

1 H.453

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; tax expenditures

5 Statement of purpose: This bill proposes to require that the annual tax
6 expenditure budget be divided into three parts and to have one part be
7 considered each year.

8 An act relating to the annual tax expenditure budget

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

10 Sec. 1. LEGISLATIVE INTENT FOR TAX EXPENDITURES

11 It is the intent of the general assembly in reviewing the tax expenditure
12 budgets recommended by the governor to ensure that any changes to
13 Vermont's tax expenditures are done openly and equitably and are subject to
14 public review. Vermont tax expenditures are intended to reflect and support
15 Vermont values and policies.

16 Sec. 2. 32 V.S.A. § 306 is amended to read:

17 § 306. BUDGET REPORT

18 (a) The governor shall submit to the general assembly, not later than the
19 third Tuesday of every annual session, a budget which shall embody his or her
20 estimates, requests and recommendations for appropriations or other

1 authorizations for expenditures from the state treasury. In the first year of the
2 biennium, the budget shall relate to the two succeeding fiscal years. In the
3 second year of the biennium, it shall relate to the succeeding fiscal year.

4 (b) The governor shall also submit to the general assembly, not later than
5 the third Tuesday of each session of every biennium, a tax expenditure budget
6 which shall embody his or her estimates, requests, and recommendations. The
7 tax expenditure budget shall be divided into three parts and made as follows:

8 (1) A budget covering tax expenditures related to nonprofits and
9 charitable organizations and covering miscellaneous expenditures shall be
10 made by the third Tuesday of the legislative session beginning in January 2012
11 and every three years thereafter.

12 (2) A budget covering tax expenditures related to economic
13 development, including business, investment, and energy, shall be made by the
14 third Tuesday of the legislative session beginning in January 2013 and every
15 three years thereafter.

16 (3) A budget covering tax expenditures made in furtherance of
17 Vermont's human services, including tax expenditures affecting veterans, shall
18 be made by the third Tuesday of the legislative session beginning in January
19 2014 and every three years thereafter.

20 (c) The tax expenditure budget shall be provided to the house committee on
21 ways and means and the senate committee on finance, which committees shall

1 review the tax expenditure budget and shall report their recommendations in
2 bill form.

3 Sec. 3. 32 V.S.A. § 312 is amended to read:

4 § 312. TAX EXPENDITURE REPORT

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6 ~~(e) Based on the information contained in the tax expenditure report, the~~
7 ~~commissioner shall recommend to the general assembly that any expenditure~~
8 ~~that has cost less than \$50,000.00 or has been claimed by fewer than ten~~
9 ~~taxpayers in each of the three preceding years be repealed two years hence.~~

10 Sec. 4. REPEAL

11 32 V.S.A. § 5823(a)(5) is repealed as of July 1, 2013.

12 Sec. 5. EFFECTIVE DATE

13 This act shall take effect on July 1, 2011.