

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; miscellaneous tax

4 Statement of purpose of bill as introduced: This bill proposes to make  
5 miscellaneous tax changes.

6 An act relating to making miscellaneous tax changes

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

8 \* \* \* Tax Administration \* \* \*

9 Sec. 1. 32 V.S.A. § 3102(e) is amended to read:

10 (e) The Commissioner may, in his or her discretion and subject to such  
11 conditions and requirements as he or she may provide, including any  
12 confidentiality requirements of the Internal Revenue Service, disclose a return  
13 or return information:

14 \* \* \*

15 (3) To any officer, employee, or agent of any other state or Vermont  
16 municipality that administers its own local option sales tax or meals and rooms  
17 tax or gross receipts tax under its charter, provided that the information will be  
18 used by that state or municipality for tax administration and that state or  
19 municipality grants substantially similar disclosure privileges to this State and

1 provides for the secrecy of records in terms substantially similar to those  
2 provided by this section.

3 \* \* \*

4 (17) To the Department of Financial Regulation, if such return or return  
5 information relates to the tax on premiums of captive insurance companies  
6 contained in 8 V.S.A. chapter 141.

7 (18) To the Vermont Student Assistance Corporation if such return or  
8 return information is necessary to verify eligibility for the matching allocation  
9 required by 16 V.S.A. § 2880d(c).

10 Sec. 2. 32 V.S.A. § 3208 is amended to read:

11 § 3208. ADMINISTRATIVE GARNISHMENT

12 (a) Notwithstanding other statutes which provide for levy or execution,  
13 trustee process, or attachment, the Commissioner may garnish a taxpayer's  
14 earnings pursuant to this section to satisfy amounts collectible by the  
15 Commissioner under this title, subject to the exemptions provided in 12 V.S.A.  
16 § 3170(a) and (b)(1).

17 \* \* \*

18 (e) If, after 15 days, the taxpayer has not petitioned for a hearing, a notice  
19 of garnishment shall direct an employer to transmit a specified portion of the  
20 taxpayer's disposable earnings to the Commissioner from each periodic  
21 payment that is due to the taxpayer until the taxpayer's obligation is paid in

1 full. The notice shall identify the taxpayer by Social Security number. An  
2 employer is immune from any liability due to compliance with the  
3 Commissioner’s notice of garnishment.

4 \* \* \* Use Value Appraisals\* \* \*

5 Sec. 3. 32 V.S.A. § 3754(b) is amended to read:

6 (b) Annually ~~in August~~ on or before October 15, the Board shall hold a  
7 public hearing and such other hearings as they deem necessary to receive  
8 public testimony on the criteria and values for use value appraisals in the  
9 coming tax year and on the administration of this subchapter.

10 Sec. 4. 32 V.S.A. § 3755 is amended to read:

11 § 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

12 \* \* \*

13 (f) On or before September 1 of each year, the owner of agricultural land or  
14 buildings enrolled in the use value program as agricultural land or buildings  
15 shall certify in writing under oath to the Commissioner that the agricultural  
16 land or buildings enrolled by that owner continue to meet the requirements for  
17 enrollment in the use value program at the time of the certification. The form  
18 of the certification shall be made on a form specified by the Director of  
19 Property Valuation and Review.

1       Sec. 5. 32 V.S.A. § 3757(d) is amended to read:

2           (d) The land use change tax shall be due and payable by the owner 30 days  
3       after the tax notice is mailed to the taxpayer. The tax shall be paid to the  
4       Commissioner who shall remit to the municipality the lesser of one-half the tax  
5       paid or \$2,000.00. The Director shall deposit three-quarters of the remainder  
6       of the tax paid in the Education Fund, and one-quarter of the remainder of the  
7       tax paid in the General Fund. The Commissioner shall issue a form to the  
8       assessing officials which shall provide for a description of the land developed,  
9       the amount of tax payable, and the fair market value of the land at the time of  
10      development or withdrawal from use value appraisal. The owner shall fill out  
11     the form and shall sign it under the penalty of perjury. After receipt of  
12     ~~payment~~ the completed and signed form, the Commissioner shall furnish the  
13     owner with one copy, shall retain one copy, and shall forward one copy to the  
14     local assessing officials, one copy to the register of deeds of the municipality  
15     in which the land is located, and one copy to the Secretary of Agriculture,  
16     Food and Markets if the land is agricultural land and in all other cases to the  
17     Commissioner of Forests, Parks and Recreation.



