

VERMONT TAXES ON ALCOHOLIC BEVERAGES

Abby Shepard, Tax Policy Analyst
Policy, Outreach, and Legislative Affairs

Montpelier, VT
September 22, 2017

Outline

1. Miscellaneous Vermont taxes on alcoholic beverages
2. Malt and vinous tax structure
3. Malt and vinous tax revenues

Miscellaneous Taxes on Alcoholic Beverages

6% Sales and Use Tax

- Sales of alcoholic beverages by retailers, such as grocery stores or convenience stores, that
 - are suitable for human consumption
 - contain one-half of 1% or more of alcohol by volume, and
 - are not provided for immediate consumption.

10% Alcoholic Beverage Tax

- 10% Alcoholic Beverage Tax applies to sales of alcoholic beverages provided for immediate consumption, including
 - any malt beverages, vinous beverages, or spirituous liquors, and
 - that are served on the premises of a restaurant or bar by a holder of a first- or third-class liquor license.

1% Local Option Tax

- If alcohol beverages are sold in or delivered to a municipality with a local option tax on alcoholic beverages, those sales are subject to an additional 1% tax (total tax at 7% or 11%).

MALT AND VINOUS TAX

7 V.S.A. § 421

Malt and Vinous Tax

- **Who pays**
 - Bottlers and wholesalers who manufacture or rectify alcohol. This includes distributors, breweries, and vineyards/wineries.
- **Transaction taxed**
 - Tax levied at time of sale to a retailer in Vermont.
- **Collection**
 - Tax paid to Commissioner of Taxes
- **Other taxes**
 - Sales Tax and Alcoholic Beverage Tax

Rates

Current Rate

Malt up to 6% alcohol volume	Malt above 6% alcohol volume	Vinous beverages
\$0.265/gallon	\$0.55/gallon	\$0.55/gallon

Historical Rates

Malt and Vinous	
Year	Tax rate per gallon
1933	\$0.032 malt and vinous
1934	\$0.0325 malt and vinous
1936	\$0.05 malt and vinous
1937	\$0.10 malt and vinous
1949	\$0.15 malt and vinous
1959	\$0.20 malt and vinous
1969	\$0.25 malt and vinous
1976	\$0.50 vinous only
1981	\$0.55 vinous; \$0.265 malt

Spirits and Fortified Wines	
Year	Tax rate
1935	\$0.10 per pint
1939	\$0.23 per pint
1945	\$0.35 per pint
1947	\$0.45 per pint
1957	\$5.10 per gallon
1969	\$5.60 per gallon
1974	24% of retail sale
1981	25% of retail sale

