

1 H.308

2 Introduced by Representatives Bartley of Fairfax, Charlton of Chester,
3 Krasnow of South Burlington, Parsons of Newbury, Sweeney of
4 Shelburne, and Toof of St. Albans Town

5 Referred to Committee on

6 Date:

7 Subject: Taxation; sales and use tax; sales tax exemptions; building materials
8 and supplies

9 Statement of purpose of bill as introduced: This bill proposes to exempt the
10 sale of all building materials and supplies from sales and use tax. The
11 exemption sunsets after three years and reverts back to a limited exemption for
12 manufacturing facilities.

13 An act relating to exempting sales of building materials and supplies from
14 sales and use tax

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

16 Sec. 1. 32 V.S.A. § 9706(y) is amended to read:

17 (y) The statutory purpose of the exemption for sales of building materials
18 and supplies in subdivision 9741(39) of this title is to ~~provide incentives to~~
19 ~~restore and revitalize downtown districts~~ reduce the cost of construction in
20 Vermont.

1 Sec. 2. 32 V.S.A. § 9741 is amended to read:

2 § 9741. SALES NOT COVERED

3 Retail sales and use of the following shall be exempt from the tax on retail
4 sales imposed under section 9771 of this title and the use tax imposed under
5 section 9773 of this title:

6 * * *

7 (39) Sales of building materials ~~within any three consecutive years in~~
8 ~~excess of \$1,000,000.00 in purchase value used in the construction, renovation,~~
9 ~~or expansion of facilities that are used exclusively, except for isolated or~~
10 ~~occasional uses, for the manufacture of tangible personal property for sale and~~
11 supplies. As used in this subdivision, “building materials and supplies”
12 include all materials and supplies consumed, employed, or expended in the
13 construction, reconstruction, alteration, remodeling, or repair of any building
14 or structure, as well as the materials and supplies physically incorporated
15 therein. Blueprints are not considered supplies for purposes of the exemption
16 under this subdivision.

17 * * *

18 Sec. 3. 32 V.S.A. § 9706(y) is amended to read:

19 (y) The statutory purpose of the exemption for sales of building materials
20 ~~and supplies~~ in subdivision 9741(39) of this title is to ~~reduce the cost of~~

1 ~~construction in Vermont~~ provide incentives to restore and revitalize downtown
2 districts.

3 Sec. 4. 32 V.S.A. § 9741 is amended to read:

4 § 9741. SALES NOT COVERED

5 Retail sales and use of the following shall be exempt from the tax on retail
6 sales imposed under section 9771 of this title and the use tax imposed under
7 section 9773 of this title:

8 * * *

9 (39) Sales of building materials ~~and supplies. As used in this~~
10 ~~subdivision, "building materials and supplies" include all materials and~~
11 ~~supplies consumed, employed, or expended in the construction, reconstruction,~~
12 ~~alteration, remodeling, or repair of any building or structure, as well as the~~
13 ~~materials and supplies physically incorporated therein. Blueprints are not~~
14 ~~considered supplies for purposes of the exemption under this subdivision~~
15 within any three consecutive years in excess of \$1,000,000.00 in purchase
16 value used in the construction, renovation, or expansion of facilities that are
17 used exclusively, except for isolated or occasional uses, for the manufacture of
18 tangible personal property for sale.

19 * * *

1 Sec. 5. EFFECTIVE DATES

2 (a) This section and Secs. 1 (statutory purpose) and 2 (building materials
3 and supplies exemption) shall take effect on July 1, 2025.

4 (b) Secs. 3 (statutory purpose) and 4 (reversion to previous exemption)
5 shall take effect on July 1, 2028.