

Miscellaneous Tax Bill Draft 1.6 — Section by Section Summary

Sec.	Summary	Tax Type or Program
1	Repeal of denial of tax credits for S corporations.	Income Tax
2	Grants Department authority to investigate whether a bona fide landlord tenant relationship exists for purposes of applying the higher PTT rate.	Property Transfer Tax
3–4	PVR conducts valuation for unenrolled parcels in certain cases.	Land Use Change Tax; Current Use
5	Allows enrollment of certain land used for grazing if requirements are met.	Current Use Enrollment
6	Changes the calculation for payment to municipalities for municipal property taxes lost due to flooded or flood-prone properties taken off the grand list. The calculation now uses previous year tax rates instead of current year rates.	Municipal Grant List Stabilization Program
7	Adds provisions addressing cases where a communications service provider fails to submit an inventory to PVR for property valuation.	Property Valuation
8	Clarifies the treatment of CHIP sites to be the same as TIF districts for purposes of the equalization study.	Equalization Study; CHIP
9	For purposes of the equalization study, requires PVR to use a 100 percent CLA when determining tax rates for municipalities that just completed a mass reappraisal.	Property Valuation; Equalization Study

Sec.	Summary	Tax Type or Topic
10–11	Extends the Health IT Fund sunset five years to 2031.	Health IT Fund; Healthcare Claims Tax
12	For Vermont 529 plan accounts, allows special rollovers to Roth IRAs as allowed under federal law, except requires the account to be maintained for 20 years first.	Vermont Higher Education Investment Plan Tax Credit
13–16	Updates inflator references from NEEP to NIPA because NEEP no longer exists.	Inflators Used in Education Financing
17	Allows a PTC to be calculated using 100 percent of the property tax liability of the party to a separation or divorce who is living in the homestead, even if the other party is still an owner.	Property Tax Credit
18	Aligns the estate tax filing threshold with the tax liability threshold so that taxpayers are not required to file a return when no tax is due.	Estate Tax
19	Extends the down payment assistance program to 2031 and increases the maximum total award amount for first-year credit allocations from \$250,000 to \$350,000.	Down Payment Assistance Program
20–21	Precludes Vermont's participation in the federal tax credit program for contributions to scholarship granting organizations.	Federal Tax Credit for SGO Contributions
22	Amends the definition of "parcel" for purposes of the grand list so that it means a separate and sellable lot or piece of real estate, but only for purposes of mapping and per parcel fee payments.	Grand List Contents

Sec.	Summary	Tax Type or Topic
23–25	Repeals the Department of Fish and Wildlife's fee setting authority for public use of Department lands and properties. Requires a report recommending fees to be charged after July 1, 2027.	Fish and Wildlife Fees
26–49	Grand list submission date moved to January 1.	Grand List
50	<p><u>This act shall take effect on passage except:</u></p> <p><u>(1) Notwithstanding 1 V.S.A. § 214, Sec. 1 (credit for taxes paid in another state by an S corporation) shall take effect retroactively on January 1, 2025, and shall apply to taxable years beginning on and after January 1, 2025;</u></p> <p><u>(2) Secs. 3 and 4 (current use; land use change tax) shall take effect on October 1, 2026; and</u></p> <p><u>(3) Sec. 5 (current use; qualifying income) shall take effect on September 2, 2026, and shall apply to grand lists lodged on and after April 1, 2028.</u></p> <p><u>(4) Sec. 21 (grand list definition of parcel) shall take effect on April 1, 2027, and shall apply to grand lists lodged on and after that date.</u></p> <p><u>(5) Secs. 23 and 24 (repeal of Department of Fish and Wildlife fee setting authority) shall take effect on July 1, 2027.</u></p> <p><u>(6) Secs. 26–49 (grand list assessment date) shall take effect on July 1, 2031 and shall apply to grand lists lodged after that date.</u></p>	Effective Dates