

1 H.954

2 Representative Scheu of Middlebury moves that the House concur in the
3 Senate proposal of amendment with further proposals of amendment as
4 follows:

5 First: By striking out Sec. 4, [Deleted.], in its entirety and inserting a new
6 Sec. 4 to read as follows:

7 Sec. 4. BILLING AND COLLECTION OF EDUCATION PROPERTY TAX;
8 DEPARTMENT OF TAXES; REPORT

9 On or before February 1, 2021, the Department of Taxes, in consultation
10 with the Vermont League of Cities and Towns, the Vermont Municipal Clerks'
11 and Treasurers' Association, the Vermont Bankers Association, and the
12 Association of Vermont Credit Unions, shall submit to the House Committees
13 on Ways and Means and on Government Operations and the Senate
14 Committees on Finance and on Government Operations a report studying
15 potential approaches to transitioning the responsibility for billing and
16 collecting the statewide education property tax from municipalities to the
17 Department. The report shall include recommended legislation and estimates
18 of the fiscal impact of the transition.

19 Second: By striking out Sec. 8, use tax safe harbor; report, in its entirety
20 and inserting in lieu thereof the following:

1 Sec. 8. 32 V.S.A. § 5870 is amended to read:

2 § 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX

3 RETURNS

4 (a) The Commissioner of Taxes shall provide that individuals report use tax
5 on their State individual income tax returns. Taxpayers are required to attest to
6 the amount of their use tax liability under chapter 233 of this title for the period
7 of the tax return. Alternatively, they may elect to report an amount that is a
8 percentage of their adjusted gross income determined under subsection (b) of
9 this section, ~~as shown on a table published by the Commissioner of Taxes;~~ and
10 use tax liability arising from the purchase of each item with a purchase price in
11 excess of \$1,000.00 shall be added to the table amount shown under
12 subsection (b) of this section.

13 (b) The amount of use tax a taxpayer may elect to report under subsection
14 (a) of this section shall be ~~0.10 percent of their adjusted gross income based on~~
15 the taxpayer's adjusted gross income as determined by the following tables;
16 provided, however, that a taxpayer shall not be required to pay more than
17 ~~\$500.00~~ \$150.00 for use tax liability under this subsection, arising from total
18 purchases of items with a purchase price of \$1,000.00 or less.

19	<u>If adjusted gross income is:</u>	<u>The tax is:</u>
20	<u>Not over \$20,000.00</u>	<u>\$ 0.00</u>
21	<u>\$20,001.00 to \$30,000.00</u>	<u>\$10.00</u>

1	<u>\$30,001.00 to \$40,000.00</u>	<u>\$15.00</u>
2	<u>\$40,001.00 to \$50,000.00</u>	<u>\$20.00</u>
3	<u>\$50,001.00 to \$60,000.00</u>	<u>\$25.00</u>
4	<u>\$60,001.00 to \$70,000.00</u>	<u>\$30.00</u>
5	<u>\$70,001.00 to \$80,000.00</u>	<u>\$35.00</u>
6	<u>\$80,001.00 to \$90,000.00</u>	<u>\$40.00</u>
7	<u>\$90,001.00 to \$100,000.00</u>	<u>\$45.00</u>
8	<u>\$100,001.00 and over</u>	<u>the lesser of \$150.00 or</u>
9		<u>0.05% of adjusted gross</u>
10		<u>income.</u>

11 Third: By striking out Sec. 10a, 32 V.S.A. § 9741(54), in its entirety and
12 inserting in lieu thereof:

13 Sec. 10a. [Deleted.]

14 Fourth: By striking out Secs. 19–19a, 529 plans, in their entirety and
15 inserting in lieu thereof:

16 Sec. 19. 32 V.S.A. § 5825a(b) is amended to read:

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

1 credits received by the taxpayer under subsection (a) of this section minus any
2 amount of repayment of such credits in prior tax years except when the
3 distribution:

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

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

8 (3) is made after the death of the beneficiary or after the beneficiary
9 becomes disabled pursuant to subdivisions (q)(2)(C) and (m)(7) of 26 U.S.C.
10 § 72.

