

1 H.842

2 Introduced by Representative Goodwin of Weston

3 Referred to Committee on

4 Date:

5 Subject: Taxation; income tax; property transfer tax

6 Statement of purpose of bill as introduced: This bill proposes to make tax
7 changes designed to assist with the transition when the large electrical
8 generating plant in Windham County ceases operation. The changes would
9 provide an income tax credit and an income tax exemption for new businesses
10 started by former employees of the plant, allow bonus depreciation for
11 businesses that hire recent college graduates in the Windham region, and
12 exempt first-time home buyers in the Windham region from the property
13 transfer tax for homes purchased for \$300,000.00 or less.

14 An act relating to tax incentives for the Windham region

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

16 Sec. 1. 32 V.S.A. § 5830 is added to read:

17 § 5830. START-UP TAX CREDIT

18 (a) As used in this section:

19 (1) “Expenses associated with a start-up business” shall have the same
20 meaning as in subsection 5930nn(d) of this title.

1 (2) “Qualified taxpayer” means an individual or a company whose
2 principals consist of a majority of individuals who have been employed by a
3 person operating an electrical generating plant with a name plate generating
4 capacity of 200,000 kilowatts, or more, for at least 12 of the 36 months
5 preceding the tax year for which a credit under this section is initially claimed.

6 (b) A credit against the tax imposed by section 5822 or 5832 of this title
7 shall be allowed for expenses associated with a start up-business, up to the
8 amount of \$5,000.00, for qualified taxpayers. The credit under this section
9 shall be nonrefundable, but may be carried forward three years.

10 (c) In any year in which a credit under this section is claimed, the
11 Commissioner of Taxes shall determine the total amount of credits claims. In
12 the same fiscal year that the credits are claimed, an amount equal to the total
13 amount of credits determined by the Commissioner shall be transferred from
14 the fund created as a result of paragraph 17 of the settlement agreement
15 between the State of Vermont and Entergy Nuclear Vermont Yankee, L.L.C.,
16 dated December 23, 2013.

17 Sec. 2. RETENTION BONUSES

18 Notwithstanding any other provision of law, retention bonuses paid to
19 Vermont employees of Entergy Nuclear Vermont Yankee, L.L.C. or Entergy
20 Nuclear Operations, Inc. in tax year 2015, 2016, or 2017 shall be exempt from
21 the tax imposed by 32 V.S.A. § 5822 to the extent the taxpayer, or a business

1 in which the taxpayer is a principal, has incurred expenses associated with a
2 start-up business, as that term is used in 32 V.S.A. § 5930nn(d).

3 Sec. 3. HIRING COLLEGE GRADUATES IN WINDHAM COUNTY

4 Notwithstanding any other provision of law, for the purpose of the taxes
5 imposed by 32 V.S.A. § 5822 or 5832, for tax years 2015 through 2020 only,
6 any person who hires a recent college graduate in Windham County shall be
7 entitled to an additional deduction equal to one-quarter of the total salary and
8 benefits paid to the recent college graduate in the preceding tax year. As used
9 in this section, “recent college graduate” means an individual who graduated
10 from a college in the 12 months prior to being hired.

11 Sec. 4. FIRST-TIME PURCHASES IN WINDHAM COUNTY

12 Notwithstanding any other provision of law, the tax imposed by 32 V.S.A.
13 § 9602 shall not apply to the purchase of a primary residence by a first-time
14 home purchaser in Windham County so long as the purchase price is
15 \$300,000.00 or less, and so long as the purchase is completed on or between
16 January 1, 2015 and January 1, 2020.

17 Sec. 5. REPEAL

18 32 V.S.A. § 5830 (start-up tax credit) is repealed on January 1, 2020.

19 Sec. 6. EFFECTIVE DATES

20 (a) This section shall take effect on passage.

1 (b) Secs. 1 (start-up credit) and 5 (repeal) shall take effect on January 1,
2 2015 and apply to tax year 2015 and after.

3 (c) Secs. 2 (retention bonuses), 3 (recent college graduates), and 4
4 (first-time home purchases) shall take effect on July 1, 2014.