



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

July 29, 2009

Representative Michael Obuchowski
Chair, Joint Fiscal Committee
The Statehouse
Montpelier, VT 05633

Dear Representative Obuchowski:

Pursuant to Section H.39 of Act 1 of the 2009 Special Session, we are providing the Joint Fiscal Committee with the enclosed the Implementation Plan required by that provision of law. I am available to discuss this plan with your Committee or if you or your staff has any questions, please do not hesitate to contact me.

Sincerely,

William E. Johnson, Director
Property Valuation and Review

Cc: Ellen Tofferi, Acting Commissioner





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Implementation Plan: On-line Property Transfer Tax System

This implementation plan to the Joint Fiscal Committee is required by Act 1 of the 2009 Special Session, Section H.39. Section H.39 reads as follows.

No later than August 1, 2009, the department of taxes shall file with the joint fiscal committee an implementation plan for the electronic filing of property transfer tax returns and the electronic payment of property transfer taxes.

The requirement for an implementation plan stems from the Tax Department's efforts in the 2009 Session to seek statutory changes necessary for the transition to a web-based property transfer tax system. The primary benefits of a web-based system would be the payment of transfer tax directly to the State thereby enhancing revenue flow and the introduction of efficiencies into the overall administration of this tax-type.

As part of the process for planning for the implementation of this web-based system, the Tax Department has held three meetings with stakeholders to identify and resolve issues related to the use of a web-based system. The stakeholders attending these meetings include representatives of the Vermont Municipal Clerks' and Treasurers' Association, Vermont League of Cities and Towns, the Vermont Bar Association, Vermont Bankers' Association, Vermont Assessors' and Listers' Association, and Vermont Attorneys Title Corporation. It is our belief that we have developed an acceptable plan that addresses the concerns about system implementation that have been identified to date.

The following is our best estimate at this time of how we plan to move toward implementation of a web-based property transfer tax system.

- Meet with constituent groups (i.e., municipal officials, real estate attorneys and banking officials) to further discuss and resolve issue associated with implementation –

July 13, 2009

- Defining and fine-tuning business rules and functionality for the system –

August 2009 – January 2010



- Submit statutory changes required to implement new system to Legislature –

January 2010

- Hold another meeting with constituent groups to review final system business rules and functionality –

January 2010

- After receiving Legislative approval for statutory changes; VIC begins system development – coding the functionality –

May 2010 – August 2010

- In-house system testing –

September 2010

- Beta testing with selected lawyers and clerks –

October 2010

- Training sessions around the State for municipal officials and for lawyers and real estate professionals on system use.–

November and December 2010

- Officially launch system for public use in filing property transfer tax returns -

January 2011