

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 954  
3 entitled “An act relating to miscellaneous tax provisions” respectfully reports  
4 that it has considered the same and recommends that the Senate propose to the  
5 House that the bill be amended as follows:

6 First: By striking out Sec. 4, property tax collection, in its entirety and  
7 inserting in lieu thereof:

8 Sec. 4. [Deleted.]

9 Second: By striking out Sec. 8, 32 V.S.A. § 5870, in its entirety and  
10 inserting in lieu thereof:

11 Sec. 8. [Deleted.]

12 Third: By striking out Sec. 12, 32 V.S.A. § 9248, in its entirety and  
13 inserting in lieu thereof a new Sec. 12 to read as follows:

14 Sec. 12. 32 V.S.A. § 9248 is amended to read:

15 § 9248. INFORMATIONAL REPORTING

16 The Department of Taxes ~~shall~~ may collect information on operators from  
17 persons providing an Internet platform for the short-term rental of property for  
18 occupancy in this State. The information collected shall include any  
19 information the Commissioner shall require, and the name, address, and terms  
20 of the rental transactions of persons acting as operators through the Internet  
21 platform. The failure to provide information as required under this section

1 shall subject the person operating the Internet platform to a fine of \$5.00 for  
2 each instance of failure. The Commissioner is authorized to adopt rules and  
3 procedures to implement this section.

4 Fourth: By striking out Sec. 19, 32 V.S.A. § 5825a(b), in its entirety and  
5 inserting in lieu thereof the following:

6 Sec. 19. 32 V.S.A. § 5825a is amended to read:

7 § 5825a. CREDIT FOR VERMONT HIGHER EDUCATION

8 INVESTMENT PLAN CONTRIBUTIONS

9 (a) A taxpayer of this State, including each spouse filing a joint return,  
10 shall be eligible for a nonrefundable credit against the tax imposed under  
11 section 5822 of this title of 10 percent of the first \$2,500.00 per beneficiary,  
12 contributed by the taxpayer during the taxable year to a Vermont ~~higher~~  
13 ~~education investment plan~~ Higher Education Investment Plan account under  
14 16 V.S.A. chapter 87, subchapter 7, provided the account is provided directly  
15 by the Vermont Student Assistance Corporation to the participant.

16 (b) A taxpayer who has received a credit under subsection (a) of this  
17 section shall repay to the Commissioner 10 percent of any distribution from a  
18 higher education investment plan account, ~~which distribution is not used~~  
19 ~~exclusively for costs of attendance at an approved postsecondary education~~  
20 ~~institution as defined in 16 V.S.A. § 2822(6), up to a maximum of the total~~  
21 credits received by the taxpayer under subsection (a) of this section minus any

1 amount of repayment of such credits in prior tax years except when the  
2 distribution:

3 (1) is used exclusively for costs of attendance at an approved  
4 postsecondary education institution as defined in 16 V.S.A. § 2822(6);

5 (2) qualifies as an expense associated with a registered apprenticeship  
6 program pursuant to 26 U.S.C. § 529(c)(8); or

7 (3) is made after the death of the beneficiary or after the beneficiary  
8 becomes disabled pursuant to subdivisions (q)(2)(C) and (m)(7) of 26 U.S.C.  
9 § 72.

10 (c) Repayments under this subsection (b) of this section shall be subject to  
11 assessment, notice, penalty and interest, collection, and other administration in  
12 the same manner as an income tax under this chapter.

13 Sec. 19a. 16 V.S.A. chapter 87, subchapter 7 is amended to read:

14 \* \* \*

15 § 2876. DEFINITIONS

16 As used in this subchapter, except where the context clearly requires  
17 another interpretation:

18 (1) “Beneficiary” means any individual designated by a participation  
19 agreement to benefit from payments for qualified postsecondary education  
20 ~~costs at an institution of postsecondary education.~~

1           (2) “Benefits” means the payment of qualified postsecondary education  
2 costs on behalf of a beneficiary ~~by the Corporation’s Investment Plan during~~  
3 ~~the beneficiary’s attendance at an institution of postsecondary education from a~~  
4 participant’s investment plan account.

5           (3) “Corporation” means Vermont Student Assistance Corporation.

6           (4) “Internal Revenue Code” means the federal Internal Revenue Code  
7 of 1986, as amended, together with the regulations promulgated ~~thereunder~~  
8 pursuant to that Code.

9           (5) “Qualified postsecondary education costs” means the ~~qualified costs~~  
10 ~~of tuition and fees and other expenses for attendance at an approved~~  
11 ~~postsecondary education institution~~ costs of tuition and fees for attendance at  
12 an approved postsecondary education institution, and other qualified higher  
13 education expenses as provided under 26 U.S.C. § 529.

14           (6) “Approved postsecondary education institution” means a  
15 postsecondary education institution as defined in section 2822 of this title.

16           (7) “Vermont Higher Education Investment Plan” or “Investment Plan”  
17 means ~~the program~~ one or more plans created pursuant to this subchapter.

18           (8) “Participant” means a person who has entered into a participation  
19 agreement pursuant to this subchapter intended for the ~~advance~~ payment of  
20 qualified postsecondary education costs on behalf of a beneficiary.



1 or any other person, firm, partnership, or corporation for ~~deposit~~ contribution  
2 to the account of the Investment Plan, or for the operation or other related  
3 purposes of the Corporation.

4 (4) Invest the funds received from participants in appropriate investment  
5 vehicles approved and held in trust for participants by the Corporation as  
6 selected by the participants, including education loans made by the  
7 Corporation.

8 (5) Enter into participation agreements with participants.

9 (6) Develop and use two or more types of participation agreements to  
10 provide a range of investment ~~structures~~ options for participants.