1 municipality, the Director shall not order commencement of the reappraisal  
2 until the municipality has had one year to carry out that plan.

3 (c) If a municipality fails to submit an acceptable plan or fails to carry out  
4 the plan, pursuant to subsection (b) of this section, the State shall withhold the  
5 education, transportation, and other funds from the municipality until the  
6 Director certifies that the town has carried out that plan.

7 (d) A sum not to exceed \$100,000.00 each year shall be paid from the  
8 equalization and reappraisal account within the Education Fund to the Division  
9 of Property Valuation and Review for the purpose of providing assessment  
10 education for municipal assessing officials. The Director is authorized to  
11 establish guidelines and requirements for education programs to be provided  
12 using the funds described in this section. Education programs provided using  
13 funds described in this section shall be provided at no cost or minimal cost to  
14 the municipal assessing officials. In addition to providing the annual education  
15 programs as described in this section, up to 20 percent of the amount available  
16 for education programs may be reserved as a scholarship fund to permit  
17 municipal assessing officials to attend national programs providing education  
18 opportunities on advanced assessment topics. All applications for scholarships  
19 shall be submitted to and approved by the Director.

20 ~~(d)~~(e) The Director shall adopt rules necessary for administration of this  
21 section.

1 Sec. 7. 32 V.S.A. § 4465 is amended to read:

2 § 4465. APPOINTMENT OF PROPERTY ~~TAX~~ VALUATION HEARING

3 OFFICER; OATH; PAY

4 \* \* \*

5 Sec. 8. 32 V.S.A. § 4467 is amended to read:

6 § 4467. DETERMINATION OF APPEAL

7 Upon appeal to the Director or the Court, the hearing officer or Court shall  
8 proceed de novo and determine the correct valuation of the property as  
9 promptly as practicable and to determine a homestead and a housesite value if  
10 a homestead has been declared with respect to the property for the year in  
11 which the appeal is taken. The hearing officer or Court shall take into account  
12 the requirements of law as to valuation, and the provisions of Chapter I, Article  
13 9 of the Constitution of Vermont and the 14th Amendment to the Constitution  
14 of the United States. If the hearing officer or Court finds that the listed value  
15 of the property subject to appeal does not correspond to the listed value of  
16 comparable properties within the town, the hearing officer or Court shall set  
17 said property in the list at a corresponding value. The findings and  
18 determinations of the hearing officer shall be made in writing and shall be  
19 available to the appellant. If the appeal is taken to the Director, the hearing  
20 officer shall may inspect the property prior to making a determination, unless

1 the owner requests an inspection, in which case the hearing officer shall  
2 inspect the property prior to making a determination.

3 \* \* \* Income Tax \* \* \*

4 Sec. 9. 32 V.S.A. § 5824 is amended to read:

5 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

6 The statutes of the United States relating to the federal income tax, as in  
7 effect for taxable year ~~2014~~ 2015, but without regard to federal income tax  
8 rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the  
9 tax liability under this chapter.

10 Sec. 10. 32 V.S.A. § 5842 is amended to read:

11 § 5842. RETURN AND PAYMENT OF WITHHELD TAXES

12 (a) Every person required to deduct and withhold any amount under section  
13 5841 of this title shall make return thereof and shall pay over that amount to  
14 the Commissioner as follows:

15 (1) In quarterly payments to be made not later than ~~25 days following~~  
16 ~~the last day of March, June, September, and December~~ the last day of the first  
17 calendar month following the period for which it is made, if the person  
18 reasonably estimates that the amount to be deducted and withheld during that  
19 quarter will not exceed \$2,500.00; or

20 (2) In semiweekly payments, if the person is required to make  
21 semiweekly payments of federal withholding pursuant to the Internal Revenue

1 Code. Semiweekly shall mean payment of tax withheld for pay dates on  
2 Wednesday, Thursday, or Friday is due by the following Wednesday, and tax  
3 withheld for pay dates on Saturday, Sunday, Monday, or Tuesday is due by the  
4 following Friday.