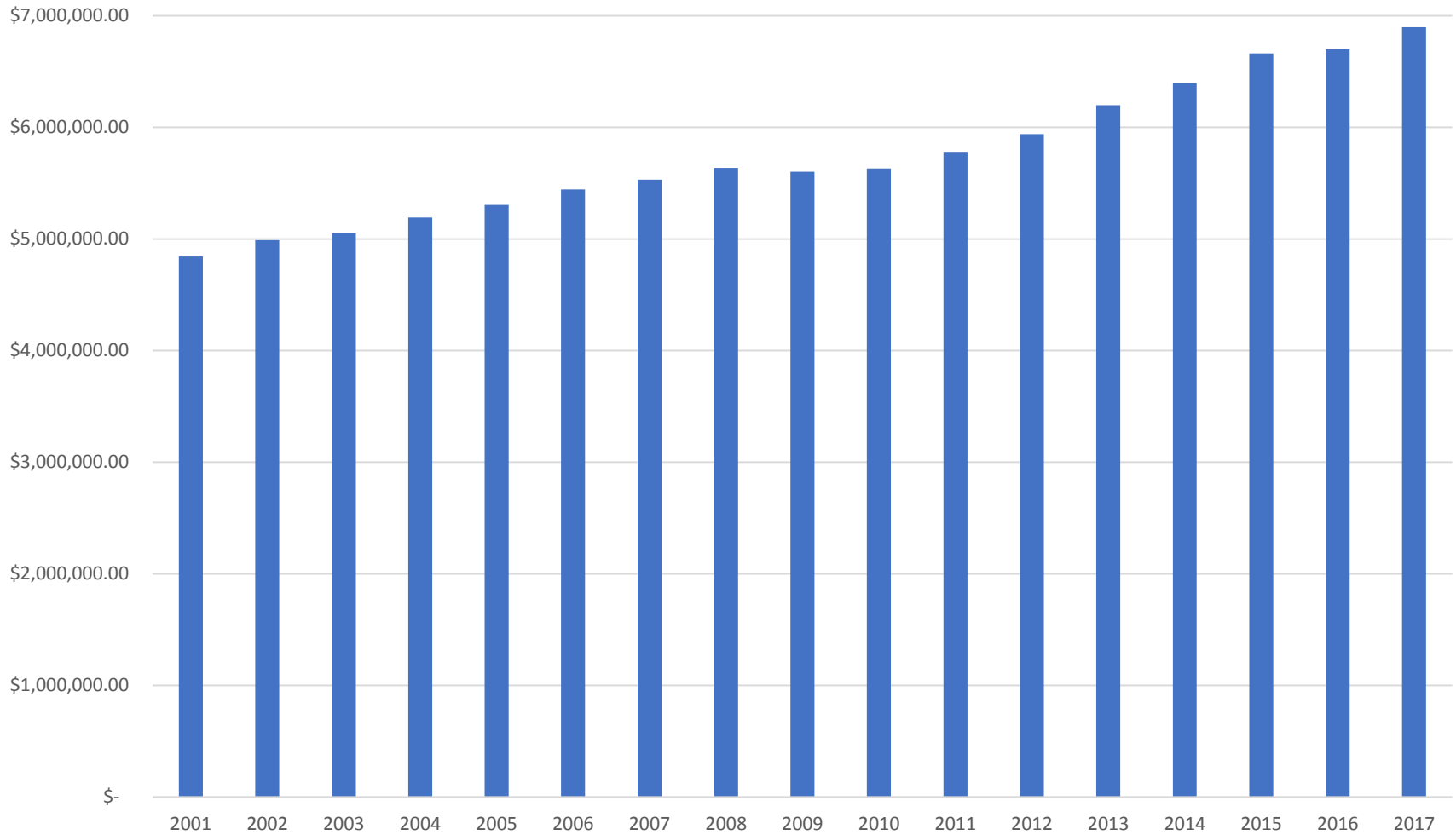
REVENUES

Total Malt and Vinous Revenues

FY2001-FY2017

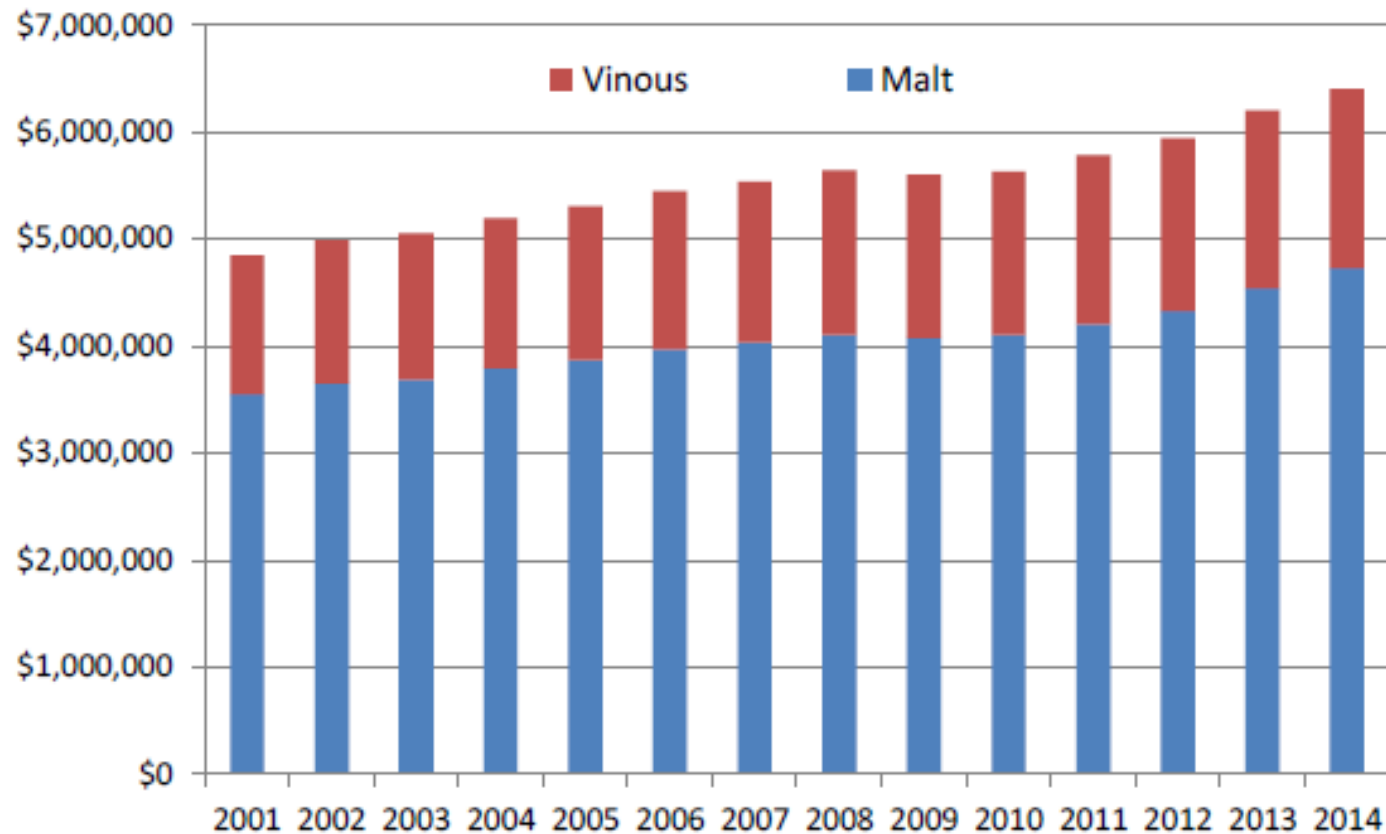
Year	M&V Revenue	% Change
2001	\$4,842,161.00	
2002	\$4,989,356.00	3.0%
2003	\$5,049,311.00	1.2%
2004	\$5,192,113.00	2.8%
2005	\$5,303,865.00	2.2%
2006	\$5,444,546.00	2.7%
2007	\$5,531,202.00	1.6%
2008	\$5,637,260.00	1.9%
2009	\$5,601,814.00	-0.6%
2010	\$5,631,281.00	0.5%
2011	\$5,781,376.00	2.7%
2012	\$5,939,333.00	2.7%
2013	\$6,198,751.00	4.4%
2014	\$6,396,365.97	3.2%
2015	\$6,662,230.01	4.2%
2016	\$6,003,661.00	0.6%
2017	\$6,896,731.14	2.9%

