

1 S.31

2 Introduced by Senator Hartwell

3 Referred to Committee on

4 Date:

5 Subject: Taxation; property transfer tax exemptions

6 Statement of purpose: This bill proposes to set a 90-day period from the date
7 of formation for corporations, partnerships, and limited liability companies to
8 transfer real property to the newly formed entity and remain exempt from the
9 property transfer tax.

10 An act relating to exemptions to property transfer tax

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

12 Sec. 1. 32 V.S.A. § 9603(11), (15), and (24) are amended as follows:

13 (11) Transfers made to a corporation ~~at the time~~ within 90 days of its
14 formation pursuant to which transfer no gain or loss is recognized under
15 Section 351 of the Internal Revenue Code, except where the commissioner
16 finds that a major purpose of such transaction is to avoid the property transfer
17 tax;

18 (15) Transfers made to a partnership ~~at the time~~ within 90 days of its
19 formation, pursuant to which transfer no gain or loss is recognized under
20 Section 721 of the Internal Revenue Code, except where the commissioner

1 finds that a major purpose of such transaction is to avoid the property transfer
2 tax;

3 (24) Transfers made to a limited liability company ~~at the time~~ within 90
4 days of its formation pursuant to which no gain or loss is recognized under the
5 Internal Revenue Code, except where the commissioner finds that a major
6 purpose of such transaction is to avoid the property transfer tax.

7 Sec. 2. REFUNDS FOR CERTAIN TRANSACTIONS

8 Any taxpayer who, before October 5, 2007, would have been exempt from
9 the payment of the property transfer tax under 32 V.S.A. § 9603(11), (15), or
10 (24) except for the fact that more than 90 days had passed between the time of
11 formation of the taxpayer and the transfer of the property to the taxpayer shall
12 be entitled to a refund upon making an application to the commissioner
13 pursuant to 32 V.S.A. § 9617(h) within one year of the effective date of this act
14 or within three years from the date the tax became fixed, a previous refund was
15 denied, or an appeal of denial was upheld.

16 Sec. 3. EFFECTIVE DATE

17 This act shall take effect upon passage except Sec. 1 which shall apply to all
18 property transfer taxes imposed on or after July 1, 2009.