

TECHNICAL TAX CHANGES BILL  
H.295 - CONFERENCE REPORT

H.295	Summary
	<b>Administrative provisions</b>
1	Changes the effective date on \$150,000 allocation to the Emergency Medical Services fund. Last year, the miscellaneous tax bill allocated the money “on passage” but the allocation should have been made for fiscal year 2013, which requires an effective date of 7/1/12.
2	Waives the notary signature requirement for powers of attorney for people representing taxpayers before the Department of Taxes.
3	Correctly identifies the source of the funds for the Fire Safety Fund as the Emergency Medical Services Fund, not the General Fund.
4 and 5	Requires that any new tax expenditures be accompanied by a statutory statement of purpose and requires the Joint Fiscal Committee to provide a statement of purpose of existing tax expenditures.
6 and 6a	Requires the Commissioner of Taxes to enter into a memorandum of understanding with the Joint Fiscal Office to share state tax returns and return information. The memorandum of understanding shall be in place by August 1, 2013.
7	Allows the Commissioner to file tax liens electronically with the towns.
8	Requires the Department of Taxes to develop strategies to close the gap between taxes that are owed and collected.
	<b>Cigarette and Tobacco Product provisions</b>
9	Removes a dated prohibition on the issuing of tobacco tax stamps from June 15 to June 30 of each year. The prohibition used to be needed for inventorying stamps, but the Department no longer needs that much time.
10	Allows a taxpayer to agree voluntarily to extend the time for issuing a tax assessment on cigarettes or tobacco products.

H.295	Summary
11	Modifies the process of appeals from cigarette and tobacco product assessments. Brings the appeals more in line with appeals for other taxes. Eliminates the preference for tobacco appeals in Superior Court, and eliminates interest and cost provisions.
Use Value Program provisions	
12	Changes definition of “owner” in current use program to include holders of a perpetual lease with a term of over 999 years.
13	Modifies the process of appeals from current use decisions made by the Director of Property Valuation and Review. Brings the appeals more in line with appeals for other taxes.
14	Repeals wastewater amendments from 2011 and 2012.
Estate Tax provisions	
15	Annual update of the link of Vermont statutes to changes in the Internal Revenue Code related to estate taxes.
16	Clarifies that interest paid on estate tax refunds starting 45 days after the latest of (1) when the return is paid, (2) when the return is filed, or (3) when the taxpayer asks for a refund.
Senate -- Deleted Section 12 of House bill.	
Income Tax provisions	
17	Makes clear that when calculating net operating losses at the state level a taxpayer must add back only its federal deduction.
18	Places Vermont’s current treatment of qualified dividends in statutory law rather than session law.
19	Provides that income tax chapter will apply to same sex marriage as if federal law recognized same sex marriage in the same way as Vermont law.
20	Annual update of link of Vermont statutes to federal income tax statutes.
21	Reference to “applicable percentage” changed to “24 percent”
22	Corrects the calculation of the level at which estimated tax payments are not penalized, by increasing the hold harmless percentage from 80 to 90. Conforms to an earlier change made to § 5851.
23	Makes references to “deficiency, refund or assessment” consistent within this section.

H.295	Summary
24 and 25	Extends wood products manufacturer's tax credit until December 31, 2013.
Property Tax provisions	
26	Clarifies that exemption for conserved land is effective on the April 1 following the date all information is to the Director of Property Valuation and Review.
27	Provides that the veteran's property tax exemption will apply to spouses in same sex marriages in the same manner of other marriages.
28	Exemption for land granting public access. Exempts certain municipally owned land from property taxes if it provides access to public waters.
29 and 30	Requires owners of certain exempt properties to report the insurance values to town listers and allows listers to use the insurance replacement value as the value that should be entered in the grand list.
31	Deletes an obsolete reference to a poll tax.
32–34	These three sections change the title of State Appraiser to Hearing Officer.
35–37	Repeals statutes concerning the reporting of delinquent taxes to the Director which are no longer necessary under law.
38	Removes references to a repealed tax on steamboats, cars, and transportation companies.
39	Provides that the unified towns and gores of Essex County are to be treated as a uniform assessment district for purposes of calculating the common level of appraisal.
40	Clarifies renters must rent for entire year to qualify for renter rebate credit.
41	Makes clear that underlying property that is exempt does not become taxable with the addition of a renewable energy solar plant.
42	Creates a study committee to examine issues related to the definition, valuation, listing, and tax treatment of properties within the public, pious, and charitable exemption.
43	Extends the 50% exemption from property taxes for certain skating rinks for fiscal years 2013 and 2014.
Property Transfer Tax provisions	

H.295	Summary
44	House -- Eliminates certification requirement of other agencies on property transfer tax returns. Senate -- Adds a notice of legal requirements.
<b>Sales Tax provisions</b>	
45	Exempts durable medical equipment used in diagnosis as well as treatment of illnesses.
46	Clarifies that property must be used out of state to qualify for a use tax exemption.
47	Clarifies the calculation of interest for sales tax refunds.
<b>Health Care provisions</b>	
48–54	Repeals the health care claims assessment and health information technology fee and replaces those with a health care claims tax administered by the Department of Taxes. Reduces the rate by 0.19% on July 1, 2017 and removes references to health information technology fee.
55	Limits the provider tax for home health agencies to 6% of net patient revenue for any individual home health agency.
<b>Fuel Taxes</b>	
56	Removes the \$10,000.00 floor for sellers who owe the fuel gross receipts tax.
<b>Spirituosous Liquor</b>	
57	Raises brackets for tax on spirituosous liquor. Moves to current year revenue for the base.
<b>Department of Financial Regulation</b>	
58–59	Allows the Commissioner of Financial Regulation to waive certain signature requirements to facilitate participation in national programs.
<b>Effective Dates</b>	
60	Effective dates