5 (3) In monthly payments to be made not later than the ~~25th (23rd of~~  
6 ~~February) day following the close of the calendar month during which the~~  
7 ~~amount was withheld~~ 15th day of the first calendar month following the period  
8 for which it is made, if subdivisions (1) and (2) of this subsection do not apply.

9 (b) The Commissioner shall prescribe the method of payment of tax and  
10 may, without limitation, require electronic funds transfer or payment to a bank  
11 depository. The Commissioner may, in writing, permit or require returns to be  
12 made covering other periods and upon such dates as the Commissioner may  
13 specify and require payments of tax liability at such intervals and based upon  
14 such classifications as the Commissioner may designate:

15 (1) to conform to federal withholding law as the Commissioner deems  
16 appropriate;

17 (2) in cases in which less frequent reporting is determined by the  
18 Commissioner to be sufficient; and

19 (3) in cases in which the Commissioner determines that the taxpayer's  
20 repeated failure to file or pay tax makes more frequent reporting necessary to  
21 insure the prompt and orderly collection of the tax.

1 (c) In addition to the returns required to be filed and payments required to  
2 be made under subsection (a) of this section, every person required to deduct  
3 and withhold any tax under section 5841 of this title shall file an annual return  
4 covering the aggregate amount deducted and withheld during the entire  
5 preceding year, ~~not later than February 28~~ on or before January 31 of each  
6 year. At the time of filing that return, the person shall pay over to the  
7 Commissioner any amount deducted and withheld during the preceding  
8 calendar year and not previously paid. The person shall, further, make such  
9 annual report to payees and to the Commissioner of amounts paid and withheld  
10 as the Commissioner by regulation shall prescribe.

11 (d) Notwithstanding section 5867 of this title, the Commissioner may, in  
12 his or her discretion, prescribe that one or more or all of the returns required by  
13 subsection (a) of this section are not required to be signed or verified by the  
14 taxpayer. The Commissioner may require businesses and payroll service  
15 providers to file information under this section by electronic means.

16 **[Removed sections 11-14; LC to address through statutory revision**  
17 **process]**

18 Sec. 11. REPEAL

19 32 V.S.A. § 5912 (characterization of income) is repealed.

20 Sec. 12. 32 V.S.A. § 5915 is amended to read:

21 § 5915. MINIMUM TAX

1 An S corporation which is subject to the provisions of section 5914 of this  
2 title shall pay an annual tax of \$250.00 to the Commissioner of Taxes on or  
3 before the due date prescribed for the filing of ~~C corporation returns under~~  
4 ~~section 5862 of this title~~ S corporation returns under subsection 6072(b) of the  
5 Internal Revenue Code.

6 Sec. 13. 32 V.S.A. § 5954(a) is amended to read:

7 (a) Every person required to pay this tax shall on or before the 30th day of  
8 the month following each calendar quarter, file a return with the Commissioner  
9 of Taxes and pay the amount of tax due. The Commissioner may require a  
10 return to be filed for quarters in which no tax is due.

11 \* \* \* Homestead Property Tax Adjustment \* \* \*

12 Sec. 14. 32 V.S.A. § 6061(13) is amended to read:

13 (13) “Homestead” means a homestead as defined under subdivision  
14 5401(7), but not under subdivision 5401(7)(G), of this title and declared on or  
15 before ~~September 4~~ October 15 in accordance with section 5410 of this title.

16 Sec. 15. 32 V.S.A. § 6069 is amended to read:

17 § 6069. LANDLORD CERTIFICATE

18 (a) By January 31 of each year, the owner of land rented as a portion of a  
19 homestead in the prior calendar year shall furnish a certificate of rent to the  
20 Department of Taxes and to each claimant who owned a portion of the  
21 homestead and rented that land as a portion of a homestead in the prior

1 calendar year. The certificate shall indicate the proportion of total property tax  
2 on that parcel which was assessed for municipal property tax, for local share  
3 property tax, and for statewide property tax.

