination to the
16 local or State community and lives within 50 miles of the coverage area;

17 (C)(i) has published at least one print publication per month over the
18 previous 12 months and either holds a valid U.S. Postal Service periodical
19 permit or dedicates at least 25 percent of its content to local news; or

1 (ii) on average over the previous 12 months, has published online
2 at least one piece per week about the local or State community and has at least
3 33 percent of its online audience in Vermont;

4 (D) has disclosed in its print publication or on its website its
5 beneficial ownership or, in the case of a nonprofit entity, its board of directors;

6 (E) in the case of an organization that is exempt from taxation under
7 26 U.S.C. § 501(c)(3), declares as its stated mission in its filings with the
8 Internal Revenue Service the coverage of local or State news; and

9 (F) over the previous calendar year did not receive more than
10 50 percent of its gross receipts from political action committees, other entities
11 described in 26 U.S.C. § 527, or from organizations exempt from taxation
12 under 26 U.S.C. § 501(c)(4), (c)(5), or (c)(6).

13 (4) “Small business” means a person who operates a business in the
14 taxable year that receives less than \$10,000,000.00 in gross income and reports
15 fewer than 100 full-time employees for the purpose of complying with
16 Vermont unemployment compensation law pursuant to 21 V.S.A. chapter 17.

17 Sec. 3. EFFECTIVE DATE

18 This act shall take effect on January 1, 2026.