

H.844

Introduced by Representative Lueders of Lincoln

Referred to Committee on

Date:

Subject: Utility tariffs; taxation; sales and use tax; sales tax exemptions; sales
tax on fuel; surcharge; weatherization assistance

Statement of purpose of bill as introduced: This bill proposes to disallow the
owner of a property from using the sales and use tax exemption for certain
fuels when the property has been used as a second home or short-term rental in
the past 12 months. The bill further proposes to impose a surcharge on
residential fuel sales to second homes and short-term rentals to help pay for
weatherization assistance.

An act relating to sales tax and a new surcharge paid on fuel by owners of
short-term rental and second home properties

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

Sec. 1. 32 V.S.A. § 9741(26) is amended to read:

(26)(A) Sales of electricity, oil, gas, and other fuels used in a residence
for all domestic use, including heating, but not including fuel sold at retail in
free-standing containers, or sold as part of a transaction where a free-standing
container is exchanged without a separate charge. Wood pellets sold to an

1 individual on the vendor's premises or delivered to an individual's residence
2 shall be presumed to be purchased for residential use and shall be exempt sales
3 under this subdivision (26) unless the vendor knew or ought reasonably to have
4 known that the wood pellets were not purchased for residential use. A
5 certificate of exemption shall not be required for exempt retail sales of wood
6 pellets to an individual. The Commissioner shall by rule determine that
7 portion of the sales attributable to domestic use where fuels are used for
8 purposes in addition to domestic use.

9 (B) As used in this subdivision (26), "residence" means any
10 residential property that has not:

11 (i) had an occupancy subject to the short-term rental surcharge
12 under section 9301 of this title in past 12 months; or

13 (ii) been occupied by the owner for fewer than 183 days in the
14 past 12 months.

15 Sec. 2. 32 V.S.A. chapter 233, subchapter 5 is added to read:

16 Subchapter 5. Residential Fuels Surcharge

17 § 9821. SURCHARGE ON CERTAIN RESIDENTIAL FUEL

18 TRANSACTIONS; IMPOSITION

19 (a) A vendor shall collect a surcharge of three percent of the sales price
20 charged for retail sales of electricity, oil, gas, and other fuels used in a

1 residence for all domestic use, provided the sale is to a residential property that
2 has:

3 (1) had an occupancy subject to the short-term rental surcharge under
4 section 9301 of this title in past 12 months; or

5 (2) been occupied by the owner for fewer than 183 days in the past 12
6 months.

7 (b) All sales exempt from sales and use tax under subdivision 9741(26) of
8 this chapter shall be exempt from the surcharge imposed under this section.

9 (c) The surcharge shall be in addition to any tax assessed under section
10 9771 of this chapter. The surcharge assessed under this section shall be paid,
11 collected, remitted, and enforced under this chapter in the same manner as the
12 sales tax assessed under section 9771 of this chapter.

13 (d) Revenue from the surcharge imposed under this section shall be
14 deposited in the Home Weatherization Assistance Fund under 33 V.S.A.
15 § 2501.

16 Sec. 3. 33 V.S.A. § 2501 is amended to read:

17 § 2501. HOME WEATHERIZATION ASSISTANCE FUND

18 * * *

19 (b) The Fund shall be composed of the receipts from the gross receipts tax
20 on retail sales of fuel imposed by section 2503 of this title, receipts from the
21 surcharge on retail sales of certain residential fuels imposed by 32 V.S.A.

1 § 9821, such funds as may be allocated from the Oil Overcharge Fund, such
2 funds as may be allocated from the federal Low Income Energy Assistance
3 Program, such funds as may be deposited or transferred into the Fund by the
4 Vermont Low Income Trust for Electricity, and such other funds as may be
5 appropriated by the General Assembly.

6 * * *

7 Sec. 4. EFFECTIVE DATE

8 This act shall take effect on August 1, 2026.