

1 H.756

2 Introduced by Representatives Greshin of Warren and Condon of Colchester

3 Referred to Committee on

4 Date:

5 Subject: Taxation; sales and use tax; secondary packaging

6 Statement of purpose: This bill proposes to clarify that the exemption from
7 sales tax for equipment used in packaging extends to secondary packaging
8 equipment used in an integrated process.

9 An act relating to the sales and use tax exemption for packaging equipment

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

11 Sec. 1. 32 V.S.A. § 9741(14) is amended to read:

12 (14) Tangible personal property which becomes an ingredient or
13 component part of, or is consumed or destroyed or loses its identity in the
14 manufacture of tangible personal property for sale; machinery and equipment
15 for use or consumption directly and exclusively, except for isolated or
16 occasional uses, in the manufacture of tangible personal property for sale, or in
17 the manufacture of other machinery or equipment, parts, or supplies for use in
18 the manufacturing process; and devices used to monitor manufacturing
19 machinery and equipment or the product during the manufacturing process.
20 Machinery and equipment used in administrative, managerial, sales, or other

1 nonproduction activities, or used prior to the first production operation or
2 subsequent to the initial packaging of a product, shall not be exempt from tax,
3 unless such uses are merely isolated or occasional or unless the machinery
4 used for initial packaging is also used for secondary packaging as part of an
5 integrated process. Machinery and equipment shall not include buildings and
6 structural components thereof. For purposes of this subdivision, it shall be
7 rebuttably presumed that uses are not isolated or occasional if they total more
8 than four percent of the time the machinery or equipment is operated. For the
9 purposes of this subsection, “manufacture” includes extraction of mineral
10 deposits, the entire printing and ~~book-making~~ bookmaking process, and the
11 entire publication process.

12 Sec. 2. EFFECTIVE DATE

13 This act shall take effect retroactively as of January 1, 2012.