

SECTION BY SECTION SUMMARY
MISCELLANEOUS TAX PROPOSALS -- NON-REVENUE
As Passed Ways and Means
Legislative Council, 2/24/15

Section		Review
	Administrative Provisions	
1	Eliminates the requirement that manufacturers and distributors of malt or vinous beverages report to the Tax Department on sales they make to wholesalers. The Department uses reports of distributor-to-retailer sales, but does not need or use this report of manufacturer-to-wholesaler sales.	
2 & 39	Repeals the administrative responsibilities of Property Valuation and Review in connection with property mapping done by the Vermont Center for Geographic Information (VCGI), and transfers those responsibilities to ACCD.	
3	Allows the Secretary of Natural Resources to share proprietary information obtained in the course of regulating solid waste with the Department of Taxes for purposes of enforcing the solid waste tax.	
4	Removes the Commissioner of Taxes from the statutory distribution list for Municipal Annual Reports.	
5	Allows the Director of Property Valuation and Review to certify courses presented by the International Association of Assessing Officials, the Vermont Assessors and Listers Association, and the Vermont League of Cities and Towns, in addition to those taught by PVR, for lister training.	
	Current Use	
6	The land use change tax is 10% all land that is developed. For a portion of parcel, the 10% is of the FMV of the resulting lot. Adds many changes to require local officials to assess land subject to the land use change tax, but the Director of Property Valuation and Review still remains the entity that receives the payments. After receiving payment, the Director remits to the municipalities the lesser of half of the tax paid, or \$2,000.00. Includes technical changes making it clear that use value	

Section		Review
	appraisal application does not need to be recorded with the lien.	
6a	Starting in fiscal year 2017, three-quarters of the land use change tax collected by the State shall go to the Education Fund and one-quarter shall go to the General Fund.	
7	Makes it clear that portions of parcels are now valued at the fair market value, either when they are coming into current use, or out.	
8	The local assessing officials no longer relies on sales information from the Director.	
9	People are only required to file a management activity report if they do something, so the “required” language is inserted for clarity, and 30 days inserting for notice period.	
10	Landowner may withdraw entire parcel between July 1, 2015 and October 15, 2015 and not have to pay the first \$50,000 in land use change tax. Owner cannot re-enroll part of the parcel for 5 years. If the owner withdraws only part of the parcel, the easy out provisions do not apply, and the normal land use change tax is due. The easy out is not available for any parcel that is already developed when this act is passed.	
11	Establishes a study committee to examine how reimbursement payments are made to the municipalities.	
12	Requires the Director of Property Valuation and Review to publish guidance on how to assess land subject to a conservation easement and land subject to a use value appraisal, and how to do so consistently across the State. The guidance must be published by April 15, 2016.	
	Statewide Education Property Tax	
13	Clarifies an amendment made last session to allow a homeowner whose home is leased out on April 1 to nevertheless declare it as homestead property, provided the property is owned on April 1 and is not leased for more than 183 days out of the calendar year.	
14	Currently qualified rental units, such as Section 8 housing	

Section		Review
	and Section 515 rural housing, are entitled to an exemption from the statewide education property tax exemption of 10% of the property value. VHFA issues exemption certificates to taxpayers/owners of the property who present them to the town. This section would extend the length of the exemption from a 10-year period to a 20-year period.	
	Tax Increment Financing Districts	
15	Technical change to TIF statutes. Clarifies that certain reporting requirement apply to municipalities that use certified or public accountants as well as those who have a town auditor. The date change will allow PVR and VEPC to use data reported to PVR in January in the annual report forms sent to municipalities, and save municipalities from having to re-enter the same data on additional report.	
16	Certain special assessments do not count as property taxes for purposes of calculating the tax increment of a TIF.	
	Income Taxes	
17	Annual update of the income tax link to the Internal Revenue Code.	
18	Requires payment of withholding tax on a semiweekly basis if the taxpayer is a semiweekly filer for federal withholding. Under current law, semiweekly filing status is triggered by a dollar amount.	
19	Requires trusts and estates to make estimated payments of income tax liability in the same manner as individuals.	
	Downtown Tax Credits	
20	Expands credit for “qualified code of technology improvement project” to apply to limited use limited application elevators.	
21	Limits the new elevator credit to \$40,000 and increases the total cap for awarded code improvement credits from \$25,000 to \$50,000.	
	Cigarette Taxes	

Section		Review
22–35	These sections amend tobacco and cigarette statutes in Titles 32 and 33 to conform to 2013 Acts and Resolves No. 14, which made definitional changes, eliminated redundant terms, and made numerous other technical changes to the cigarette and tobacco tax statutes, and required certain nonparticipating manufacturers to post bond. These amendments are all in the nature of housekeeping changes.	
	Corporation Taxes	
36	Incorporates the administrative provisions of chapters 103 (administration) and 151 (income tax), including interest and penalty, appeal, and collection provisions into chapter 211 which imposes various franchise taxes, including insurance and telephone taxes.	
	Meals and Rooms Tax	
37	Provides that interest paid on a meals and rooms tax refund shall begin to run from 45 days after the refund request was made. This conforms to the calculation of both income tax and sales tax refunds.	
	Lottery Products	
38	Prohibits the use of lottery products in bars and restaurants where alcohol is served.	
	Repeals	
39	Repeals statute outlining responsibility of PVR for mapping. Repeals obsolete cross-reference in statute.	
	Effective Dates	
40	Effective Dates.	