

1

H.933

2 An act relating to miscellaneous administrative and policy changes to the  
3 tax laws

4 The Senate proposes to the House to amend the bill by striking out all after  
5 the enacting clause and inserting in lieu thereof the following:

6 \* \* \* Credit for Taxes Paid in Another State by an S Corporation \* \* \*

7 Sec. 1. REPEAL

8 32 V.S.A. § 5916 (denial of tax credits for S corporations) is repealed.

9 \* \* \* Property Transfer Tax \* \* \*

10 Sec. 2. 32 V.S.A. § 9602 is amended to read:

11 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

12 A tax is hereby imposed upon the transfer by deed of title to property  
13 located in this State, or a transfer or acquisition of a controlling interest in any  
14 person with title to property in this State. The amount of the tax equals 1.25  
15 percent of the value of the property transferred, or \$1.00, whichever is greater,  
16 except as follows:

17 \* \* \*

18 (4) Tax shall be imposed at the rate of 3.4 percent of the value of the  
19 property transferred with respect to transfers of residential property:

20 (A) ~~residential property~~ that is fit for habitation on a year-round  
21 basis;

1 (B) that will not be used as the principal residence of the transferee;

2 and

3 (C) for which the transferee will not be required to provide a landlord  
4 certificate pursuant to section 6069 of this title.

5 (5) If a transfer would have been subject to the tax rate under  
6 subdivision (4) of this section but for the transferee's filing of a landlord  
7 certificate of rent for which there is no bona fide landlord-tenant relationship  
8 between the parties, the Commissioner shall assess tax at the rate under  
9 subdivision (4) of this section on the transfer. To make this determination, the  
10 Commissioner may consider whether the transferee and tenant are related  
11 parties, whether the transferee charges the tenant fair market rent, whether the  
12 transferee is an entity with a business purpose other than the avoidance of  
13 property transfer tax, and any other factor the Commissioner deems relevant.

14 \* \* \* Current Use; Land Use Change Tax \* \* \*

15 Sec. 3. 32 V.S.A. § 3757 is amended to read:

16 § 3757. LAND USE CHANGE TAX

17 (a) Land that has been classified as agricultural land or managed forestland  
18 pursuant to this chapter shall be subject to a land use change tax upon the  
19 development of that land, as defined in section 3752 of this chapter. The tax  
20 shall be at the rate of 10 percent of the full fair market value of the changed  
21 land determined without regard to the use value appraisal. If changed land is a

1 portion of a parcel, the fair market value of the changed land shall be the fair  
2 market value of the changed land as a separate parcel, divided by the common  
3 level of appraisal. Such fair market value shall be determined as of the date  
4 the land is no longer eligible for use value appraisal. This tax shall be in  
5 addition to the annual property tax imposed upon such property. Nothing in  
6 this section shall be construed to require payment of an additional land use  
7 change tax upon the subsequent development of the same land, nor shall it be  
8 construed to require payment of a land use change tax merely because  
9 previously eligible land becomes ineligible, provided no development of the  
10 land has occurred.

11 (b) Any owner of eligible land who wishes to withdraw land from use  
12 value appraisal shall notify the Director, who shall in turn notify the local  
13 assessing official. In the alternative, if the Director determines that  
14 development has occurred, the Director shall notify the local assessing official  
15 of ~~his or her~~ the Director's determination. Thereafter, land that has been  
16 withdrawn or developed shall be appraised and listed at its full fair market  
17 value in accordance with the provisions of chapter 121 of this title and  
18 subsection 3756(d) of this title, according to the appraisal model and land  
19 schedule of the municipality.

20 (c) For the purposes of the land use change tax, the determination of the  
21 fair market value of the land shall be made by the local assessing officials in

1 accordance with ~~the provisions of~~ subsection (b) of this section and divided by  
2 the municipality's most recent common level of appraisal as determined by the  
3 Director. The determination shall be made within 30 days after the Director  
4 notifies the local assessing officials of the date that the owner has petitioned  
5 for withdrawal from use value appraisal or that the Director or local assessing  
6 official has determined that development has occurred. The local assessing  
7 officials shall notify the Director and the owner of their determination, ~~and the~~  
8 Failing a determination of the fair market value of the withdrawn portion of the  
9 parcel by the local assessing officials within 30 days as required under this  
10 subsection, the Director shall establish the fair market value of the changed  
11 land and notify the local assessing officials and the owner of the Director's  
12 determination within 30 days. The provisions for appeal relating to property  
13 tax assessments in chapter 131 of this title shall apply, except that the owner  
14 shall have 30 days to appeal the determination to the municipality or to the  
15 Director as applicable under this subsection. If an owner erroneously appeals a  
16 municipality's determination to the Director, the Director may forward the  
17 appeal to the municipality and, provided the appeal to the Director is made  
18 within 30 days as permitted under this subsection, the appeal shall be  
19 considered timely filed to the municipality.

20 (d) The land use change tax shall be due and payable by the owner 30 days  
21 after the tax notice is mailed to the ~~taxpayer~~ owner. The tax shall be paid to

1 the Commissioner, who, if the municipality's local assessing officials timely  
2 determine fair market value of the withdrawn portion of the parcel pursuant to  
3 subsection (c) of this section, shall remit to the municipality the lesser of one-  
4 half the tax paid or \$2,000.00. ~~The Director~~ and shall deposit three-quarters of  
5 the remainder of the tax paid in the Education Fund, and one-quarter of the  
6 remainder of the tax paid in the General Fund. If the municipality's local  
7 assessing officials fail to timely determine fair market value of the withdrawn  
8 portion of the parcel pursuant to subsection (c) of this section, the municipality  
9 shall forfeit any tax paid and the Commissioner shall deposit three-quarters of  
10 the tax paid in the Education Fund, and one-quarter of the tax paid in the  
11 General Fund. The Commissioner shall issue a form to the assessing officials  
12 that shall provide for a description of the land developed, the amount of tax  
13 payable, and the fair market value of the land at the time of development or  
14 withdrawal from use value appraisal. The owner shall fill out the form and  
15 shall sign it under the penalty of perjury. After receipt of the completed and  
16 signed form, the Commissioner shall furnish the owner with one copy, shall  
17 retain one copy, and shall forward one copy to the local assessing officials, one  
18 copy to the register of deeds of the municipality in which the land is located,  
19 and one copy to the Secretary of Agriculture, Food and Markets if the land is  
20 agricultural land and in all other cases to the Commissioner of Forests, Parks  
21 and Recreation.

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\* \* \*

2 Sec. 4. 32 V.S.A. § 3758(b) is amended to read:

3 (b) Any owner who is aggrieved by the determination of the fair market  
4 value of classified land for the purpose of computing the land use change tax  
5 may appeal in the same manner as an appeal of a grand list valuation under this  
6 title, except that the owner shall have 30 days to appeal the determination to  
7 the municipality or to the Director as applicable under subsection 3757(c) of  
8 this chapter.

9 Sec. 4a. 32 V.S.A. § 3755(b)(2) is amended to read:

10 (2) A management report of whatever activity has occurred, signed by  
11 ~~the~~ an owner or forester working on behalf of an owner, has been filed with the  
12 Department of Taxes' Director of Property Valuation and Review on or before  
13 February 1 of the year following the year when the management activity  
14 occurred.

15 Sec. 4b. 32 V.S.A. § 4463 is amended to read:

16 § 4463. OBJECTIONS TO APPEAL

17 When a taxpayer, an agent designated by the legislative body of the town,  
18 or selectboard claims that an appeal to the Director is in any manner defective  
19 or was not lawfully taken, on or before ~~44~~ 30 days after mailing of the notice  
20 of ~~appeal by the clerk under Rule 74(b) of the Vermont Rules of Civil~~  
21 ~~Procedure~~ receipt of the appeal by the Director, the taxpayer, town agent, or

1 selectboard shall file objections in writing with the Director, and furnish the  
2 appellant or appellant's attorney with a copy of the objections. When the  
3 taxpayer, agent, or selectboard so requests, the Director shall thereupon fix a  
4 time and place for hearing the objections, and shall notify all parties thereof, by  
5 mail or otherwise. Upon hearing or otherwise, the Director shall pass upon the  
6 objections and make such order in relation thereto as is required by law. The  
7 order shall be recorded or attached in the town clerk's office in the book  
8 wherein the appeal is recorded.

9 Sec. 4c. REPEAL; GRAND LIST CONTENTS

10 2025 Acts and Resolves No. 73, Sec. 60 (grand list contents) is repealed.

11 \* \* \* Municipal Grand List Stabilization Program \* \* \*

12 Sec. 5. 32 V.S.A. § 3710(c) is amended to read:

13 (c) Upon notification by the Commissioner of Public Safety, the  
14 Commissioner of Taxes shall certify the payment amounts and make an annual  
15 payment to each municipality for each eligible property to compensate for the  
16 loss of municipal property tax. The payment shall be calculated using the  
17 grand list value of the acquired property for the year during which the property  
18 was either damaged by flooding or identified as flood-prone by the  
19 Commissioner of Public Safety, multiplied by the municipal tax rate, including  
20 any submunicipal tax rates, in effect ~~each~~ in the immediately preceding year.  
21 This payment shall be made on or before January 1 of each year for five years.

1                   \* \* \* Communications Property; Inventories \* \* \*

2       Sec. 6. 32 V.S.A. § 3602b is amended to read:

3       § 3602b. COMMUNICATIONS PROPERTY

4       (a) All communications property shall be set in the grand list as real estate.

5       (b) Communications property owned by a nonmunicipal communications  
6       service provider shall be taxed at appraisal value as defined in section 3481 of  
7       this title.

8       (c) As used in this section, “communications property” means tangible  
9       personal property used to enable the real-time, two-way, electromagnetic  
10      transmission of information, such as audio, video, and data, that is so fitted and  
11      attached as to be part of a local, state, national, or international  
12      communications network, as well as facilities that are part of a cable television  
13      system as defined in 30 V.S.A. § 501(2). The term includes wires, cables,  
14      conduit, pipes, antennas, poles, and wireless towers. The term does not include  
15      property used solely for one-way, broadcast radio or television transmission  
16      serving the general public and owned and operated by a licensed broadcaster.

17      (d)(1) On or before May 1 of each year, the Division of Property Valuation  
18      and Review of the Department of Taxes shall provide the listers in each  
19      municipality with the valuation of all taxable communications property of any  
20      communications service provider situated therein as reported by such provider  
21      to the Division.

1           (2) On or before March 31 of each year, each communications service  
2 provider shall submit to the Division a sworn inventory of all its taxable  
3 communications property in a form that identifies the valuation of its property  
4 in each municipality. If the communications service provider fails to submit  
5 the inventory on or before April 15 and in the form prescribed, the  
6 Commissioner may fine the provider not more than \$100.00 for each violation,  
7 unless the provider's failure is due to factors beyond the provider's control.

8           (3) The Division shall prescribe the form of the inventory required under  
9 subdivision (2) of this subsection and the officer or officers who shall submit  
10 the sworn inventory. If a communications service provider willfully omits to  
11 make, swear to, and submit an inventory, or to answer any interrogatory  
12 therein, or makes a false answer or statement therein, then the Division shall  
13 ascertain the amount and fair market value of the provider's communications  
14 property using the best information available to the Division. In addition to the  
15 fine under subdivision (2) of this subsection, the provider shall be barred from  
16 any statutory appeal under this chapter or chapter 129 or 131 of this title of the  
17 value set by the Division under this subdivision.

18           (4) The valuations provided to the listers pursuant to this section shall be  
19 used by the listers in determining and fixing the valuations of communications  
20 property for the purposes of property taxation.



1 ~~by its most recent equalized grand list value~~ 100 percent, for purposes of  
2 determining education property tax rates.

3 \* \* \* Health IT Fund Sunset Extension \* \* \*

4 Sec. 9. 2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017 Acts  
5 and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187, Sec. 5, 2019  
6 Acts and Resolves No. 71, Sec. 21, 2021 Acts and Resolves No. 73, Sec. 14,  
7 2023 Acts and Resolves No. 78, Sec. E.306.1, and 2024 Acts and Resolves No.  
8 144, Sec. 11, is further amended to read:

9 (10) Secs. 48–51 (health care claims tax) shall take effect on July 1,  
10 2013, and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, ~~2026~~  
11 2031.

12 Sec. 10. 2019 Acts and Resolves No. 6, Sec. 105, as amended by 2019 Acts  
13 and Resolves No. 71, Sec. 19, 2022 Acts and Resolves No. 83, Sec. 75, 2023  
14 Acts and Resolves No. 78, Sec. E.306.2, and 2024 Acts and Resolves No. 144,  
15 Sec. 12, is further amended to read:

16 Sec. 105. EFFECTIVE DATES

17 \* \* \*

18 (b) Sec. 73 (further amending 32 V.S.A. § 10402) shall take effect on July  
19 1, ~~2026~~ 2031.



1 be used for an incentive payment to supervisory unions with student  
2 participation rates of over 80 percent in accordance with a formula to be  
3 developed by the Agency, in consultation with the Vermont Superintendents  
4 Association. For any incentive payments made subsequent to fiscal year 2007,  
5 the \$25,000,000.00 threshold of this subsection shall be increased by the  
6 percentage increase of the most recent ~~New England Economic Project~~  
7 ~~Cumulative Price Index~~ National Income and Product Accounts (NIPA)  
8 implicit price deflator, as of November 15, for state and local government  
9 ~~purchases of goods and services~~ consumption expenditures and gross  
10 investment published by the U.S. Department of Commerce, Bureau of  
11 Economic Analysis, from fiscal year 2005 through the fiscal year for which the  
12 payment is being determined, plus an additional one-tenth of one percent.

13 Sec. 13. 16 V.S.A. § 4011(b) is amended to read:

14 (b) For each fiscal year, the base education amount shall be \$6,800.00,  
15 increased by the most recent ~~New England Economic Project Cumulative Price~~  
16 ~~Index~~ National Income and Product Accounts (NIPA) implicit price deflator,  
17 as of November 15, for state and local government ~~purchases of goods and~~  
18 ~~services~~ consumption expenditures and gross investment published by the U.S.  
19 Department of Commerce, Bureau of Economic Analysis, from fiscal year  
20 2005 through the fiscal year for which the amount is being determined, plus an  
21 additional one-tenth of one percent.

1 Sec. 14. 32 V.S.A. § 5401(12)(B) is amended to read:

2 (B) In excess of 118 percent of the statewide average district per  
3 pupil education spending increased by inflation, as determined by the Secretary  
4 of Education on or before November 15 of each year based on the passed  
5 budgets to date. As used in this subdivision, “increased by inflation” means  
6 increasing the statewide average district per pupil education spending for fiscal  
7 year 2025 by the most recent ~~New England Economic Project cumulative price~~  
8 ~~index~~ National Income and Product Accounts (NIPA) implicit price deflator, as  
9 of November 15, for state and local government ~~purchases of goods and~~  
10 ~~services~~ consumption expenditures and gross investment published by the U.S.  
11 Department of Commerce, Bureau of Economic Analysis, from fiscal year  
12 2025 through the fiscal year for which the amount is being determined.

13 \* \* \* Homestead Declaration and Property Tax Credit \* \* \*

14 Sec. 15. 32 V.S.A. § 6062(c) is amended to read:

15 (c) When a homestead is owned by two or more persons as joint tenants,  
16 tenants by the entirety, or tenants in common and one or more of these persons  
17 are not members of the claimant’s household, the property tax is the same  
18 proportion of the property tax levied on that homestead as the proportion of  
19 ownership of the homestead by the claimant and members of the claimant’s  
20 household; provided, however, that:

21 \* \* \*



1           (2) the sum of the federal gross estate and federal adjusted taxable gifts,  
2 as defined in 26 U.S.C. § 2001(b), made within two years of the date of the  
3 decedent's death exceeds ~~\$2,750,000.00~~ \$5,000,000.00.

4 Sec. 17. 32 V.S.A. § 5930u(h) is amended to read:

5           (h) Credit allocation; Down Payment Assistance Program.

6           (1) In fiscal year 2016 through fiscal year 2019, the allocating agency  
7 may award up to \$125,000.00 in total first-year credit allocations for loans  
8 through the Down Payment Assistance Program created in subdivision (b)(2)  
9 of this section.

10           (2) In fiscal year 2020 through fiscal year 2026, the allocating agency  
11 may award up to \$250,000.00 in total first-year credit allocations for loans  
12 through the Down Payment Assistance Program created in subdivision (b)(3)  
13 of this section.

14           (3) In fiscal year 2027 through fiscal year 2031, the allocating agency  
15 may award up to \$350,000.00 in total first-year credit allocations for loans  
16 through the Down Payment Assistance Program created in subdivision (b)(3)  
17 of this section.

18                           \* \* \* Federal Tax Credit for SGO Contributions \* \* \*

19 Sec. 18. FINDINGS

20           The General Assembly finds:

1           (1) Section 25F of the Internal Revenue Code creates a new federal  
2 program to subsidize scholarships for expenses at public and private schools.

3           (2) Under the terms of the statute, states may voluntarily elect to  
4 participate in the program, or they may decline to participate.

5           (3) The decision concerning whether or not to participate in the program  
6 is to be made by “the Governor of the State or by such other individual,  
7 agency, or entity as is designated under State law to make such elections on  
8 behalf of the State with respect to Federal tax benefits.”

9       Sec. 19. 3 V.S.A. § 24 is added to read:

10   § 24. GOVERNOR’S LIST OF SCHOLARSHIP GRANTING

11           ORGANIZATIONS

12           (a) Annually on December 1, the Governor, or designee, may elect to  
13 provide a list of organizations that satisfy the conditions of subsection (b) of  
14 this section to the U.S. Secretary of the Treasury for purposes of making the  
15 federal qualified elementary and secondary education scholarship tax credit  
16 available for Vermont taxpayers under 26 U.S.C. § 25F. It shall be presumed  
17 that an organization listed in the previous year will be listed in the subsequent  
18 year unless the Governor finds that the organization has failed to meet the  
19 requirements of this section.

20           (b) An organization shall not be listed unless the organization meets the  
21 following criteria:

1           (1) it qualifies as a “scholarship granting organization” as defined under  
2 26 U.S.C. § 25F(c)(5);

3           (2) it is a nonprofit organization with the core mission of providing  
4 educational opportunities to economically underprivileged students through  
5 after-school programs, summer programs, tutoring, and similar programs;

6           (3) all grants and scholarships provided by the organization are to  
7 students attending a public school, as defined in 16 V.S.A. § 11(a)(7), or an  
8 independent school, as defined in 16 V.S.A. § 11(a)(8), that is also capable of  
9 receiving public tuition;

10           (4) all grants and scholarships provided by the organization are for  
11 students to attend a program that is partnered with, or approved by, a public  
12 school, as defined in 16 V.S.A. § 11(a)(7), or an independent school, as  
13 defined in 16 V.S.A. § 11(a)(8), that is also capable of receiving public tuition;  
14 and

15           (5) when determining whether to award a scholarship, the organization  
16 does not discriminate against any student because of race, color, religion,  
17 ancestry, national origin, sex, sexual orientation, gender identity, place of birth,  
18 crime victim status, or age or against a student with a disability, as that term is  
19 defined under 21 V.S.A. § 495d(5).