11 (c) Repayments under ~~this~~ subsection (b) of this section shall be subject to

12 assessment, notice, penalty and interest, collection, and other administration in

13 the same manner as an income tax under this chapter.

14 Sec. 19a. [Deleted.]

15 Fifth: By striking out Secs. 26, official State revenue estimate, and 27,
16 2019 Acts and Resolves No. 20, Sec. 109, and their reader assistance headings
17 in their entirety and inserting in lieu thereof:

18 Sec. 26. [Deleted.]

19 Sec. 27. [Deleted.]

20 Sixth: By striking out Sec. 29, effective dates, and its reader assistance
21 heading in their entirety and inserting in lieu thereof:

1 * * * Tax Increment Financing Districts * * *

2 Sec. 29. TAX INCREMENT FINANCING DISTRICTS; DEBT
3 INCURRENCE PERIODS; EXTENSIONS

4 (a) Notwithstanding any other provision of law, the period to incur
5 indebtedness is extended for the following tax increment financing districts:

6 (1) The Barre City Downtown Tax Increment Financing District is
7 extended to March 31, 2023.

8 (2) The Bennington Downtown Tax Increment Financing District is
9 extended to March 31, 2028.

10 (3) The Burlington Downtown Tax Increment Financing District is
11 extended to March 31, 2022.

12 (4) The three properties located within the Burlington Waterfront Tax
13 Increment Financing District at 49 Church Street and 75 Cherry Street, as
14 designated on the City of Burlington’s Tax Parcel Maps as Parcel ID# 044-4-
15 004-000, Parcel ID# 044-4-004-001, and Parcel ID# 044-4-033-000, is
16 extended to June 30, 2022; provided, however, that the extension of the period
17 to incur indebtedness is subject to the City of Burlington’s submission to the
18 Vermont Economic Progress Council on or before June 30, 2022 of an
19 executed construction contract with a completion guarantee by the owner of
20 the parcels evidencing commitment to construct not less than \$50 million of
21 private development on the parcels.

1 (5) The Montpelier Tax Increment Financing District is extended to
2 March 31, 2029.

3 (6) The South Burlington Tax Increment Financing District is extended
4 to March 31, 2023.

5 (7) The St. Albans City Downtown Tax Increment Financing District is
6 extended to March 31, 2023.

7 (b) This section does not:

8 (1) extend any period that the municipal or education tax increment may
9 be retained by the tax increment financing districts listed in subsection (a) of
10 this section.

11 (2) amend any other tax increment financing requirements set forth in 24
12 V.S.A. chapter 53, subchapter 5; 32 V.S.A. § 5404a; or the TIF District Rule
13 adopted in May 2015, applicable to the tax increment financing districts listed
14 in subsection (a) of this section.

15 Sec. 30. 2013 Acts and Resolves No. 80, Sec. 18, as amended by 2016 Acts
16 and Resolves No. 134, Sec. 9a, is further amended to read:

17 Sec. 18. BURLINGTON WATERFRONT TIF

18 (a) The authority of the City of Burlington to incur indebtedness for its
19 waterfront tax increment financing district is hereby extended for five years
20 beginning January 1, 2015; provided, however, that the City is authorized to
21 extend the period to incur indebtedness for 6.5 years beginning on January 1,

1 2015 for three properties located within the waterfront tax increment financing
2 district at 49 Church Street and 75 Cherry Street, as designated on the City's
3 Tax Parcel Maps as the following:

4 (1) Parcel ID# 044-4-004-000;

5 (2) Parcel ID# 044-4-004-001;

6 (3) Parcel ID# 044-4-033-000.

7 * * *

8 ~~(e) The extension of the period to incur indebtedness for the specific~~
9 ~~parcels in subdivision (a)(1)–(3) of this section is subject to the City of~~
10 ~~Burlington's submission to the Vermont Economic Progress Council of an~~
11 ~~executed construction contract with a completion guarantee by the owner of~~
12 ~~the parcels evidencing commitment to construct not less than \$50 million of~~
13 ~~private development on the parcels.~~

14 * * * Effective Dates * * *

15 Sec. 31. EFFECTIVE DATES

16 This act shall take effect on passage except:

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

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

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

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