4 (b) The owner of each rental property consisting of more than one rented  
5 homestead shall, not later than January 31 of each year, furnish a certificate of  
6 rent to the Department of Taxes and to each person who rented a homestead  
7 from the owner at any time during the preceding calendar year. All other  
8 owners of rented homestead units shall furnish such certificate upon request of  
9 the renter. If a renter moves prior to December 31, the owner may either  
10 provide the certificate to the renter at the time of moving or mail the certificate  
11 to the forwarding address if one has been provided by the renter or in the  
12 absence of a forwarding address, to the last known address.

13 (c) A certificate under this section shall be in a form prescribed by the  
14 Commissioner and shall include the name of the renter, the address and any  
15 property tax parcel identification number of the homestead, notice of the  
16 requirements for eligibility for the property tax adjustment provided by this  
17 chapter, and any additional information which the Commissioner determines is  
18 appropriate.

19 (d)(1) An owner who knowingly fails to furnish a certificate to the  
20 Department or a renter as required by this section shall be liable to the  
21 Commissioner for a penalty of \$200.00 for each failure to act. An owner shall

1 be liable to the Commissioner for a penalty equal to the greater of \$200.00 or  
2 the excess amount reported who:

3 (A) willfully furnishes a certificate that reports total allocable rent in  
4 excess of the actual amount paid; or

5 (B) reports a total amount of allocable rent that exceeds by 10 percent  
6 or more the actual amount paid.

7 (2) Penalties under this subsection shall be assessed and collected in the  
8 manner provided in chapter 151 for the assessment and collection of the  
9 income tax.

10 (e) Failure to receive a rent certificate shall not disqualify a renter from the  
11 benefits provided by this chapter.

12 \* \* \* Corporation Taxes \* \* \*

13 Sec. 16. 32 V.S.A. § 8146 is amended to read:

14 § 8146. ADDITIONAL TAX; REFUNDS

15 When the Commissioner finds that owing to the incorrectness of a return or  
16 any other cause, a tax paid pursuant to this chapter is too small, he or she shall  
17 assess an additional tax sufficient to cover the deficit and shall forthwith notify  
18 the parties so assessed. The administrative provisions of chapters 103 and 151  
19 of this title shall apply to assessments and refund claims under this chapter,  
20 including those provisions governing interest and penalty in section 3202 of  
21 chapter 103, appeals, and collection of assessments.

1       Sec. 17. 32 V.S.A § 8557(a) is amended to read:

2           (a) Sums for the expenses of the operation of training facilities and  
3 curriculum of the Vermont Fire Service Training Council not to exceed  
4 ~~\$950,000.00~~ \$1,200,000.00 per year shall be paid to the Fire Safety Special  
5 Fund created by 20 V.S.A. § 3157 by insurance companies, including surplus  
6 lines companies, writing fire, homeowners multiple peril, allied lines, farm  
7 owners multiple peril, commercial multiple peril (fire and allied lines), private  
8 passenger and commercial auto, and inland marine policies on property and  
9 persons situated within the State of Vermont within 30 days after notice from  
10 the Commissioner of Financial Regulation of such estimated expenses.  
11 Captive companies shall be excluded from the effect of this section. The  
12 Commissioner shall annually, on or before July 1, apportion such charges  
13 among all such companies and shall assess them for the same on a fair and  
14 reasonable basis as a percentage of their gross direct written premiums on such  
15 insurance written during the second prior calendar year on property situated in  
16 the State. An amount not less than \$100,000.00 shall be specifically allocated  
17 to the provision of what are now or formerly referred to as Level I, units I, II,  
18 and III (basic) courses for entry level firefighters. An amount not less than  
19 \$150,000.00 shall be specifically allocated to the Emergency Medical Services  
20 Special Fund established under 18 V.S.A. § 908 for the provision of training  
21 programs for emergency medical technicians, advanced emergency medical

1 technicians, and paramedics. The Department of Health shall present a plan to  
2 the Joint Fiscal Committee which shall review the plan prior to release of any  
3 funds.