20           (c) Annually, on or before January 15, each scholarship granting  
21 organization listed pursuant to subsection (a) of this section in the previous

1 calendar year shall provide a report to the House Committee on Education and  
2 Senate Committee on Education providing the following information relating  
3 to activity in the previous year:

4 (1) the total amount provided in scholarships under this section;

5 (2) the total number of scholarships provided under this section;

6 (3) the total number of scholarship recipients;

7 (4) a complete list of after-school programs, summer programs, tutoring,  
8 and similar programs that scholarship recipients attended using scholarship  
9 funds provided by the organization and the amount of scholarship funds  
10 received by each program;

11 (5) the total number of individuals who made donations to the  
12 organization, including the zip code of each individual donor;

13 (6) the total amount of money received as donations;

14 (7) the total amount spent on administrative costs with a description of  
15 those administrative costs and an accounting of any unspent funds currently  
16 held; and

17 (8) a list identifying all employees, officers, and board members of the  
18 organization that includes, for every individual, the name of the position held  
19 and compensation received.

20 (d) In the Governor's discretion, the Governor may audit an organization  
21 seeking placement on the list, or a program receiving scholarship funds under

1 this section, to ensure the organization meets all the requirements for  
2 placement as provided by this section and applicable federal law. The  
3 Governor shall not list an organization that the Governor knows is not in  
4 compliance with the requirements of this section or 26 U.S.C. § 25F(c)(5).

5 (e)(1) If the Attorney General finds that any provision of this act is  
6 rendered invalid due to a federal act, federal agency rule, or court of competent  
7 jurisdiction, the Attorney General shall submit written notice of the  
8 invalidation to the Governor, the Speaker of the House, and President Pro  
9 Tempore of the Senate that the provision is invalid.

10 (2) Upon receipt of the notice provided under subdivision (1) of this  
11 subsection (e), neither the Governor nor the Governor’s designee shall provide  
12 a list of organizations to the U.S. Secretary of the Treasury under subsection  
13 (a) of this section until the General Assembly has enacted legislation  
14 addressing the invalidated provision.

15 \* \* \* Definition of Parcel \* \* \*

16 Sec. 20. 32 V.S.A. § 4152(a)(3) is amended to read:

17 (3) A brief description of each parcel of taxable real estate in the town.  
18 “Parcel” means all contiguous land in the same ownership, together with all  
19 improvements thereon, except for purposes of mapping and per parcel  
20 payments under subsections 4041a(a) and 5405(f) of this title, for which  
21 “parcel” means a separate and sellable lot or piece of real estate.

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\* \* \*

\* \* \* Department of Fish and Wildlife Fee Setting \* \* \*

Sec. 21. 10 V.S.A. § 4132 is amended to read:

§ 4132. GENERAL DUTIES OF COMMISSIONER

(a) The Commissioner shall have charge of the enforcement of the provisions of this part.

\* \* \*

~~(e)(1) The Commissioner, subject to the direction and approval of the Secretary, shall adopt and publish rules in the name of the Agency for reasonable fees or charges for the use of the lands, roads, buildings, other property, and the use of and tuition for the Green Mountain Conservation Camps, notwithstanding 32 V.S.A. § 603. Fees collected for the use of fish and wildlife lands and properties shall be deposited in the Fish and Wildlife Fund~~  
Notwithstanding 32 V.S.A. § 603 and with the approval of the Secretary, the Commissioner may:

(A) issue licenses for the long-term use of Department of Fish and Wildlife lands for research, academic study, commercial use, or use by regulated utilities; and

(B) set the tuition for the Green Mountain Conservation Camps.

(2) The Commissioner shall adopt by rule the fees to be charged for licenses and tuition authorized under this subsection. The Commissioner is

1 prohibited from adopting by rule a requirement that an individual possess a  
2 license or permit in order to access lands owned or controlled by the  
3 Department of Fish and Wildlife.

4 (3) Fees collected ~~for the use of fish and wildlife lands and properties~~  
5 under this subsection shall be deposited in the Fish and Wildlife Fund.

6 (4) As used in this subsection, “license” means a written instrument  
7 issued by the Commissioner that authorizes research, academic study,  
8 commercial use, or use by regulated utilities on Department lands but does not  
9 vest the licensee with any property rights.

10 \* \* \*

11 Sec. 22. REPEAL; COMMISSIONER OF FISH AND WILDLIFE RULE ON  
12 FEES FOR THE USE OF FISH AND WILDLIFE DEPARTMENT  
13 LANDS AND FACILITIES

14 Commissioner of Fish and Wildlife Rule 2008-01, CVR 12-010-075, Fees  
15 for the Use of Fish and Wildlife Department Lands and Facilities, is repealed.

16 Sec. 23. DEPARTMENT OF FISH AND WILDLIFE REPORT ON FEES

17 On or before January 15, 2027, the Commissioner of Fish and Wildlife shall  
18 submit to the House Committee on Ways and Means and the Senate  
19 Committee on Finance recommended fees to be charged for the use of the  
20 lands, roads, buildings, or other property owned or controlled by the  
21 Department of Fish and Wildlife so that the General Assembly, consistent with

1 the requirements of 32 V.S.A. § 603, shall establish the fees by statute for the  
2 service or product provided or regulatory function performed.

3 \* \* \* Grand List Assessment Date \* \* \*

4 Sec. 24. 24 V.S.A. § 1892(b) is amended to read:

5 (b) When adopted by the act of the legislative body of that municipality,  
6 the plan shall be recorded with the municipal clerk and lister or assessor, and  
7 the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the  
8 calendar year so voted by the municipal legislative body.

9 Sec. 25. 24 V.S.A. § 1904(b)(2) is amended to read:

10 (2) When adopted by the act of the legislative body of that municipality,  
11 the plan shall be recorded with the municipal clerk and lister or assessor, and  
12 the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the  
13 calendar year so voted by the municipal legislative body.

14 Sec. 26. 32 V.S.A. § 3481(1)(B)(iv) is amended to read:

15 (iv) a capitalization rate that is typical for the geographic area  
16 determined and published annually prior to ~~April~~ January 1 by the Division of  
17 Property Valuation and Review after consultation with the Vermont Housing  
18 Finance Agency.

1 Sec. 27. 32 V.S.A. § 3482 is amended to read:

2 § 3482. PROPERTY LISTED AT ONE PERCENT

3 Except as otherwise provided, all real and personal estate shall be set in the  
4 list at one percent of its listed value on ~~April~~ January 1, of the year of its  
5 appraisal.

6 Sec. 28. 32 V.S.A. § 3485 is amended to read:

7 § 3485. RECORDS TO BE KEPT RELATING TO DEEDS AND  
8 MORTGAGES

9 (a) Annually on ~~April~~ January 1, ~~town~~ municipal clerks shall furnish the  
10 listers with copies of the property tax returns filed by the clerk under section  
11 9610 of this title relating to deeds that were filed for record during the year  
12 ending on the first day of such month. However, upon request in writing by  
13 the listers, on or before the 15th day of each month, ~~town~~ municipal clerks  
14 shall furnish the listers with copies of the property transfer tax returns to deeds  
15 that were filed for record during the next preceding calendar month.

16 (b) Failure on the part of the ~~town~~ municipal clerk to furnish the copies  
17 required under subsection (a) of this section shall not render the town liable in  
18 damages to any person. A ~~town~~ municipal clerk who willfully fails to furnish  
19 the copies required under subsection (a) of this section shall be fined \$10.00  
20 for each offense.

1 Sec. 29. 32 V.S.A. § 3603(a) is amended to read:

2 (a) Construction equipment and other personal estate used in the  
3 construction or repair of highways, dams, reservoirs, public utilities, or  
4 buildings shall be listed and taxed on the same basis as other personal estate in  
5 the town in which it is located on ~~April~~ January 1. Such equipment brought  
6 into the State after ~~April~~ January 1 and prior to December 15 of any year shall  
7 be taxed as other personal estate for that year in the town in which it is first  
8 used for a normal full work shift. The owner or person in charge of any  
9 equipment enumerated in this section shall, upon request of the Treasurer or  
10 tax collector of any municipality, present evidence that it has been listed for  
11 tax purposes in a municipality in this State. The Transportation Board and  
12 other State agencies shall insert in all contracts for construction a term by  
13 which the contractor agrees to pay taxes assessed under this section and section  
14 4151 of this title.

15 Sec. 30. 32 V.S.A. § 3610(b) is amended to read:

16 (b) The listers of each town and the appraisers of each unorganized town  
17 and gore shall list every perpetual lease in a separate record in which shall be  
18 shown as to each lease a brief description of the leased land, the fair market  
19 value of the land as appraised by them, the name of the lessor, the annual rental  
20 payable under the lease, and as of ~~April~~ January 1 of each year the name and

1 address of the lessee. If for any reason the lease is exempt under subsection  
2 (d) of this section, the reason for the exemption shall be noted.

3 Sec. 31. 32 V.S.A. § 3618(c)(2) is amended to read:

4 (2) “Net book value” of property means the cost less depreciation of the  
5 property as shown on the federal income tax return required to be filed with the  
6 federal authorities on or nearest in advance of ~~April~~ January 1 in any year.

7 Sec. 32. 32 V.S.A. § 3651 is amended to read:

8 § 3651. GENERAL RULE

9 Taxable real estate shall be set in the list to the last owner or possessor  
10 thereof on ~~April~~ January 1 in each year in the town, village, school, and fire  
11 district where it is situated.

12 Sec. 33. 32 V.S.A. § 3691 is amended to read:

13 § 3691. GENERAL RULE

14 Taxable tangible personal estate shall be set in the list to the last owner  
15 thereof on ~~April~~ January 1 in each year, in the town, village, school, and fire  
16 district where such property is situated, with the exception that such personal  
17 estate situated within this State owned by persons residing outside the State or  
18 by persons unknown to the listers shall be set in the list to the person having  
19 the same in charge, in the town, village, school, and fire district where the  
20 same is situated and shall be holden for all taxes assessed on such list.

21 However, tangible personal estate owned by nonresident persons or

1 corporation, and used in this State by the State or a department or institution  
2 thereof, under lease, contract or other agreement, written or oral, may be set in  
3 the list in the town where so used, to such nonresident owner.

4 Sec. 34. 32 V.S.A. § 3692(b) is amended to read:

5 (b) A trailer coach shall be taxed as real property by the town in which it is  
6 located notwithstanding subsection (a) of this section if it is situated in the  
7 town on the same trailer site or camp site for more than 180 days during the  
8 365 days prior to ~~April~~ January 1. A trailer coach shall not be taxed as real  
9 property if it is stored on property on which the owner resides in another  
10 dwelling as a permanent residence.

11 Sec. 35. 32 V.S.A. § 3708 is amended to read:

12 § 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE  
13 AGENCY OF NATURAL RESOURCES

14 \* \* \*

15 (b) The State shall annually pay on or before October 31 to each  
16 municipality a payment in lieu of taxes (PILOT) that shall be the base payment  
17 as set forth under this section, for all ANR land, excluding buildings or other  
18 improvements thereon, as of ~~April~~ January 1 of the current year.

19 (c) The State shall establish the base payment for all ANR land, excluding  
20 buildings or other improvements thereon, as follows;:



1 January 1 of the year in which the plan expires, the owner shall file a new  
2 conservation or forest management plan for the next succeeding 10 years to  
3 remain in the program.

4 \* \* \*

5 (2) A management report of whatever activity has occurred, signed by  
6 an owner or forester working on behalf of an owner, has been filed with the  
7 Department of Taxes' Director of Property Valuation and Review on or before  
8 February 1 of the year following the year when the management activity  
9 occurred.

10 (3) There has not been filed with the Director an adverse inspection  
11 report by the Department stating that the management of the tract is contrary to  
12 the forest management plan, conservation management plan, or contrary to the  
13 minimum acceptable standards for forest or conservation management. The  
14 management activity report shall be on a form prescribed by the Commissioner  
15 of Forests, Parks and Recreation in consultation with the Commissioner of  
16 Taxes and shall be signed by all the owners and shall contain the tax  
17 identification numbers of all the owners. All information contained within the  
18 management activity report shall be forwarded to the Department of Forests,  
19 Parks and Recreation, except for any tax identification number included in the  
20 report. If any owner satisfies the Department that ~~he or she~~ the owner was  
21 prevented by accident, mistake, or misfortune from filing an initial or revised

1 management plan that is required to be filed on or before October 1, or a  
2 management plan update that is required to be filed on or before ~~April~~ January  
3 1 of the year in which the plan expires, or a management activity report that is  
4 required to be filed on or before February 1 of the year following the year  
5 when the management activity occurred, the owner may submit that  
6 management plan or management activity report at a later date; provided,  
7 however, no initial or revised management plan shall be received later than  
8 December 31, and no management plan update shall be received later than one  
9 year after ~~April~~ January 1 of the year the plan expires, and no management  
10 activity report shall be received later than March 1.

11 Sec. 37. 32 V.S.A. § 3802a is amended to read:

12 § 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION

13 Before ~~April~~ January 1 of each year, owners of property exempt from  
14 taxation under subdivisions 3802(4), (6), (9), (12), and (15) and under  
15 subdivisions 5401(10)(D), (F), (G), and (J) of this title shall provide their local  
16 assessing officials with information regarding the insurance replacement cost  
17 of the exempt property or with a written explanation of why the property is not  
18 insured.

1 Sec. 38. 32 V.S.A. § 3850(d) is amended to read:

2 (d) If a dwelling unit is certified as blighted under subsection (b) of this  
3 section, the exemption shall take effect on the ~~April~~ January 1 following the  
4 certification of the dwelling unit.

5 Sec. 39. 32 V.S.A. § 4001(a) is amended to read:

6 (a) Annually on ~~April~~ January 1, at the expense of the State, the Director  
7 shall furnish to the several ~~town~~ municipal clerks and boards of appraisers for  
8 unorganized towns and goes inventory forms sufficient in number to meet the  
9 requirements of this chapter. Such forms shall be formulated by the Director  
10 and, among other things, shall contain suitable interrogatories requiring each  
11 taxpayer to furnish therein a brief statement of all of each taxpayer's taxable  
12 property, real and personal, and such other information, including income and  
13 expense information with respect to any income-producing properties, as will  
14 enable the listers or appraisers to appraise such part thereof as is required by  
15 law to be by them appraised, and to make up the abstract of individual lists and  
16 grand list in the manner prescribed by law.

17 Sec. 40. 32 V.S.A. § 4004 is amended to read:

18 § 4004. RETURN OF INVENTORIES BY INDIVIDUALS

19 On or before ~~April~~ January 20, unless otherwise required, every taxable  
20 person shall procure such inventory form, make full answers to all  
21 interrogatories therein, subscribe the same, make oath thereto, and deliver or

1 forward the same to one of the listers in the town wherein such person owns or  
2 possesses property required by law to be set to ~~him or her~~ the person in the  
3 grand list. When notice in writing to file, deliver, or forward such inventory on  
4 or before a given date is delivered by one of the listers to a person, or mailed  
5 postage prepaid to ~~him or her~~ the person at ~~his or her~~ the person's last known  
6 post office address, such person, within the time therein specified, shall  
7 properly fill out such inventory and deliver or forward the same to one of the  
8 listers, notwithstanding ~~he or she~~ the person may not own or possess property  
9 subject to taxation. Persons taxable only for real estate shall not be required to  
10 file such inventory unless notified so to do as herein provided.

11 Sec. 41. 32 V.S.A. § 4041 is amended to read:

12 § 4041. EXAMINATION OF PROPERTY; APPRAISAL

13 On ~~April~~ January 1, the listers and assessors shall proceed to take up such  
14 inventories and make such personal examination of the property that they are  
15 required to appraise as will enable them to appraise it at its fair market value.

16 When a board of listers is of the opinion that expert advice or assistance is  
17 needed in making any appraisal required by law, it may, with approval of  
18 ~~selectboard~~ the legislative body of the municipality or by vote of the ~~town~~  
19 municipality, employ such assistance.

1 Sec. 42. 32 V.S.A. § 4044 is amended to read:

2 § 4044. APPRAISAL OF PERSONALTY ON ~~APRIL~~ JANUARY 1

3 Unless otherwise provided, the taxable personal estate contained in the  
4 inventory shall be appraised by the listers at its fair market value on ~~April~~  
5 January 1.

6 Sec. 43. 32 V.S.A. § 4045 is amended to read:

7 § 4045. APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

8 If any business is normally operated for a period less than 12 consecutive  
9 months and is not in operation on ~~April~~ January 1, an inventory shall be filed  
10 with the listers at least 15 days prior to the anticipated annual suspension of  
11 such business and the stock in trade shall be appraised for the period of  
12 operation so as to represent an average of values of such property during that  
13 period in which the business has been carried on.

14 Sec. 44. 32 V.S.A. § 4605 is amended to read:

15 § 4605. ASSESSMENT WHEN APPRAISAL ON OTHER THAN ~~APRIL~~  
16 JANUARY 1

17 \* \* \*

18 Sec. 45. 32 V.S.A. § 5401(7) is amended to read:

19 (7) “Homestead”:

20 (A) “Homestead” means the principal dwelling and parcel of land  
21 surrounding the dwelling, owned and occupied by a resident individual as the

1 individual's domicile or owned and fully leased on ~~April~~ January 1, provided  
2 the property is not leased for more than 182 days out of the calendar year or,  
3 for purposes of the renter credit under subsection 6066(b) of this title, is rented  
4 and occupied by a resident individual as the individual's domicile.

5 \* \* \*

6 (G) For purposes of homestead declaration and application of the  
7 homestead property tax rate, "homestead" also means a residence that was the  
8 homestead of the decedent at the date of death and, from the date of death  
9 through the next ~~April~~ January 1, is held by the estate of the decedent and not  
10 rented.

11 \* \* \*

12 Sec. 46. 32 V.S.A. § 5404a(a)(6) is amended to read:

13 (6) An exemption of a portion of the value of a qualified rental unit  
14 parcel. An owner of a qualified rental unit parcel shall be entitled to an  
15 exemption on the education property tax grand list of 10 percent of the grand  
16 list value of the parcel, multiplied by the ratio of square footage of  
17 improvements used for or related to residential rental purposes to total square  
18 footage of all improvements, multiplied by the ratio of qualified rental units to  
19 total residential rental units on the parcel. "Qualified rental units" means  
20 residential rental units that are subject to rent restriction under provisions of  
21 State or federal law but excluding units subject to rent restrictions under only

1 one of the following programs: Section 8 moderate rehabilitation, Section 8  
2 housing choice vouchers, or Section 236 or Section 515 rural development  
3 rental housing. A municipality shall allow the percentage exemption under  
4 this subsection upon presentation by the taxpayer to the municipality, by ~~April~~  
5 January 1, of a certificate of education grand list value exemption obtained  
6 from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a  
7 certificate of exemption upon presentation by the taxpayer of information that  
8 VHFA and the Commissioner shall require. A certificate of exemption issued  
9 by VHFA under this subsection shall expire upon transfer of the building, upon  
10 expiration of the rent restriction, or after 10 years, whichever first occurs;  
11 provided, however, that the certificate of exemption may be renewed after 10  
12 years and every 10 years thereafter if VHFA finds that the property continues  
13 to meet the requirements of this subsection.

14 Sec. 47. 32 V.S.A. § 5405 is amended to read:

15 § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY

16 TAX GRAND LIST AND COEFFICIENT OF DISPERSION

17 (a) Annually, on or before April 1, the Commissioner shall determine the  
18 equalized education property tax grand list and coefficient of dispersion for  
19 each municipality in the State; provided, however, that for purposes of  
20 equalizing grand lists pursuant to this section, the equalized education property  
21 tax grand list of a municipality that establishes a tax increment financing

1 district shall include the fair market value of the property in the district and not  
2 the original taxable value of the property, and further provided that the unified  
3 towns and gores of Essex County may be treated as one municipality for the  
4 purpose of determining an equalized education property grand list and a  
5 coefficient of dispersion, if the Director determines that all such entities have a  
6 uniform appraisal schedule and uniform appraisal practices.

7 \* \* \*

8 (c) In determining the fair market value of property that is required to be  
9 listed at fair market value, the Commissioner shall take into consideration  
10 those factors required by section 3481 of this title. The Commissioner shall  
11 value property as of ~~April~~ January 1 preceding the determination and shall take  
12 account of all homestead declaration information available before October 1  
13 each year.

14 \* \* \*

15 Sec. 48. 32 V.S.A. § 5410 is amended to read:

16 § 5410. DECLARATION OF HOMESTEAD

17 (a) A homestead owner shall declare ownership of a homestead for  
18 purposes of education property tax.

19 (b) Annually, on or before the due date for filing the Vermont income tax  
20 return, without extension, each homestead owner shall, on a form prescribed  
21 by the Commissioner, which shall be verified under the pains and penalties of

1 perjury, declare the owner's homestead, if any, as of, or expected to be as of,  
2 ~~April~~ January 1 of the year in which the declaration is made.

3 \* \* \*

4 (d) The Commissioner shall provide a list of homesteads in each town to  
5 the ~~town~~ municipal listers and assessors by May 15. The listers and assessors  
6 shall notify the Commissioner by June 1 of any residences on the  
7 Commissioner's list that do not qualify as homesteads. The listers and  
8 assessors shall separately identify homesteads in the grand list.

9 \* \* \*

10 \* \* \* Municipal Tax Collection; State Oversight \* \* \*

11 Sec. 49. 32 V.S.A. chapter 133, subchapter 9 is amended to read:

12 Subchapter 9. Delinquent Taxes

13 § 5131. ~~SUPERVISION BY DIRECTOR~~

14 ~~The Director shall supervise the collection of delinquent taxes by officials~~  
15 ~~of towns and other municipal corporations. [Repealed.]~~

16 § 5132. ~~CONFERENCES; BULLETINS; FORMS~~

17 ~~The Director may examine a tax list in the hands of a collector; shall confer~~  
18 ~~from time to time with collectors, advise them concerning their official duties,~~  
19 ~~and furnish them printed instructions and directions relating thereto; shall issue~~  
20 ~~such bulletins as in the Director's judgment will aid in enforcing the law; and~~

1 ~~shall formulate and furnish the necessary forms for the use of officials required~~  
2 ~~to make returns to the Director. [Repealed.]~~

3 § 5133. ~~MEETINGS OF TAX COLLECTORS~~

4 ~~The Director shall call meetings of collectors of taxes to be held at such~~  
5 ~~places and at such times as he or she shall designate for the purpose of~~  
6 ~~instruction as to the law governing their official duties and concerning the~~  
7 ~~collection of delinquent taxes. [Repealed.]~~

8 § 5134. ~~FAILURE TO ATTEND MEETINGS; COMPENSATION~~

9 ~~Collectors shall attend all meetings for instruction to which they are~~  
10 ~~summoned in writing by the Director. When a collector is unable to attend, he~~  
11 ~~or she shall notify forthwith the Director stating the cause of such inability and,~~  
12 ~~in his or her discretion, the Director may summon such collector to attend such~~  
13 ~~other meeting as he or she may designate. Collectors attending such meetings~~  
14 ~~shall receive therefor from the treasury of their municipality not less than~~  
15 ~~\$10.00 per day and their necessary expenses. [Repealed.]~~

16 § 5135. ~~RETURNS TO DIRECTOR~~

17 ~~Collectors and other officials named in this chapter shall render such~~  
18 ~~assistance, furnish such information, and make such returns to the Director in~~  
19 ~~relation to the subject of delinquent taxes and the administration of the law in~~  
20 ~~reference thereto as he or she may require. [Repealed.]~~

21

\* \* \*

1 Sec. 50. 24 V.S.A. § 138 is amended to read:

2 § 138. LOCAL OPTION TAXES

3 \* \* \*

4 (d)(1) Except as provided in subsection (c) of this section and subdivision  
5 (2) of this subsection with respect to taxes collected on the sale of aviation jet  
6 fuel, of the taxes collected under this section, 75 percent of the taxes shall be  
7 paid on a quarterly basis to the municipality in which they were collected, after  
8 reduction for the costs of administration and collection under subsection (c) of  
9 this section, provided that an additional five percent of the taxes collected shall  
10 be paid on a quarterly basis to the municipality in which they were collected in  
11 fiscal years that, at the close of the immediately preceding fiscal year, the  
12 Commissioner of Taxes determined that the balance of the PILOT Special  
13 Fund was in excess of \$18,000,000.00 at that time. Revenues received by a  
14 municipality may be expended for municipal services only, and not for  
15 education expenditures. Any remaining revenue shall be deposited into the  
16 PILOT Special Fund established by 32 V.S.A. § 3709.

17 (2)(A) Of the taxes collected under this section on the sale of aviation jet  
18 fuel, on a quarterly basis, 70 percent of the taxes shall be paid to the  
19 municipality in which they were collected, and 30 percent shall be deposited in  
20 the Transportation Fund.



1 and types, and analyze trends in the taxpayer revenue bases for various tax  
2 types.

3 (3) Analyze and identify any issues or trends relating to tax flight, tax  
4 avoidance, and gaps in enforcement.

5 (4) Recommend areas for further research and analysis, including ways  
6 to further research the topics of wealth and income in Vermont's aging  
7 demographic.

8 (c) Based upon the information resulting from the study in subsection (b) of  
9 this section, the Joint Fiscal Office shall, as part of the study or separately,  
10 review income eligibility criteria for various tax provisions and benefit  
11 programs to assess where potential gaps in eligibility or benefits cliffs may  
12 exist under Vermont's existing tax laws.

13 (d) For purposes of the study conducted under this section, the Department  
14 of Taxes shall provide assistance as requested by the Joint Fiscal Office.

15 (e) In fiscal year 2027, \$100,000.00 is appropriated from the General Fund  
16 to the Joint Fiscal Office for consultant assistance, data analysis, and other  
17 expenses related to the study conducted under this section. The duty to  
18 implement this Sec. 54 of this act is contingent upon an appropriation of funds  
19 in fiscal year 2027 from the General Fund to the Joint Fiscal Office for the  
20 specific purposes described in this section.



1 than obligations of Vermont and its political subdivisions, and any dividends  
2 or other distributions from any fund to the extent such dividend or distribution  
3 is attributable to such Vermont State or local obligations;

4 (III) the amount of any deduction for a federal net operating  
5 loss; ~~and~~

6 (IV) an amount equal to the bonus depreciation deduction taken  
7 on the taxpayer's federal income tax return for the taxable year under Section  
8 168(k) or (n) of the Internal Revenue Code;

9 (V) for any taxpayer that does not qualify as an eligible  
10 taxpayer, an amount equal to any deduction taken on the taxpayer's federal  
11 income tax return for the taxable year under 26 U.S.C. § 174A and Pub. L. No.  
12 119-21, 139 Stat. 72 (2025) § 70302(f)(2). For purposes of this subdivision  
13 (V), the term "eligible taxpayer" means any taxpayer (other than a tax shelter  
14 prohibited from using the cash receipts and disbursements method of  
15 accounting under 26 U.S.C. § 448(a)(3)) that meets the gross receipts test of  
16 26 U.S.C. § 448(c) for the taxable year; and

17 (VI) an amount equal to the amount of income deducted under  
18 Section 250 of the Internal Revenue Code for the taxable year to the extent  
19 deducted from net income; and

1 (ii) decreased by:

2 (I) the “gross-up of dividends” required by the federal Internal  
3 Revenue Code to be taken into taxable income in connection with the  
4 taxpayer’s election of the foreign tax credit;

5 (II) the amount of income that results from the required  
6 reduction in salaries and wages expense for corporations claiming the Targeted  
7 Job or WIN credits; ~~and~~

8 (III) any federal deduction or credit that the taxpayer would  
9 have been allowed for the cultivation, testing, processing, or sale of cannabis  
10 or cannabis products as authorized under 7 V.S.A. chapter 33 or 37, but for 26  
11 U.S.C. § 280E;

12 (IV) for the taxable year in which the bonus depreciation  
13 deduction is taken on the taxpayer’s federal income tax return under Section  
14 168(k) or (n) of the Internal Revenue Code and for each applicable taxable  
15 year thereafter, an amount equal to the depreciation deduction that would be  
16 allowed on that property if the taxpayer had made the election under Section  
17 168(k)(7) or (n)(6) of the Internal Revenue Code to not claim depreciation on  
18 that property. In the taxable year that property is sold or otherwise disposed  
19 of, an additional deduction shall be allowed to the extent the amount of  
20 depreciation claimed under Section 168(k) or (n) of the Internal Revenue Code  
21 on that property has not been recovered through the additional deductions

1 provided under this subdivision (18). The aggregate amount deducted under  
2 this subdivision (18)(A)(ii)(IV) in all taxable years for any one piece of  
3 property shall not exceed the amount of the bonus depreciation deduction taken  
4 on that property on the taxpayer's federal income tax return under Section  
5 168(k) or (n) of the Internal Revenue Code, or exceed the amount of the  
6 additional modifications taken for that property on the taxpayer's Vermont  
7 income tax return under subdivision (i)(IV) of this subdivision (18)(A);  
8 (V) for a taxpayer that does not qualify as an eligible taxpayer  
9 for the taxable year, as defined under subdivision (i)(V) of this subdivision  
10 (18)(A), for the taxable year in which a deduction is taken on the taxpayer's  
11 federal income tax return under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139  
12 Stat. 72 (2025) § 70302(f)(2), or both, and for each applicable taxable year  
13 thereafter, an amount equal to the deduction that would be allowed under 26  
14 U.S.C. § 174 applied as those provisions were in effect on December 31, 2024.  
15 The aggregate amount deducted under this subdivision (18)(A)(ii)(V) in all  
16 taxable years may not exceed the amount of the deduction taken on that  
17 expenditure on the taxpayer's federal income tax return under the Internal  
18 Revenue Code, or exceed the amount of the addition modifications taken on  
19 the taxpayer's Vermont income tax return under subdivision (i)(V) of this  
20 subdivision (18)(A);

