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H.437

Senator Pearson moves that the Senate propose to the House that the bill be amended by striking out Sec. 6, effective date, and its reader assistance heading in their entirety and inserting in lieu thereof the following:

* * * Vacancy Surcharge * * *

Sec. 6. 32 V.S.A. § 5401(17) is added to read:

(17) “Vacant residence” means a residential dwelling and the parcel of land surrounding the dwelling that is not occupied by the owner or by a parent or child of the owner as that individual’s principal residence for more than 182 days out of the calendar year. “Vacant residence” does not mean a residential dwelling:

(A) that qualifies as a homestead pursuant to subdivision (7) of this section;

(B) that qualifies as a short-term rental pursuant to 18 V.S.A. § 4301, provided the owner or a parent or child of the owner occupies any portion of the residential dwelling as that individual’s principal residence for more than 182 days out of the calendar year; or

(C) for which a landlord certificate is required to be furnished to the Department of Taxes under section 6069 of this title.

1 Sec. 7. 32 V.S.A. § 5402a is added to read:

2 § 5402a. VACANT RESIDENCE PROPERTY TAX SURCHARGE

3 (a) A surcharge of one percent shall be imposed on the portion of the
4 equalized education property value of a vacant residence that exceeds
5 \$400,000.00. The surcharge imposed under this section shall be in addition to
6 the nonhomestead property tax imposed under subdivision 5402(a)(1) of this
7 title.

8 (b) The surcharge assessed under this section shall be assessed and
9 collected by the municipality in the same manner as taxes assessed under
10 chapter 133 of this title. The surcharge assessed under this section shall be
11 billed to each taxpayer by the municipality in the same manner as the statewide
12 education tax is billed pursuant to subdivision 5402(b)(2) of this title. The
13 treasurer of each municipality shall by December 1 of the year in which the
14 surcharge is levied and on June 1 of the following year pay to the State
15 Treasurer for deposit in the General Fund one-half of the surcharge revenues
16 collected by the municipality. Payment shall be accompanied by a return
17 prescribed by the Commissioner.

18 (c) Annually, on or before the due date for filing the Vermont income tax
19 return, without extension, an owner of a nonhomestead residence shall declare
20 ownership of a nonhomestead residence as of, or expected to be as of, April 1
21 of the year in which the declaration is made. The annual nonhomestead

1 residence declaration shall be made on a form prescribed by the Commissioner
2 that shall provide for an exemption from the surcharge pursuant to the
3 definition of vacant residence under subdivision 5401(17) of this title. An
4 owner's declaration under this subsection shall be verified under the pains and
5 penalties of perjury. The administrative provisions relating to the homestead
6 declaration under section 5410 of this title, including penalties, interest, and
7 appeals, shall apply to the vacant residence declaration required under this
8 subsection.

9 Sec. 8. 32 V.S.A. § 3622 is added to read:

10 § 3622. VACANT RESIDENCE SURCHARGE; LOCAL OPTION

11 At an annual or special meeting warned for that purpose, a municipality
12 may, by a majority vote of those present and voting, elect to tax, at a rate of not
13 more than one percent of the listed property value, vacant residences as defined
14 in subdivision 5401(17) of this title. An election by a municipality to tax
15 vacant residences at a specific rate shall remain in effect until repealed or
16 amended by a similar vote of the municipality.

17 Sec. 9. 16 V.S.A. § 4025(a) is amended to read:

18 (a) The Education Fund is established to comprise the following:

19 (1) all revenue paid to the State from the statewide education tax on
20 nonhomestead and homestead property and the vacant residence property tax
21 surcharge under 32 V.S.A. chapter 135;

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* * * Effective Date * * *

Sec. 10. EFFECTIVE DATE

This act shall take effect on January 1, 2023 and shall apply to property tax years beginning on and after July 1, 2023.