

Sales and Use Tax: What You Need to Know

Sales and Use Tax: What Is It?

The Vermont Sales and Use Tax is imposed on the retail sales of tangible personal property unless exempted by law. There are 46 exemptions from the Sales and Use Tax, including clothing and food.

Examples of Sales Subject to the Sales and Use Tax

- Sales of tangible personal property
- Sales of public utility services of fuel and electricity
- Phone services
- Internet purchases and digital downloads.

What's the difference between Sales and Use?

A seller must collect Sales Tax at the time and place of sale. If the tangible personal property purchased is subject to sales tax, but it is not charged, then a Use Tax is imposed on the purchaser of such goods. For example, if you purchase an item online or in a state that does not charge Sales Tax, you must then pay a Use Tax.

Sales and Use Tax Rate in Vermont

- The Sales and Use Tax rate is 6.0%
- Local Option Tax: certain municipalities may also impose a local option tax of 1% on sales. To find out if your municipality imposes such tax, please visit the Vermont Department of Taxes website for a listing of these jurisdictions or contact us.

The Business Tax Account—Your Key to Remitting

You must register for a Vermont Business Tax Account by completing an application, Form S-1, and mailing or faxing it to:

Vermont Department of Taxes
P.O. Box 547
Montpelier, VT 05601-0547

Fax: (802) 828-5787

After the processing period, you will be:

- Assigned a Vermont Business Tax Account number and the necessary information for *VTBizFile*
- Provided with a Sales and Use Tax license, which you must display for your customers as your authorization to collect taxes on behalf of the State of Vermont

Fast, Easy Filing to Pay Your Business Taxes

Your registration letter received in the mail will contain all the information you need to sign up for to file and pay your business taxes using *VTBizFile*.

VTBizFile offers the following benefits:

- File and pay your Sales and Use, Meals and Rooms, and Withholding taxes in one place
- Print filing and payment receipts to maintain your records
- View and print a history of filings for up to four years
- Choose from three easy payment options: ACH debit, ACH credit or credit card

For more information about the Sales and Use Tax, including exceptions, and other applicable business taxes, please visit www.tax.vermont.gov or contact the Department's Business Tax Division at bustax@state.vt.us or (802) 828-2551, option 3.

Please see the reverse side for links to the forms and online services you will need to file and pay your Sales and Use Tax or visit www.tax.vermont.gov.

Website Links to Forms, Services, and Sales and Use Tax Information

VTBizFile – Electronic Filing of Business Trust Tax Returns (SU-451, MR-441, WH-431)

<https://secure.vermont.gov/bizfile/index>

General Information

Form S-1 – Vermont Business Tax Account Application & Instructions

<http://www.state.vt.us/tax/pdf.word.excel/forms/business/s-1&instr.pdf>

Form B-2a – Notice of Change – Business Address or Cancellation

www.state.vt.us/tax/pdf.word.excel/forms/business/b-2a.pdf

Resale & Exemption Organization Certificate

www.state.vt.us/tax/pdf.word.excel/forms/business/s-3.pdf

Calendar of Due Dates

<http://www.state.vt.us/tax/taxcalendar.shtml>

Business Tax Rate Charts

Sales Tax – 6%

www.state.vt.us/tax/pdf.word.excel/business/6%25salestaxchart.pdf

Sales Tax with Local Option Tax – 7%

www.state.vt.us/tax/pdf.word.excel/business/7%25salestaxchartlocalopt.pdf

Local Option Tax – Town Listing

<http://www.state.vt.us/tax/businesslocaloption.shtml>

Regulations

Regulations are an invaluable tool to understand your obligations under the law. Visit the following link for the regulations on Sales and Use Tax:

<http://www.state.vt.us/tax/pdf.word.excel/legal/regs/SU.finals.11012010.pdf>

Need help? Contact (802) 828-2551, option 3