1                   (VI) for a taxpayer that qualifies as an eligible taxpayer for the  
2 taxable year as defined under subdivision (i)(V) of this subdivision (18)(A) and  
3 has domestic research or experimental expenditures, as defined in 26 U.S.C.  
4 § 174A, as added by subsection 174A(a), which are paid or incurred in taxable  
5 years beginning after December 31, 2021, and before January 1, 2025, and  
6 which was charged to capital account pursuant to 26 U.S.C. § 174 as those  
7 provisions were in effect on December 31, 2024, and further elected under  
8 Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(1) to substitute “December  
9 31, 2021” for “December 31, 2024” as the applicable effective date for certain  
10 provisions in 26 U.S.C. § 174A and accordingly filed an amended federal  
11 return for each taxable year affected by such election, for the tax year  
12 beginning on or after January 1, 2025, and for each applicable taxable year  
13 thereafter, a taxpayer may elect to deduct any remaining unamortized amount  
14 with respect to such expenditures in the first taxable year beginning after  
15 December 31, 2024, or to deduct such remaining unamortized amount with  
16 respect to such expenditures ratably over the two-taxable year period  
17 beginning with the first taxable year beginning after December 31, 2024. The  
18 aggregate amount deducted under this subdivision (A)(ii)(VI) when combined  
19 with any other deduction for the domestic research or experimental  
20 expenditure allowed pursuant to Vermont’s adoption of the statutes of the  
21 United States relating to the federal income tax under section 5824 of this

1 chapter in all taxable years may not exceed the amount of the deduction taken  
2 for that expenditure on the taxpayer's federal income tax return under the  
3 Internal Revenue Code; and  
4 (VII) for a taxpayer that qualifies as an eligible taxpayer for the  
5 taxable year as defined under subdivision (i)(V) of this subdivision (18)(A) and  
6 has made an addition modification under subdivision (i)(V) in a prior tax year,  
7 an amount equal to the subtraction modification that would have been allowed  
8 in this taxable year under subdivision (A)(ii)(V) of this subdivision (18) but for  
9 the taxpayer's current status as an eligible taxpayer. The aggregate amount  
10 deducted under this subdivision (18)(A)(ii)(VII) in all taxable years for any  
11 expenditure may not exceed the amount of the deduction taken for that  
12 expenditure on the taxpayer's federal income tax return under the Internal  
13 Revenue Code, or exceed the amount of the addition modifications taken for  
14 that expenditure on the taxpayer's Vermont income tax return under  
15 subdivision (i)(V) of this subdivision (18)(A) for expenditures paid or incurred  
16 in taxable years on or after January 1, 2025.

17 \* \* \*

18 (21) "Taxable income" means, in the case of an individual, federal  
19 adjusted gross income ~~determined without regard to 26 U.S.C. § 168(k)~~ and:

20 (A) increased by the following items of income (to the extent such  
21 income is excluded from federal adjusted gross income):

1 (i) interest income from non-Vermont state and local obligations;

2 ~~and~~

3 (ii) dividends or other distributions from any fund to the extent  
4 they are attributable to non-Vermont state or local obligations; ~~and~~

5 (iii) an amount equal to the bonus depreciation deduction taken on  
6 the taxpayer's federal income tax return for the taxable year under Section  
7 168(k) or (n) of the Internal Revenue Code, including any amount of bonus  
8 depreciation deduction carried over on the taxpayer's federal income tax return  
9 as part of a net operating loss from a prior taxable year that is deducted in the  
10 current taxable year; and

11 (iv) for any taxpayer that does not qualify as an eligible taxpayer,  
12 an amount equal to any deduction taken on the taxpayer's federal income tax  
13 return for the taxable year under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139  
14 Stat. 72 (2025) § 70302(f)(2), or both, and any amount of these deductions  
15 carried over on the taxpayer's federal income tax return as part of a net  
16 operating loss from a prior tax year that is deducted in the current taxable year.  
17 For purposes of this subdivision (iv), the term "eligible taxpayer" means any  
18 taxpayer (other than a tax shelter prohibited from using the cash receipts and  
19 disbursements method of accounting under 26 U.S.C. § 448(a)(3)) that meets  
20 the gross receipts test of 26 U.S.C. § 448(c) for the taxable year; and

1           (B) decreased by the following items of income (to the extent such  
2 income is included in federal adjusted gross income):

3           (i) income from U.S. government obligations;

4           (ii) with respect to adjusted net capital gain income as defined in  
5 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend  
6 income: either the first \$5,000.00 of such adjusted net capital gain income or  
7 40 percent of adjusted net capital gain income from the sale of assets held by  
8 the taxpayer for more than three years, except not adjusted net capital gain  
9 income from:

10           (I) the sale of any real estate or portion of real estate used by  
11 the taxpayer as a primary or nonprimary residence; or

12           (II) the sale of depreciable personal property other than farm  
13 property and standing timber; or stocks or bonds publicly traded or traded on  
14 an exchange, or any other financial instruments; regardless of whether sold by  
15 an individual or business; and provided that the total amount of decrease under  
16 this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable  
17 income or \$350,000.00, whichever is less;

18           (iii) recapture of State and local income tax deductions not taken  
19 against Vermont income tax;

1 (iv) the portion of certain retirement income and federally taxable  
2 benefits received under the federal Social Security Act that is required to be  
3 excluded under section 5830e of this chapter;

4 (v) the amount of any federal deduction or credit that the taxpayer  
5 would have been allowed for the cultivation, testing, processing, or sale of  
6 cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37,  
7 but for 26 U.S.C. § 280E; ~~and~~

8 (vi) the amount of interest paid by a qualified resident taxpayer  
9 during the taxable year on a qualified education loan for the costs of attendance  
10 at an eligible educational institution;

11 (vii) for the taxable year in which the bonus depreciation  
12 deduction is taken on the taxpayer's federal income tax return under Section  
13 168(k) or (n) of the Internal Revenue Code and for each applicable taxable  
14 year thereafter, an amount equal to the depreciation deduction that would be  
15 allowed on that property if the taxpayer had made the election under Section  
16 168(k)(7) or (n)(6) of the Internal Revenue Code to not claim bonus  
17 depreciation on that property. In the taxable year that property is sold or  
18 otherwise disposed of, an additional deduction shall be allowed to the extent  
19 the amount of depreciation claimed under Section 168(k) or (n) of the Internal  
20 Revenue Code on that property has not been recovered through the additional  
21 deductions provided under this subdivision (21). The aggregate amount

1 deducted under this subdivision (21)(B)(vii) in all taxable years for any one  
2 piece of property shall not exceed the amount of the bonus depreciation  
3 deduction taken on that property on the taxpayer's federal income tax return  
4 under Section 168(k) or (n) of the Internal Revenue Code, or exceed the  
5 amount of the addition modifications taken for that property on the taxpayer's  
6 Vermont income tax return under subdivision (A)(iii) of this subdivision (21);  
7 and  
8 (viii) for a taxpayer that does not qualify as an eligible taxpayer  
9 for the taxable year, as defined under subdivision (A)(iv) of this subdivision  
10 (21), for the taxable year in which a deduction is taken on the taxpayer's  
11 federal income tax return under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139  
12 Stat. 72 (2025) § 70302(f)(2), or both, and for each applicable taxable year  
13 thereafter, an amount equal to the deduction that would be allowed under 26  
14 U.S.C. § 174 applied as those provisions were in effect on December 31, 2024.  
15 The aggregate amount deducted under this subdivision (21)(B)(viii) in all  
16 taxable years may not exceed the amount of the deduction taken on that  
17 expenditure on the taxpayer's federal income tax return under the Internal  
18 Revenue Code, or exceed the amount of the addition modifications taken on  
19 the taxpayer's Vermont income tax return under subdivision (A)(iv) of this  
20 subdivision (21);

1           (ix) for a taxpayer that qualifies as an eligible taxpayer for the  
2 taxable year as defined under subdivision (A)(iv) of this subdivision (21) and  
3 has domestic research or experimental expenditures, as defined in 26 U.S.C.  
4 § 174A, as added by subsection 174A(a), which are paid or incurred in taxable  
5 years beginning after December 31, 2021, and before January 1, 2025, and  
6 which was charged to capital account pursuant to 26 U.S.C. § 174 as those  
7 provisions were in effect on December 31, 2024, and elected under Pub. L. No.  
8 119-21, 139 Stat. 72 (2025) § 70302(f)(1) to substitute “December 31, 2021”  
9 for “December 31, 2024” as the applicable effective date for certain provisions  
10 in 26 U.S.C. § 174A and accordingly filed an amended federal return for each  
11 taxable year affected by such election, for the tax year beginning on or after  
12 January 1, 2025, and for each applicable taxable year thereafter, a taxpayer  
13 may elect to deduct any remaining unamortized amount with respect to such  
14 expenditures in the first taxable year beginning after December 31, 2024, or to  
15 deduct such remaining unamortized amount with respect to such expenditures  
16 ratably over the two-taxable year period beginning with the first taxable year  
17 beginning after December 31, 2024. The aggregate amount deducted under  
18 this subdivision (21)(B)(ix) when combined with any other deduction for the  
19 domestic research or experimental expenditure allowed pursuant to Vermont’s  
20 adoption of the statutes of the United States relating to the federal income tax  
21 under section 5824 of this chapter in all taxable years may not exceed the

1 amount of the deduction taken for that expenditure on the taxpayer's federal  
2 income tax return under the Internal Revenue Code; and  
3 (x) for a taxpayer that qualifies as an eligible taxpayer for the  
4 taxable year as defined under subdivision (A)(iv) of this subdivision (21) and  
5 has made an addition modification under subdivision (A)(iv) of this  
6 subdivision (21) in a prior tax year, an amount equal to the subtraction  
7 modification that would have been allowed in this taxable year under  
8 subdivision (viii) of this subdivision (21)(B) but for the taxpayer's current  
9 status as an eligible taxpayer. The aggregate amount deducted under this  
10 subdivision (21)(B)(x) in all taxable years for any expenditure may not exceed  
11 the amount of the deduction taken for that expenditure on the taxpayer's  
12 federal income tax return under the Internal Revenue Code, or exceed the  
13 amount of the addition modifications taken for that expenditure on the  
14 taxpayer's Vermont income tax return under subdivision (A)(iv) of this  
15 subdivision (21) for expenditures paid or incurred in taxable years on or after  
16 January 1, 2025.

17 \* \* \*

18 (28) "Taxable income" means, in the case of an estate or a trust, federal  
19 taxable income ~~determined without regard to 26 U.S.C. § 168(k)~~ and:

20 (A) increased by the following items of income:

21 (i) interest income from non-Vermont state and local obligations;

1           (ii) dividends or other distributions from any fund to the extent  
2 they are attributable to non-Vermont state or local obligations; and

3           (iii) the amount of State and local income taxes deducted from  
4 federal gross income for the taxable year; ~~and~~

5           (iv) an amount equal to the bonus depreciation deduction taken on  
6 the taxpayer's federal income tax return for the taxable year under Section  
7 168(k) or (n) of the Internal Revenue Code, including any amount of bonus  
8 depreciation deduction carried over on the taxpayer's federal income tax return  
9 as part of a net operating loss from a prior tax year that is deducted in the  
10 current taxable year; and

11           (v) for any taxpayer that does not qualify as an eligible taxpayer,  
12 an amount equal to any deduction taken on the taxpayer's federal income tax  
13 return for the taxable year under 26 U.S.C. § 174A or Pub. L. No. 119-21, 139  
14 Stat. 72 (2025) § 70302(f)(2), or both, and any amount of these deductions  
15 carried over on the taxpayer's federal income tax return as part of a net  
16 operating loss from a prior tax year that is deducted in the current taxable year.  
17 For purposes of this subdivision (v), the term "eligible taxpayer" means any  
18 taxpayer (other than a tax shelter prohibited from using the cash receipts and  
19 disbursements method of accounting under 26 U.S.C. § 448(a)(3)) that meets  
20 the gross receipts test of 26 U.S.C. § 448(c) for the taxable year; and

1 (B) decreased by the following items of income:

2 (i) income from U.S. government obligations;

3 (ii) with respect to adjusted net capital gain income as defined in

4 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend

5 income: either the first \$5,000.00 of such adjusted net capital gain income or

6 40 percent of adjusted net capital gain income from the sale of assets held by

7 the taxpayer for more than three years, except not adjusted net capital gain

8 income from:

9 (I) the sale of any real estate or portion of real estate used by  
10 the taxpayer as a primary or nonprimary residence; or

11 (II) the sale of depreciable personal property other than farm  
12 property and standing timber; or stocks or bonds publicly traded or traded on  
13 an exchange, or any other financial instruments; regardless of whether sold by  
14 an individual or business; and provided that the total amount of decrease under  
15 this subdivision (28)(B)(ii) shall not exceed 40 percent of federal taxable  
16 income or \$350,000.00, whichever is less; and

17 (iii) recapture of State and local income tax deductions not taken  
18 against Vermont income tax;

19 (iv) for the taxable year in which the bonus depreciation deduction  
20 is taken on the taxpayer's federal income tax return under Section 168(k) or (n)  
21 of the Internal Revenue Code and for each applicable taxable year thereafter,

1 an amount equal to the depreciation deduction that would be allowed on that  
2 property if the taxpayer had made the election under Section 168(k)(7) or  
3 (n)(6) of the Internal Revenue Code to not claim bonus depreciation on that  
4 property. In the taxable year that property is sold or otherwise disposed of, an  
5 additional deduction shall be allowed to the extent the amount of depreciation  
6 claimed under Section 168(k) or (n) of the Internal Revenue Code on that  
7 property has not been recovered through the additional deductions provided  
8 under this subdivision (28). The aggregate amount deducted under this  
9 subdivision (28)(B)(iv) in all taxable years for any one piece of property shall  
10 not exceed the amount of the bonus depreciation deduction taken on that  
11 property on the taxpayer's federal income tax return under Section 168(k) or  
12 (n) of the Internal Revenue Code, or exceed the amount of the addition  
13 modifications taken on that property on the taxpayer's Vermont income tax  
14 return under subdivision (A)(iv) of this subdivision (28);

15 (v) for a taxpayer that does not qualify as an eligible taxpayer for  
16 the taxable year, as defined under subdivision (A)(v) of this subdivision (28),  
17 for the taxable year in which a deduction is taken on the taxpayer's federal  
18 income tax return under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139 Stat. 72  
19 (2025) § 70302(f)(2), or both, and for each applicable taxable year thereafter,  
20 an amount equal to the deduction that would be allowed under 26 U.S.C. § 174  
21 applied as those provisions were in effect on December 31, 2024. The

1 aggregate amount deducted under this subdivision (v) in all taxable years may  
2 not exceed the amount of the deduction taken on that expenditure on the  
3 taxpayer's federal income tax return under the Internal Revenue Code, or  
4 exceed the amount of the addition modifications taken on the taxpayer's  
5 Vermont income tax return under subdivision (A)(v) of this subdivision (28);  
6 (vi) for a taxpayer that qualifies as an eligible taxpayer for the  
7 taxable year as defined under subdivision (A)(v) of this subdivision (28) and  
8 has domestic research or experimental expenditures, as defined in 26 U.S.C.  
9 § 174A, as added by subsection 174A(a), which are paid or incurred in taxable  
10 years beginning after December 31, 2021, and before January 1, 2025, and  
11 which was charged to capital account pursuant to 26 U.S.C. § 174 as those  
12 provisions were in effect on December 31, 2024, and elected under Pub. L. No.  
13 119-21, 139 Stat. 72 (2025) § 70302(f)(1) to substitute "December 31, 2021"  
14 for "December 31, 2024" as the applicable effective date for certain provisions  
15 in 26 U.S.C. § 174A and accordingly filed an amended federal return for each  
16 taxable year affected by such election, for the tax year beginning on or after  
17 January 1, 2025, and for each applicable taxable year thereafter, a taxpayer  
18 may elect to deduct any remaining unamortized amount with respect to such  
19 expenditures in the first taxable year beginning after December 31, 2024, or to  
20 deduct such remaining unamortized amount with respect to such expenditures  
21 ratably over the two-taxable year period beginning with the first taxable year

1 beginning after December 31, 2024. The aggregate amount deducted under  
2 this subdivision (28)(B)(vi) when combined with any other deduction for the  
3 domestic research or experimental expenditure allowed pursuant to Vermont's  
4 adoption of the statutes of the United States relating to the federal income tax  
5 under section 5824 of this chapter in all taxable years may not exceed the  
6 amount of the deduction taken for that expenditure on the taxpayer's federal  
7 income tax return under the Internal Revenue Code; and  
8 (vii) for a taxpayer that qualifies as an eligible taxpayer for the  
9 taxable year as defined under subdivision (A)(v) of this subdivision (28) and  
10 has made an addition modification under subdivision (A)(v) of this subdivision  
11 (28) in a prior tax year, an amount equal to the subtraction modification that  
12 would have been allowed in this taxable year under subdivision (v) of this  
13 subdivision (28)(B) but for the taxpayer's current status as an eligible  
14 taxpayer. The aggregate amount deducted under this subdivision in all taxable  
15 years for any expenditure may not exceed the amount of the deduction taken  
16 for that expenditure on the taxpayer's federal income tax return under the  
17 Internal Revenue Code, or exceed the amount of the addition modifications  
18 taken for that expenditure on the taxpayer's Vermont income tax return under  
19 subdivision (A)(v) of this subdivision (28) for expenditures paid or incurred in  
20 taxable years on or after January 1, 2025.

21

\* \* \*

1 Sec. 55a. 32 V.S.A. § 5811 is amended to read:

2 § 5811. DEFINITIONS

3 As used in this chapter:

4 \* \* \*

5 (21) “Taxable income” means, in the case of an individual, federal  
6 adjusted gross income and:

7 (A) increased by the following items of income (to the extent such  
8 income is excluded from federal adjusted gross income):

9 \* \* \*

10 (v) an amount equal to any income or gain from the sale or  
11 exchange of qualified small business stock excluded from federal gross income  
12 for the taxable year under Section 1202(a) of the Internal Revenue Code; and

13 (B) decreased by the following items of income (to the extent such  
14 income is included in federal adjusted gross income):

15 (i) income from U.S. government obligations;

16 (ii)(I) with respect to adjusted net capital gain income as defined  
17 in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend  
18 income: either the first \$5,000.00 of such adjusted net capital gain income or  
19 40 percent of adjusted net capital gain income from the sale of assets held by  
20 the taxpayer for more than three years, except not adjusted net capital gain  
21 income from:



1 (A) increased by the following items of income:

2 \* \* \*

3 (vi) an amount equal to any income or gain from the sale or  
4 exchange of qualified small business stock excluded from federal gross income  
5 for the taxable year under Section 1202(a) of the Internal Revenue Code; and

6 (B) decreased by the following items of income:

7 (i) income from U.S. government obligations;

8 (ii)(I) with respect to adjusted net capital gain income as defined  
9 in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend  
10 income: either the first \$5,000.00 of such adjusted net capital gain income or  
11 40 percent of adjusted net capital gain income from the sale of assets held by  
12 the taxpayer for more than three years, except not adjusted net capital gain  
13 income from:

14 ~~(H)(aa)~~ the sale of any real estate or portion of real estate used  
15 by the taxpayer as a primary or nonprimary residence; or

16 ~~(H)(bb)~~ the sale of depreciable personal property other than  
17 farm property and standing timber; or stocks or bonds publicly traded or traded  
18 on an exchange, or any other financial instruments; regardless of whether sold  
19 by an individual or business; and provided that the total amount of decrease  
20 under this subdivision (28)(B)(ii) shall not exceed 40 percent of federal taxable  
21 income or \$350,000.00, whichever is less;



1 the purposes of this subsection, adjusted gross income means federal adjusted  
2 gross income modified by the additions and subtractions provided for in  
3 subdivisions 5811(21)(A) and (B) of this chapter for an individual, and federal  
4 adjusted gross income modified by the additions and subtractions provided for  
5 in subdivisions 5811(28)(A) and (B) of this chapter for an estate or a trust.

