

1 TO THE HONORABLE SENATE:

2 The Committee on Transportation to which was referred Senate Bill No. 46
3 entitled “An act relating to the taxation of vehicles used for forestry
4 operations” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 8911(23) is amended to read:

8 (23) The following motor vehicles, including their repair parts, used for
9 timber cutting; timber removal, ~~and~~ or processing of; and transportation of
10 equipment, timber, or other solid wood forest products intended to be sold
11 ultimately at retail: skidders with grapple and cable, feller bunchers, cut-to-
12 length processors, forwarders, delimiters, loader slashers, log loaders, whole-
13 tree chippers, stationary screening systems, and firewood processors, elevators,
14 and screens, semi-trailers, tractors, truck cranes, truck tractors, trailers, and
15 motor trucks and motor vehicles with a manufacturer’s listed gross vehicle
16 weight of 10,000 pounds or more. The Department of Motor Vehicles may
17 require a purchaser at the time of purchase to certify that a motor vehicle or
18 other equipment is exempt under this section and is used primarily for timber
19 cutting, timber removal, or processing and transportation of equipment, timber,
20 or other solid wood forests products. The Department of Motor Vehicles shall
21 publish guidance relating to the application of this exemption.

1 Sec. 2. 32 V.S.A. § 8902 is amended to read:

2 § 8902. DEFINITIONS

3 Unless otherwise expressly provided, as used in this chapter:

4 * * *

5 (12) “Motor truck” has the same meaning as in 23 V.S.A. § 4(20).

6 Sec. 3. 32 V.S.A. § 9741 is amended to read:

7 § 9741. SALES NOT COVERED

8 Retail sales and use of the following shall be exempt from the tax on retail
9 sales imposed under section 9771 of this title and the use tax imposed under
10 section 9773 of this title:

11 * * *

12 (12) Motor vehicle purchases and use taxed under chapter 219 of this
13 title and the transactions exempted therefrom that are listed in section 8911 of
14 this title. Provided, however, that notwithstanding subdivision 8911(5) of this
15 title, construction, earthmoving, ~~logging~~, and motorized equipment that has not
16 been registered as a motor vehicle is subject to tax under this chapter, and
17 further provided that power take off and other auxiliary equipment on motor
18 vehicles, whether attached prior to or subsequent to registration, is not exempt
19 under this section, except for equipment exempt under subdivision (51) of this
20 section. Motor vehicle parts purchased by a dealer registered under the
21 provisions of 23 V.S.A. §§ 451–468 shall be exempt from the tax under this

1 chapter when used to recondition a used motor vehicle owned by the dealer in
2 its inventory for resale.

3 * * *

4 (51) The following machinery, including repair parts, used for timber
5 ~~cutting; timber removal, and or processing of; and transportation of~~
6 equipment, timber, or other solid wood forest products intended to be sold
7 ultimately at retail: skidders with grapple and cable; feller bunchers; cut-to-
8 length processors; forwarders; delimiters; loader slashers; log loaders; whole-
9 tree chippers; stationary screening systems; firewood processors, elevators, ~~and~~
10 screens, semi-trailers, tractors, truck cranes, truck tractors, trailers, and motor
11 trucks and motor vehicles with a manufacturer’s listed gross vehicle weight of
12 10,000 pounds or more; and when sold for use on any machinery listed under
13 this subdivision, traction enhancement accessories, tire chains, track systems,
14 and winch cables. The Department of Taxes shall publish guidance relating to
15 the application of this exemption. The Department of Taxes may require a
16 purchaser at the time of purchase to certify that a motor vehicle or other
17 equipment is exempt under this section and is used primarily for timber
18 cutting, timber removal, or processing and transportation of equipment, timber,
19 or other solid wood forests products. As used in this subdivision, “motor
20 vehicle” has the same meaning as in 23 V.S.A. § 4(21) and “motor truck” has
21 the same meaning as in 23 V.S.A. § 4(20).

