

## Income/Franchise:

### Vermont: New Law Addresses State Reporting & Impact of Federal Partnership Audit Regime Changes

*H.B. 738*, signed by gov. 6/7/22. Responding to changes in the federal partnership audit and adjustment process under the federal 2015 Bipartisan Budget Act, recently enacted legislation creates a Vermont reporting requirement for partnerships under federal audit and includes related procedures, processes, and deadlines for reporting certain partnership adjustments that result from federal tax changes to the Vermont Department of Taxes, as well as for paying any associated taxes due. The new law which generally aligns with many provisions under the Multistate Tax Commission's "Model Uniform Statute for Reporting Adjustments to Federal Taxable Income and Federal Partnership Audit Adjustments" takes effect retroactively on January 1, 2022, and generally applies to adjustments to a taxpayer's federal taxable income with a final determination date occurring on and after July 1, 2022.

**URL:** <https://legislature.vermont.gov/bill/status/2022/H.738>

Other provisions in the legislation include broadening Vermont's sales and use tax exemption for manufacturing inputs to include inputs used as part of an integrated production process. Please contact us with any questions.

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