11 (7) Make payments ~~to institutions of postsecondary education on behalf~~  
12 ~~of beneficiaries~~ as directed by the participants pursuant to participation  
13 agreements.

14 (8) Make refunds to participants upon the termination of participation  
15 agreements pursuant to the provisions, limitations, and restrictions set forth in  
16 this subchapter and the rules ~~and regulations~~, policies, and procedures adopted  
17 by the Corporation.

18 (9) Make provision for the payment of costs of administration and  
19 operation of ~~the~~ an Investment Plan subject to the limitations on charges on  
20 participation agreements established in subdivision 2878(5) of this title.





1 individual or family who, at the time of ~~depositing~~ contributing funds into an  
2 account created pursuant to a Vermont Higher Education Investment Plan,  
3 receives public assistance or is otherwise an eligible saver under 33 V.S.A.  
4 § 1123.

5 § 2879. INVESTMENT AND PAYMENTS

6 All money paid by a participant in connection with a participation  
7 ~~agreements agreement~~ shall be ~~deposited~~ credited to the participant’s account  
8 as received, held by the Corporation in trust for the benefit of the participant,  
9 and shall be promptly invested by the Corporation as selected by the  
10 participant from the investment options available under the participation  
11 agreement. Deposits and earnings thereon accumulated on behalf of  
12 participants in the Investment Plan Contributions and earnings accumulated in  
13 a participant’s Investment Plan account may be used, as provided in the  
14 participation agreement, for payments to any institution of postsecondary  
15 education including for payments of qualified postsecondary education costs.  
16 The trust shall continue in existence as long as it holds any funds belonging to  
17 a participant.

18 \* \* \*

19 § 2879c. TAX EXEMPTION

20 \* \* \*

1 (b) Contributions to an account held under ~~the~~ a Vermont Higher Education  
2 Investment Plan that is provided directly by the Corporation to a participant  
3 shall be eligible for a credit against Vermont income tax as provided under  
4 32 V.S.A. § 5825a.

5 § 2879D. PROPERTY RIGHTS TO ASSETS IN THE PLAN

6 The assets of the Vermont Higher Education Investment Plan shall at all  
7 times be held in trust for the benefit of the participant, shall not be commingled  
8 with any other funds of the Corporation or the State, shall be preserved,  
9 invested, and expended solely and only for the purposes set forth in this  
10 chapter and in accordance with the participation agreements, and no property  
11 rights therein shall exist in favor of the Corporation or the State. Amounts held  
12 in, or withdrawn from, a participant's Investment Plan account under a  
13 participation agreement shall not be subject to liens, attachment, garnishment,  
14 levy, seizure, claim by creditors of the contributors, participants, or any  
15 beneficiary, or subject to any involuntary sale, transfer, or assignment by any  
16 execution or any other legal or equitable operation of law, including  
17 bankruptcy or insolvency laws.

18 \* \* \*

19 Fifth: By inserting a Sec. 25a to read as follows:

20 Sec. 25a. 32 V.S.A. § 5933(a) is amended to read:

1 (a) A claimant agency may submit any debt of ~~\$50.00~~ \$45.00 or more to  
2 the Department for collection under the procedure established by this chapter.  
3 This setoff debt collection remedy is in addition to and not in substitution for  
4 any other remedy available by law.

5 Sixth: By striking out Sec. 27, effective dates, and its reader assistance  
6 heading in their entirety and inserting in lieu thereof Secs. 27–29 and their  
7 reader assistance headings to read as follows:

8 \* \* \* Land Use Change Tax Lien Subordination \* \* \*

9 Sec. 27. 2019 Acts and Resolves No. 20, Sec. 109 is amended to read:

10 Sec. 109. REPEALS

11 (a) 32 V.S.A. § ~~3757(f)~~ 3777 (land use change tax lien subordination) is  
12 repealed on July 1, 2020.

13 \* \* \*

14 \* \* \* Interest Rate; Overpayments and Underpayments \* \* \*

15 Sec. 28. 32 V.S.A. § 3108(a) is amended to read:

16 (a) Not later than December 15 of each year, the Commissioner shall  
17 establish an annual rate of interest applicable to unpaid tax liabilities and tax  
18 overpayments that shall be equal to the average prime rate charged by banks  
19 during the immediately preceding 12 months commencing on October 1 of the  
20 prior year, rounded upwards to the nearest quarter percent. ~~Not later than~~  
21 ~~December 15 of each year, the Commissioner shall establish an annual rate of~~

1 ~~interest applicable to unpaid tax liabilities, which in each instance shall be~~  
2 ~~equal to the annual rate established for tax overpayments plus 200 basis points.~~

3 The ~~rates~~ rate established hereunder shall be effective on January 1 of the  
4 immediately following year. As used in this section, the term “prime rate  
5 charged by banks” shall mean the average predominate prime rate quoted by  
6 commercial banks to large businesses as determined by the Board of  
7 Governors of the Federal Reserve Board.

8 \* \* \* Effective Dates \* \* \*

9 Sec. 29. EFFECTIVE DATES

10 This act shall take effect on passage except:

11 (1) Notwithstanding 1 V.S.A. § 214, Sec. 8, 32 V.S.A. § 5870 (use tax  
12 reporting), shall take effect retroactively on January 1, 2020 and apply to  
13 taxable years beginning on and after January 1, 2020.

14 (2) Sec. 11 (universal service charge) shall take effect on July 1, 2021.

15 (3) Notwithstanding 1 V.S.A. § 214, Secs. 13–14 (annual link to federal  
16 statutes) shall take effect retroactively on January 1, 2020 and apply to taxable  
17 years beginning on and after January 1, 2019.

18 (4) Notwithstanding 1 V.S.A. § 214, Sec. 16 (TY 2016 refunds) shall  
19 take effect retroactively on April 15, 2020.

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3 (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE