

1 H.819

2 Introduced by Representatives Pugh of South Burlington, Head of South
3 Burlington, Kupersmith of South Burlington, and Townsend of
4 South Burlington

5 Referred to Committee on

6 Date:

7 Subject: Taxation; statewide education property tax; property tax adjustments;
8 homestead declarations

9 Statement of purpose of bill as introduced: This bill proposes to reduce the
10 penalty for late-filed homestead declarations, refund certain penalties paid in
11 2013, and require the Department of Taxes to make more effort to publicize
12 and explain the homestead declaration process.

13 An act relating to reducing the penalty for a late filing of Vermont's
14 homestead declaration

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

16 Sec. 1. 32 V.S.A. § 5410(g) is amended to read:

17 (g) If the property identified in a declaration under subsection (b) of this
18 section is not the taxpayer's homestead, or if the owner of a homestead fails to
19 declare a homestead as required under this section, the Commissioner shall
20 notify the municipality, and the municipality shall issue a corrected tax bill that

1 may include a penalty of three percent of the education tax on the property. ~~If~~
2 However, if the property incorrectly declared as a homestead is located in a
3 municipality that has a lower homestead tax rate than the nonresidential tax
4 rate, the penalty shall be an amount equal to eight percent of the education tax
5 on the property, but if the homestead tax rate is higher than the nonresidential
6 tax rate, the penalty shall be in an amount equal to three percent of the
7 education tax on the property or if an undeclared homestead is located in a
8 municipality that has a lower nonresidential tax rate than the homestead tax
9 rate, then the municipality may include a penalty of eight percent of the
10 education tax liability on the property. ~~If an undeclared homestead is located~~
11 ~~in a municipality that has a lower nonresidential tax rate than the homestead~~
12 ~~tax rate, the penalty shall be eight percent of the education tax liability on the~~
13 ~~property, but if the nonresidential tax rate is higher than the homestead tax rate,~~
14 ~~then the penalty shall be in an amount equal to three percent of the education~~
15 ~~tax on the property.~~ If the Commissioner determines that the declaration or
16 failure to declare was with fraudulent intent, then the municipality shall assess
17 the taxpayer a penalty in an amount equal to 100 percent of the education tax
18 on the property; plus any interest and late-payment fee or commission which
19 may be due. Any penalty imposed under this section and any additional
20 property tax interest and late-payment fee or commission shall be assessed and

1 collected by the municipality in the same manner as a property tax under
2 chapter 133 of this title.

3 Sec. 2. HOMESTEAD FILING PENALTY

4 Notwithstanding any other provision of law, for calendar year 2013 only,
5 the penalty under 32 V.S.A. § 5410(g) shall not apply to any taxpayer who
6 filed a homestead declaration on or before October 1, 2013. Any municipality
7 that collected a penalty under 32 V.S.A. § 5410(g) in calendar year 2013 for a
8 homestead declaration filed late, but before October 1, shall refund that amount
9 to the taxpayer. The Commissioner of Taxes shall continue to take steps to
10 publicize and conduct outreach regarding the requirements for filing a
11 homestead declaration.

12 Sec. 3. EFFECTIVE DATES

13 (a) Sec. 1 (homestead declarations) and this section shall take effect on
14 July 1, 2014.

15 (b) Sec. 2 (homestead filing penalty) shall take effect July 1, 2014, but
16 notwithstanding 1 V.S.A. § 214, Sec. 2 shall be applied retroactively to
17 homestead declarations filed in calendar year 2013.