

closed containers of ice cream or frozen confection; eight ounce or larger containers of salad dressings or sauces; maple syrup; quart or larger containers of cider or milk.

\* \* \*

(iii) Cannabis or cannabis products as defined under 7 V.S.A.

§ 831.

Sec. 17b. 32 V.S.A. § 9201(n) is added to read:

(n) The statutory purpose for the exemption for cannabis and cannabis products as defined under 7 V.S.A. § 831 in subdivision 9202(10)(D)(iii) of this title is to avoid having both the meals and rooms tax and the cannabis excise tax apply to edible cannabis products.

\* \* \* Use of Sales and Use Tax Revenue \* \* \*

Sec. 17c. DEDICATED USE OF SALES AND USE TAX ON CANNABIS

Notwithstanding 16 V.S.A. § 4025(b), revenue from the sales and use tax imposed by 32 V.S.A. chapter 233 on retail sales of cannabis or cannabis products in this State shall be used to fund a grant program to start or expand afterschool and summer learning programs, with a focus on increasing access in underserved areas of the State.

Sec. 17d. ANNUAL BUDGETING OF SALES AND USE TAX REVENUE

On or before November 15, 2021 and on or before each subsequent November 15, the Agency of Education shall submit to the General Assembly a plan to fund grants in furtherance of the purposes of Sec. 17c of this act. The

grants shall be in an amount equal to the official forecasted revenues to be raised from the sales and use tax imposed by 32 V.S.A. chapter 233 on cannabis or cannabis products in this State. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the plan to be made under this subsection.

\* \* \* Income Tax Deduction \* \* \*

Sec. 18. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context requires otherwise:

\* \* \*

(18) “Vermont net income” means, for any taxable year and for any corporate taxpayer:

(A) the taxable income of the taxpayer for that taxable year under the laws of the United States, without regard to 26 U.S.C. § 168(k) of the Internal Revenue Code, and excluding income which under the laws of the United States is exempt from taxation by the states:

\* \* \*

(ii) decreased by:

(I) the “gross-up of dividends” required by the federal Internal Revenue Code to be taken into taxable income in connection with the taxpayer’s election of the foreign tax credit; ~~and~~