

1 H.345

2 Introduced by Representative Sweaney of Windsor

3 Referred to Committee on

4 Date:

5 Subject: Taxation; sales tax; meals and rooms tax; exemption for economically
6 depressed Designated Downtown District; pilot project in Windsor

7 Statement of purpose: This bill proposes to create a pilot project in the town of
8 Windsor, with a ten-year sales tax and meals and rooms tax exemption for
9 purchases within the economically depressed Designated Downtown District in
10 the town of Windsor.

11 An act relating to Windsor pilot project for tax exemption in an
12 economically depressed Designated Downtown District

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

14 Sec. 1. PILOT PROJECT IN TOWN OF WINDSOR; SALES TAX; MEALS
15 AND ROOMS TAX; TEN-YEAR EXEMPTION IN
16 ECONOMICALLY DEPRESSED DESIGNATED DOWNTOWN
17 DISTRICT

18 (a) Purpose of the pilot project. The purpose of this pilot project is to
19 create a tax-free zone to promote new economic development in the
20 Designated Downtown District of the town of Windsor and to provide

1 assistance to existing business entities in that area. The Designated Downtown
2 District of the town of Windsor is an economically depressed area that is
3 undergoing a decades-long struggle to recover from devastating job losses,
4 sustained population loss, high rates of vacancy in commercial and industrial
5 real estate, insufficient access to capital, and deteriorating infrastructure. Other
6 challenges to development in the Designated Downtown District include
7 ongoing, costly efforts to identify and clean up industrial contaminants and to
8 address other difficulties associated with redevelopment of properties located
9 in the district that are subject to floodplain and floodway regulations and
10 restrictions. The community's relative scarcity of taxable land and its
11 proximity to "sales tax-free" New Hampshire present additional challenges to
12 development.

13 (b) Designated area of pilot project. This pilot project shall apply to the
14 existing Designated Downtown District, an area set forth by the town of
15 Windsor and named as a Designated Downtown District by the Vermont
16 downtown development board.

17 (c) Pilot project tax exemption. For the period from January 1, 2012,
18 through December 31, 2021, all transactions within the Designated Downtown
19 District of the town of Windsor are exempt from sales tax and from meals and
20 rooms taxes. For the purposes of this pilot project, the commissioner of
21 economic, housing and community development shall designate the

1 Designated Downtown District of the town of Windsor as a tax-free zone for
2 purposes of the sales tax and meals and rooms taxes.

3 (d) Report. The commissioner of economic, housing and community
4 development shall report to the governor and to the general assembly in January
5 2015 and January 2020 on the economic impact upon the pilot tax-free zone
6 which can be attributed to the exemptions from sales tax and meals and rooms tax
7 in this section.