6 Sec. 57. 32 V.S.A. § 5823 is amended to read:

7 § 5823. VERMONT INCOME OF INDIVIDUALS, ESTATES, AND  
8 TRUSTS

9 \* \* \*

10 (b) For any taxable year, the Vermont income of a nonresident individual,  
11 estate, or trust is the sum of the following items of income to the extent they  
12 are required to be included in the federal adjusted gross income of the  
13 individual after the value of those items are modified by the additions and  
14 subtractions provided for in subdivisions 5811(21)(A) and (B) of this chapter  
15 or the ~~gross~~ federal adjusted gross income of an estate or trust after the value of  
16 those items are modified by the additions and subtractions provided for in  
17 subdivisions (28)(A) and (B) of this chapter for that taxable year:

18 \* \* \*

19 Sec. 58. 32 V.S.A. § 5930ii is amended to read:

20 § 5930ii. RESEARCH AND DEVELOPMENT TAX CREDIT

1 (a) A taxpayer of this State shall be eligible for a credit against the tax  
2 imposed under this chapter in an amount equal to ~~27~~ 75 percent of the amount  
3 of the federal tax credit allowed in the taxable year for eligible research and  
4 development expenditures under 26 U.S.C. § 41(a) that are made within this  
5 State.

6 (b) Any unused credit available under subsection (a) of this section may be  
7 carried forward for up to 10 years.

8 (c) Each year, on or before January 15, the Department of Taxes shall  
9 publish a list containing the names of the taxpayers who have claimed a credit  
10 under this section during the most recent completed calendar year.

11 Sec. 59. 32 V.S.A. § 5930ee is amended to read:

12 § 5930ee. LIMITATIONS

13 Beginning in fiscal year 2010 and thereafter, the State Board may award tax  
14 credits to all qualified applicants under this subchapter, provided that:

15 (1) the total amount of tax credits awarded annually, together with sales  
16 tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~  
17 \$3,500,000.00;

18 \* \* \*

19 Sec. 60. 32 V.S.A. § 5824 is amended to read:

20 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS





1 property taxes on properties within the tax increment financing district and  
2 apply those revenues to repayment of debt issued to finance improvements  
3 within the tax increment financing district” (emphasis added). This provision  
4 authorized the City of Burlington to retain 100 percent of the Burlington  
5 Waterfront TIF District’s municipal and education property tax increment.

6 (4) The City of Burlington voted to expand the Burlington Waterfront  
7 TIF District on June 23, 1997, to include property extending along Cherry  
8 Street from Battery Street to Church Street.

9 (5) 2009 Acts and Resolves No. 54, Sec. 83, extended the City of  
10 Burlington’s authority to incur indebtedness for the TIF district by five years  
11 beginning January 1, 2010, and tasked the City of Burlington with submitting  
12 to the Joint Fiscal Committee “a proposal for implementation of a payment to  
13 the education fund in lieu of tax increment which would approximate 25  
14 percent of the new incremental education property tax revenue and the  
15 mechanism for payment by the City to the education fund, including payment  
16 dates.”

17 (6) The City of Burlington submitted the proposal to the Joint Fiscal  
18 Committee on August 31, 2009, and explained that the payment in lieu of tax  
19 increment was intended to reduce the administrative complexity that would  
20 result from having “two TIF rates and two ‘original taxable bases’ within the  
21 same district.” The proposal provided for a payment to the Education Fund of

1 25 percent of “the new incremental education property taxes” (emphasis  
2 added) on properties within the Burlington Waterfront TIF District other than  
3 35 Cherry Street and 41 Cherry Street. For these two properties, the City  
4 proposed to retain 100 percent of the property tax increment.

5 (7) The Joint Fiscal Committee approved the City of Burlington’s  
6 proposal on September 10, 2009, and the General Assembly enacted the terms  
7 of the proposal in 2011 Acts and Resolves No. 45, Sec.16. This legislation left  
8 untouched the municipal property tax increment retention percentage.

9 (8) 2013 Acts and Resolves No. 80 codified the City of Burlington’s  
10 authorization to use education tax increment financing for the Burlington  
11 Waterfront TIF District at 24 V.S.A. § 1892(d), extended the City’s authority  
12 to incur indebtedness for the TIF district for five years beginning January 1,  
13 2015, and clarified that the extension of the City’s debt incurrence period did  
14 not extend the City’s tax increment retention period.

15 (9) 2016 Acts and Resolves No. 134, Sec. 9a, extended the period to  
16 incur indebtedness for an additional one and a half years for three properties  
17 located at 49 Church Street and 75 Cherry Street, as designated on the City of  
18 Burlington’s Tax Parcel Maps as Parcel ID# 044-4-004-000, Parcel ID# 044-4-  
19 004-001, and Parcel ID# 044-4-033-000. For these three properties, the  
20 General Assembly further authorized the City of Burlington to extend the  
21 City’s tax increment retention period until June 30, 2035.

1           (10) 2020 Acts and Resolves No. 175, Sec. 29, further extended the  
2 period to incur indebtedness for these same three properties to June 30, 2022,  
3 provided that certain contingencies were met, and clarified that the extension  
4 of the City’s debt incurrence period for these three properties did not extend  
5 the City’s tax increment retention period.

6           (11) 2021 Acts and Resolves No. 73, Sec. 26a, further extended the  
7 period to incur indebtedness for these same three properties to June 30, 2023.

8           (b) It is the intent of the General Assembly to clarify that the City of  
9 Burlington may retain until June 30, 2035, 75 percent of the State education  
10 tax increment and 100 percent of the municipal tax increment for the following  
11 three properties located at 49 Church Street and 75 Cherry Street, as designated  
12 on the City of Burlington’s Tax Parcel Maps:

13           (1) Parcel ID# 044-4-004-000;

14           (2) Parcel ID# 044-4-004-001; and

15           (3) Parcel ID# 044-4-033-000.

16           (c) This section shall not be construed to modify the tax increment  
17 retention percentages for the Burlington Waterfront TIF District.

18           Sec. 63b. ADJUSTMENT OF RETENTION PERCENTAGES

19           On or before November 15, 2029, the City of Burlington shall submit an  
20 updated tax increment financing plan for the Burlington Waterfront Tax  
21 Increment Financing (TIF) District to the Vermont Economic Progress

1 Council. The plan shall include adjustments and updates of appropriate data  
2 and information sufficient for the Council to determine, based on tax increment  
3 financing debt actually incurred and the history of increment generated,  
4 whether the municipal tax increment and State education tax increment  
5 percentages should be continued or adjusted to a lower percentage to be  
6 retained for the remaining duration of the retention period and still provide  
7 sufficient municipal and State education tax increment to service the remaining  
8 debt.

9 \* \* \* Effective Dates \* \* \*

10 Sec. 64. EFFECTIVE DATES

11 This act shall take effect on passage except:

12 (1) Notwithstanding 1 V.S.A. § 214, Sec. 1 (credit for taxes paid in  
13 another state by an S corporation) shall take effect retroactively on January 1,  
14 2025, and shall apply to taxable years beginning on and after January 1, 2025.

15 (2) Secs. 3 and 4 (current use; land use change tax) shall take effect on  
16 October 1, 2026.

17 (3) Sec. 6 (communications property) shall take effect on January 1,  
18 2027, and apply to grand lists lodged beginning on April 1, 2027.

19 (4) Sec. 20 (grand list definition of parcel) shall take effect on April 1,  
20 2028, and shall apply to grand lists lodged on and after that date.

1           (5) Sec. 22 (Department of Fish and Wildlife rule on fees) shall take  
2 effect on July 1, 2027.

3           (6) Secs. 24–48 (grand list assessment date) shall take effect on July 1,  
4 2031, and shall apply to grand lists lodged after that date.

5           (7) Sec. 58 (Vermont research and development tax credit) shall take  
6 effect on January 1, 2027, and shall apply to taxable years beginning on and  
7 after January 1, 2027.

8           (8) Notwithstanding 1 V.S.A. § 214, Secs. 55, 56, and 57 (decoupling  
9 from select provisions of IRC) and Secs. 60 and 61 (annual link-up) shall take  
10 effect retroactively on January 1, 2026, and shall apply to taxable years  
11 beginning on and after January 1, 2025.

12           (9) Notwithstanding 1 V.S.A. § 214, Sec. 55a (decoupling from IRC  
13 section 1202(a)) shall take effect retroactively on January 1, 2026, and shall  
14 apply to taxable years beginning on and after January 1, 2026.

15           (10) Sec. 50 (local option tax revenue) shall take effect on October 1,  
16 2026.