4 \* \* \* Meals and Rooms Tax \* \* \*

5 Sec. 18. 32 V.S.A. § 9202(15) is amended to read:

6 (15) “Restaurant” means:

7 (A) An establishment from which food or beverage of the type for  
8 immediate consumption is sold or for which a charge is made, including a cafe,  
9 cafeteria, dining room, diner, lunch counter, snack bar, private or social club,  
10 bar, tavern, street vendor, or person engaged in the business of catering.

11 (B) An establishment 80 percent or more of whose total sales of food  
12 and beverage in the previous taxable year were, or in the first taxable year are  
13 reasonably projected to be, of alcoholic beverages, food, and beverage that are  
14 taxable under subdivision (10)(C) of this section, and food and beverage that  
15 are taxable under subdivision (10)(B) and are not exempt under subdivision  
16 (10)(D) of this section.

17 (C) “Restaurant” shall not include a snack bar on the premises of a  
18 retail grocery or “convenience” store.

19 ~~(D) A vending machine is not a restaurant, but food or beverage that~~  
20 ~~is sold from a vending machine shall be deemed to be sold by a “restaurant” if~~  
21 ~~the vending machine is located on the premises of a restaurant.~~



1       **(b) A manufacturer or retailer that purchases material and supplies for use**  
2       **by them in erecting structures or otherwise improving, altering, or repairing**  
3       **real property shall be permitted to make an election that it will be treated as a**  
4       **retailer on the purchase of those materials and supplies and such purchase will**  
5       **not be considered a retail sale under subdivision 9701(5) of this title.**

6       **(c) A manufacturer or retailer making an election under subsection (b) of**  
7       **this section shall charge sales tax to its customer on its materials and supplies**  
8       **or, in the case of a manufacturer, the finished manufactured products, when it**  
9       **uses those materials, supplies, or finished manufactured products in erecting**  
10       **structures or otherwise improving, altering, or repairing real property. The**  
11       **sales price for the purposes of calculating sales tax on materials, supplies, or**  
12       **finished manufactured products shall not be less than the manufacturer's or**  
13       **retailer's best customer price. The tax charged shall be separately stated on**  
14       **any invoice or receipt.**

15       **(d) An election made under subsection (b) of this section shall be binding**  
16       **on a manufacturer or retailer for a minimum of five years and shall remain in**  
17       **effect until the manufacturer or retailer files a withdrawal of election. No**  
18       **manufacturer or retailer shall be entitled to a refund on the basis of a**  
19       **withdrawal of an election.**

20       **(e) The provisions of this section shall not excuse any person from the**  
21       **obligation to collect tax on retail sales of tangible personal property not used in**

1 erecting structures or otherwise improving, altering, or repairing real property  
2 or from the obligation to pay sales tax or remit the use tax on tools, services,  
3 and other materials that are not used in erecting structures or otherwise  
4 improving, altering, or repairing real property.

5 (f) An election made under subsection (b) of this section shall be made on a  
6 form prescribed by the Commissioner and filed with the Department of Taxes  
7 at least 30 days prior to such election taking effect.

8 Sec. 21. 32 V.S.A. § 9771 is amended to read:

9 § 9771. IMPOSITION OF SALES TAX

10 Except as otherwise provided in this chapter, there is imposed a tax on retail  
11 sales in this State. The tax shall be paid at the rate of six percent of the sales  
12 price charged for but in no case shall any one transaction be taxed under more  
13 than one of the following:

14 (1) tangible personal property, including property used to improve, alter,  
15 or repair the real property of others by a manufacturer or any person who is  
16 primarily engaged in the business of making retail sales of tangible personal  
17 property;

18 \* \* \*

1                   \* \* \* Sales and Use Tax – Out-of-State Vendors \* \* \*

2           Sec. 22. 32 V.S.A. § 9701(54) is added to read:

3                   (54) “Noncollecting vendor” means a vendor that sells tangible personal  
4 property or services to purchasers who are not exempt from the sales tax under  
5 this chapter, but that does not collect the Vermont sales tax.

6           Sec. 23. 32 V.S.A. § 9712 is added to read:

7           § 9712. NOTICE REQUIREMENTS FOR NONCOLLECTING VENDORS

8                   (a) Each noncollecting vendor making sales into Vermont shall notify  
9 Vermont purchasers that sales or use tax is due on nonexempt purchases made  
10 from the noncollecting vendor and that the State of Vermont requires the  
11 purchaser to file a sales or use tax return. Failure to provide the notice  
12 required by this subsection shall subject the noncollecting vendor to a penalty  
13 of \$5.00 for each such failure, unless the noncollecting vendor shows  
14 reasonable cause for such failure.

15                   (b) Each noncollecting vendor shall send notification to all Vermont  
16 purchasers by January 31 of each year showing the total amount paid by the  
17 purchaser for Vermont purchases made from the noncollecting vendor in the  
18 previous calendar year. The notice requirement in this subsection only applies  
19 to Vermont purchasers who have made \$500.00 or more of purchases from the  
20 noncollecting vendor in the previous calendar year. The notice shall include  
21 any information required by the Commissioner by rule, and shall include, if

1 available, the dates of purchases, the amounts of each purchase, and the  
2 category of the purchase, including, if known by the noncollecting vendor,  
3 whether the purchase is exempt or not exempt from taxation. The notification  
4 shall state that the State of Vermont requires a sales or use tax return to be filed  
5 and sales or use tax paid on nonexempt purchases made by the purchaser from  
6 the noncollecting vendor. The notification required by this subsection shall be  
7 sent separately to all Vermont purchasers by first-class mail and shall not be  
8 included with any other shipments. The notification shall include the words  
9 “Important Tax Document Enclosed” on the exterior of the mailing. The  
10 notification shall include the name of the noncollecting vendor. Failure to send  
11 the notification required by this subsection shall subject the noncollecting  
12 vendor to a penalty of \$10.00 for each such failure, unless the noncollecting  
13 vendor shows reasonable cause for such failure.

14 (c) Each noncollecting vendor shall file an annual statement for each  
15 purchaser with the Department of Taxes, on forms required by the  
16 Commissioner, showing the total amount paid for Vermont purchases by that  
17 purchaser during the preceding calendar year or any portion thereof, and this  
18 annual statement shall be filed on or before March 1 of each year. The notice  
19 requirements of this subsection only apply to noncollecting vendors who make  
20 \$50,000.00 or more of sales into Vermont in the previous calendar year.  
21 Failure to file the annual statement required by this subsection shall subject the

1 noncollecting vendor to a penalty of \$10.00 for each purchaser that should  
2 have been included in the annual statement, unless the noncollecting vendor  
3 shows reasonable cause for such failure.

4 (d) The Commissioner is authorized to adopt rules or procedures, or to  
5 create forms, necessary to implement this section. Penalties imposed under  
6 this section shall be subject to the same administrative and appeal provisions of  
7 this chapter as if imposed under section 3202 of this title.

8 Sec. 24. 32 V.S.A. § 9701(9)(F) is amended to read:

9 (F) A person making sales of tangible personal property from outside  
10 this State to a destination within this State and not maintaining a place of  
11 business in this State who engages in regular, systematic, or seasonal  
12 solicitation of sales of tangible personal property in this State:

13 (i) by the display of advertisements in this State;

14 (ii) by the distribution of catalogs, periodicals, advertising flyers,  
15 or other advertising by means of print, radio, or television media; or

16 (iii) by mail, telegraphy, telephone, computer database, cable,  
17 optic, microwave, or other communication systems, for the purpose of  
18 effecting sales of tangible personal property; provided such person has made  
19 sales from outside this State to destinations within this State of at least  
20 \$50,000.00 during any 12-month period preceding the monthly or quarterly

1 ~~period with respect to which such person's liability for tax under this chapter is~~  
2 ~~determined.~~

3 A person making sales of tangible personal property from outside this  
4 State to a destination within this State and not maintaining a place of business  
5 or other physical presence in this State who:

6 (i) engages in regular, systematic, or seasonal solicitation of sales  
7 of tangible personal property in this State:

8 (I) by the display of advertisements in this State;

9 (II) by the distribution of catalogues, periodicals, advertising  
10 flyers, or other advertising by means of print, radio, or television media; or

11 (III) by mail, Internet, telephone, computer database, cable,  
12 optic, cellular, or other communication systems, for the purpose of effecting  
13 sales of tangible personal property; and

14 (ii) has either made sales from outside this State to destinations  
15 within this State of at least \$100,000.00, or totaling at least 200 individual  
16 sales transactions, during any 12-month period preceding the monthly period  
17 with respect to which that person's liability for tax under this chapter is  
18 determined.

19 **[Removes sections on provider taxes]**

1           \*\*\* Billback Authority for Office of Health Care Advocate \*\*\*

2           Sec. 25. 18 V.S.A. § 9607 is amended to read:

3           § 9607. FUNDING; INTENT ALLOCATION OF EXPENSES

4           (a) The Office of the Health Care Advocate shall specify in its annual  
5           report filed pursuant to this chapter the sums expended by the Office in  
6           carrying out its duties, including identifying the specific amount expended for  
7           actuarial services.

8           (b)(1) Expenses incurred by the Office of the Health Care Advocate for  
9           services related to the Green Mountain Care Board's and Department of  
10           Financial Regulation's regulatory and supervisory duties shall be borne as  
11           follows:

12                   (A) 31 percent by the State from State monies;

13                   (B) 23 percent by the hospitals;

14                   (C) 23 percent by nonprofit hospital and medical service corporations  
15           licensed under 8 V.S.A. chapter 123 or 125; and

16                   (D) 23 percent by health insurance companies licensed under  
17           8 V.S.A. chapter 101.

18           (2) Expenses under subdivision (1) of this subsection shall be billed to  
19           persons licensed under Title 8 based on premiums paid for health care  
20           coverage, which for the purposes of this section shall include major medical,  
21           comprehensive medical, hospital or surgical coverage, and comprehensive

1 health care services plans, but shall not include long-term care or limited  
2 benefits, disability, credit or stop loss, or excess loss insurance coverage.

3 (3) The Green Mountain Care Board shall administer the billback  
4 authority created in this subsection on behalf of the Agency of Administration  
5 in support of the Agency's contract with the Office of the Health Care  
6 Advocate pursuant to section 9602 of this title to carry out the duties set forth  
7 in this chapter.

8 (c) It is the intent of the General Assembly that the Office of the Health  
9 Care Advocate shall maximize the amount of federal and grant funds available  
10 to support the activities of the Office.

11 \* \* \* Fuel Gross Receipts Tax \* \* \*

12 Sec. 26. 33 V.S.A. § 2503 is amended to read:

13 § 2503. FUEL GROSS RECEIPTS TAX

14 \* \* \*

15 ~~(d) Fuel sellers, which are regulated “companies” as defined in subsection~~  
16 ~~30 V.S.A. § 201(a), which provide conservation programs that meet the goals~~  
17 ~~of the Weatherization Program in a manner approved by the Public Service~~  
18 ~~Board, and which enhance the Weatherization Program's capacity to serve~~  
19 ~~low income households may be eligible for rebates from the fuel gross receipts~~  
20 ~~tax imposed under this section. To establish rebate eligibility, a company shall~~  
21 ~~file with the Public Service Board, on or before August 15 of each year, a~~

1 ~~request for approval of rebates based on the company's activities during the~~  
2 ~~prior fiscal year. The Public Service Board shall make a determination of the~~  
3 ~~amount of rebate for each applicant on or before January 15 of each year, and~~  
4 ~~such amount shall be rebated by the State Office of Economic Opportunity~~  
5 ~~under the provisions of subsection (f) of this section. The Public Service~~  
6 ~~Board shall authorize rebates equal to the expenditures undertaken by the~~  
7 ~~regulated utilities provided that such expenditures were prudently incurred and~~  
8 ~~cost effective, that they provided weatherization services following a~~  
9 ~~comprehensive energy audit and work plan, except in cases where the fuel~~  
10 ~~seller and weatherization staff jointly conclude that the need for weatherization~~  
11 ~~services can be determined without a comprehensive energy audit, and that~~  
12 ~~they were targeted to households that meet the eligibility criteria for low-~~  
13 ~~income weatherization services as determined by the Office of Economic~~  
14 ~~Opportunity.~~

15 ~~(e) Unregulated fuel sellers providing conservation programs that meet the~~  
16 ~~goals of the Weatherization Program in a manner approved by the State Office~~  
17 ~~of Economic Opportunity and that enhance the weatherization program's~~  
18 ~~capacity to serve low income households may be eligible for rebates from the~~  
19 ~~fuel gross receipts tax imposed under this section. To establish rebate~~  
20 ~~eligibility, a company shall file with the State Office of Economic Opportunity,~~  
21 ~~on or before August 15 of each year, a request for approval of rebates based on~~

1 ~~the company's activities during the prior fiscal year. The State Office of~~  
2 ~~Economic Opportunity shall make a determination of the amount of rebate for~~  
3 ~~each applicant on or before January 15 of each year, and that amount shall be~~  
4 ~~rebated by the State Office of Economic Opportunity under the provisions of~~  
5 ~~this subsection. The State Office of Economic Opportunity shall authorize~~  
6 ~~rebates equal to the expenditures undertaken by the unregulated fuel sellers~~  
7 ~~provided that the expenditures were prudently incurred and cost effective, that~~  
8 ~~they provided weatherization services following a comprehensive energy audit~~  
9 ~~and work plan, except in cases where the fuel seller and weatherization staff~~  
10 ~~jointly conclude that the need for weatherization services can be determined~~  
11 ~~without a comprehensive energy audit, and that they were targeted to~~  
12 ~~households at or below 150 percent of the federally established poverty~~  
13 ~~guidelines.~~

14 ~~(f) On or before August 7 of each year, the Director of the State Office of~~  
15 ~~Economic Opportunity shall set aside a sum of money equaling two and~~  
16 ~~one half percent of the tax receipts of the fuel gross receipts tax for the~~  
17 ~~preceding fiscal year in an escrow account. The monies in the escrow account~~  
18 ~~are to be used for rebate, as approved under subsections (d) and (e) of this~~  
19 ~~section, of the gross receipts tax established in subsection (a) of this section.~~  
20 ~~Upon approval of rebates, the Director shall pay the approved rebates out of~~  
21 ~~the escrow account. In the event that the approved rebates exceed the amount~~

1 of money set aside in the escrow account, the Director shall prorate each  
2 rebate. Any balance of rebate awards remaining unpaid as a result of proration  
3 may be carried forward for payment in a succeeding year. If monies set aside  
4 exceed approved rebates, then the balance shall be returned to the Fund. The  
5 Director of the State Office of Economic Opportunity shall use the remainder  
6 of the tax receipts of the fuel gross receipts tax for the preceding fiscal year to  
7 assure the provision of weatherization services as described in subsections  
8 2502(a), (b), and (c) of this title.

9 (g) No tax under this section shall be imposed for any quarter ending after  
10 June 30, 2016. Monies from the escrow account shall be issued for rebates  
11 pursuant to subsection (f) of this section until March 1, 2017 2021.

12 \* \* \* Effective Dates \* \* \*

13 Sec. 27. EFFECTIVE DATES

14 This act shall take effect on passage, except:

15 (a) Notwithstanding 1 V.S.A. § 214, this section shall take effect  
16 retroactively on January 1, 2015, and Sec. 9 (annual update of income tax link  
17 to the IRC) shall take effect retroactively on January 1, 2015 and apply to  
18 taxable years beginning on and after January 1, 2015.

19 (b) Secs. 22–23 (definition of vendor and out of state vendor notification  
20 requirements) shall take effect July 1, 2016.

1           (d) Sec. 24 (definition of vendor) shall take effect on the earlier of July 1,  
2           2017, or beginning on the first day of the first quarter after a controlling court  
3           decision or federal legislation abrogates the physical presence requirement of  
4           Quill v. North Dakota, 504 U.S. 298 (1992).

5           (e) Notwithstanding 1 V.S.A. § 214, Secs. 5, 10, 13, 17 and 19–21 shall  
6           take effect retroactively on July 1, 2015.