

S.274

Introduced by Senators Watson and Perchlik

Referred to Committee on

Date:

Subject: Taxation; sales and use tax; domestic use exemption; fuel sales

Statement of purpose of bill as introduced: This bill proposes to narrow the sales and use tax exemption for fuel used in a residence for domestic use by precluding the exemption when sales are made to a second home, short-term rental property, or other nonhomestead residential property.

An act relating to the sales and use tax exemption for fuel used in a residence for domestic use

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

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

(26)(A) Sales of electricity, oil, gas, and other fuels used in a residence for all domestic use, including heating, but not including fuel sold at retail in free-standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. Wood pellets sold to an individual on the vendor's premises or delivered to an individual's residence shall be presumed to be purchased for residential use and shall be exempt sales under this subdivision unless the vendor knew or ought reasonably to have

1 known that the wood pellets were not purchased for residential use. A
2 certificate of exemption shall not be required for exempt retail sales of wood
3 pellets to an individual. The Commissioner shall by rule determine that
4 portion of the sales attributable to domestic use where fuels are used for
5 purposes in addition to domestic use.

6 (B) As used in this subdivision (26), “residence” means any
7 residential property that was not included on the most recent list published
8 pursuant to subdivision (C) of this subdivision (26) as most recently classified
9 as “nonhomestead residential” under section 4152a of this title.

10 (C) Annually on July 1, the Commissioner shall publish a list of
11 addresses for all properties most recently classified as “nonhomestead
12 residential” under section 4152a of this title. Notwithstanding section 9703 of
13 this title, or any other provision of law to the contrary, a seller shall be held
14 harmless from sales tax liability resulting from a transaction in which the seller
15 relied on the list published pursuant to this subdivision (26)(C) and tax was not
16 collected due to an error or omission on the list.

17 Sec. 2. EFFECTIVE DATE

18 This act shall take effect on July 1, 2029.