1 * * *

2 Sec. 4. 32 V.S.A. § 8911(23) is amended to read:

3 (23) The following motor vehicles, including their repair parts, used for
4 timber cutting; timber removal or processing; and transportation of equipment,
5 timber, or other solid wood forest products intended to be sold ultimately at
6 retail: skidders with grapple and cable, feller bunchers, cut-to-length
7 processors, forwarders, delimiters, loader slashers, log loaders, whole-tree
8 chippers, stationary screening systems, firewood processors, elevators, screens,
9 semi-trailers, tractors, truck cranes, truck tractors, and trailers, ~~and motor~~
10 ~~trucks and motor vehicles with a manufacturer's listed gross vehicle weight of~~
11 ~~10,000 pounds or more. The Department of Motor Vehicles may require a~~
12 ~~purchaser at the time of purchase to certify that a motor vehicle or other~~
13 ~~equipment is exempt under this section and is used primarily for timber~~
14 ~~cutting, timber removal, or processing and transportation of equipment, timber,~~
15 ~~or other solid wood forests products. The Department of Motor Vehicles shall~~
16 publish guidance relating to the application of this exemption.

17 Sec. 5. 32 V.S.A. § 9741(51) is amended to read:

18 (51) The following machinery, including repair parts, used for timber
19 cutting; timber removal or processing; and transportation of equipment, timber,
20 or other solid wood forest products intended to be sold ultimately at retail:
21 skidders with grapple and cable; feller bunchers; cut-to-length processors;

1 forwarders; delimiters; loader slashers; log loaders; whole-tree chippers;
2 stationary screening systems; firewood processors, elevators, screens, semi-
3 trailers, tractors, truck cranes, truck tractors, and trailers, ~~and motor trucks and~~
4 ~~motor vehicles with a manufacturer's listed gross vehicle weight of 10,000~~
5 ~~pounds or more~~; and when sold for use on any machinery listed under this
6 subdivision, traction enhancement accessories, tire chains, track systems, and
7 winch cables. The Department of Taxes shall publish guidance relating to the
8 application of this exemption. ~~The Department of Taxes may require a~~
9 ~~purchaser at the time of purchase to certify that a motor vehicle or other~~
10 ~~equipment is exempt under this section and is used primarily for timber~~
11 ~~cutting, timber removal, or processing and transportation of equipment, timber,~~
12 ~~or other solid wood forests products. As used in this subdivision, "motor~~
13 ~~vehicle" has the same meaning as in 23 V.S.A. § 4(21) and "motor truck" has~~
14 ~~the same meaning as in 23 V.S.A. § 4(20).~~

15 Sec. 6. REPORT ON MOTOR VEHICLE AND MOTOR TRUCK TAX

16 EXEMPTIONS FOR TIMBER HARVESTING

17 On or before December 1, 2026, the Commissioner of Taxes, after
18 consultation with the Commissioner of Motor Vehicles, shall submit to the
19 Senate Committees on Transportation and on Finance and the House
20 Committees on Transportation and on Ways and Means a report that
21 summarizes the tax revenue foregone under the exemptions in 32 V.S.A.

1 § 8911(23) and 32 V.S.A. § 9741(51) for motor vehicles and motor trucks used
2 for timber harvesting and similar activities. The report shall include a
3 recommendation as to whether the exemptions should be retained or allowed to
4 repeal as provided for in this act.

5 Sec. 7. EFFECTIVE DATES

6 (a) This section and Secs. 1 and 2 (purchase and use tax exemption), Sec. 3
7 (sales tax exemption), and Sec. 6 (Commissioner of Taxes report) shall take
8 effect July 1, 2025.

9 (b) Secs. 4 and 5 (repeal of tax exemptions for motor trucks and motor
10 vehicles) shall take effect on July 1, 2027.

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(Committee vote: _____)

Senator _____
FOR THE COMMITTEE