Total Malt and Vinous Revenues FY2001-FY2017



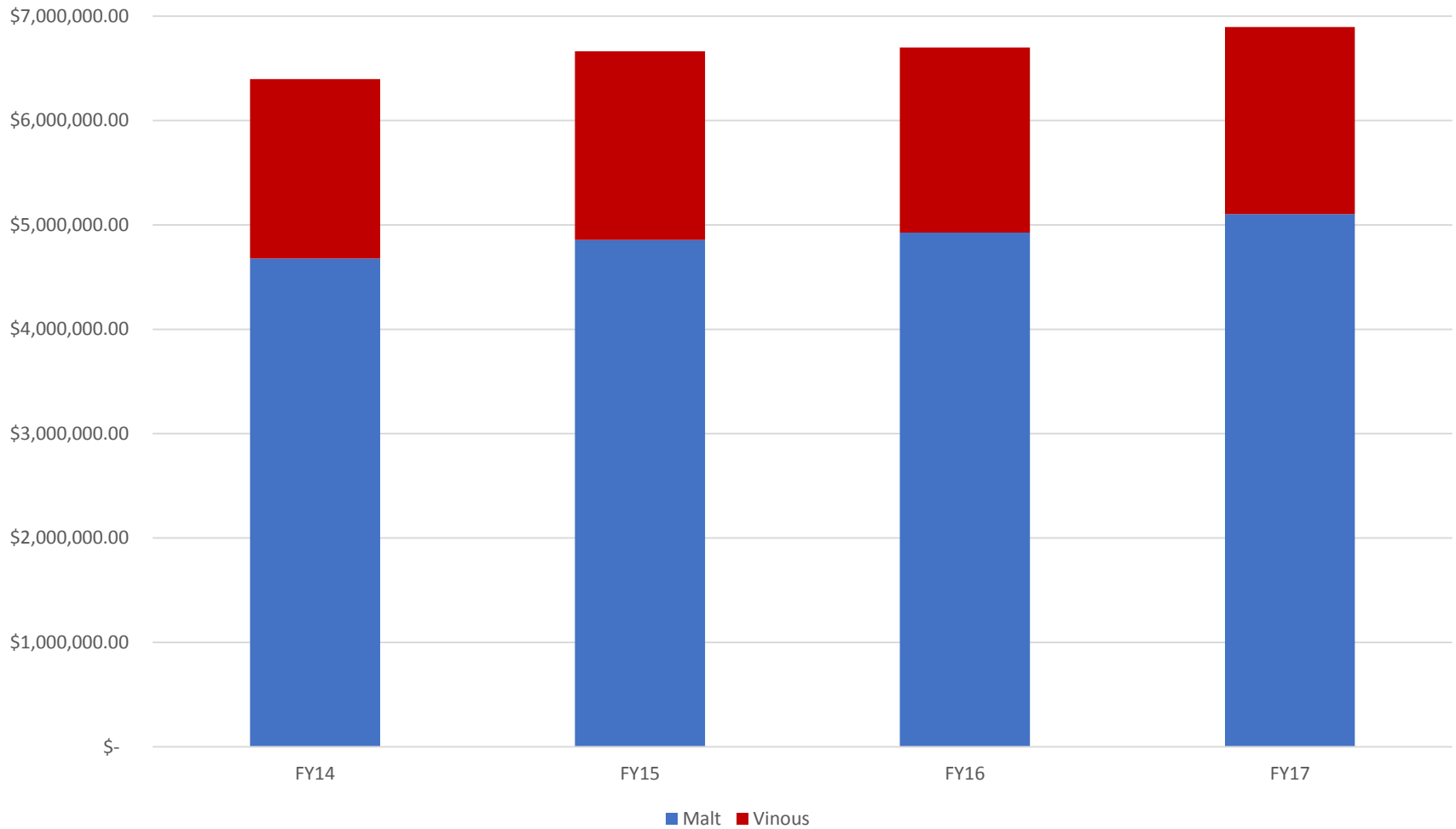
Malt and Vinous Revenues

FY 2001 - 2014



Malt and Vinous Revenues

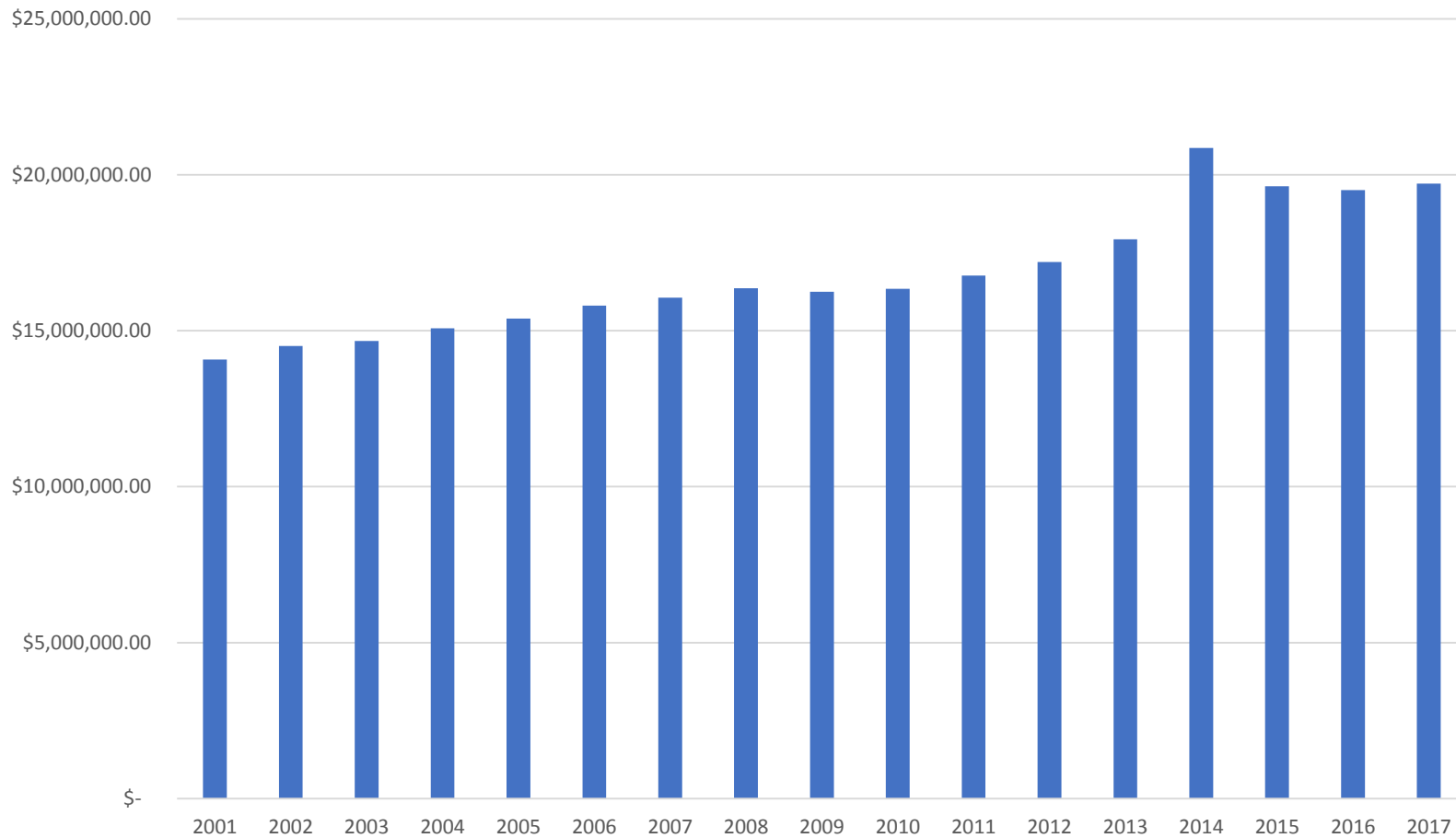
FY2015-FY2017



Malt and Vinous Gallons Sold

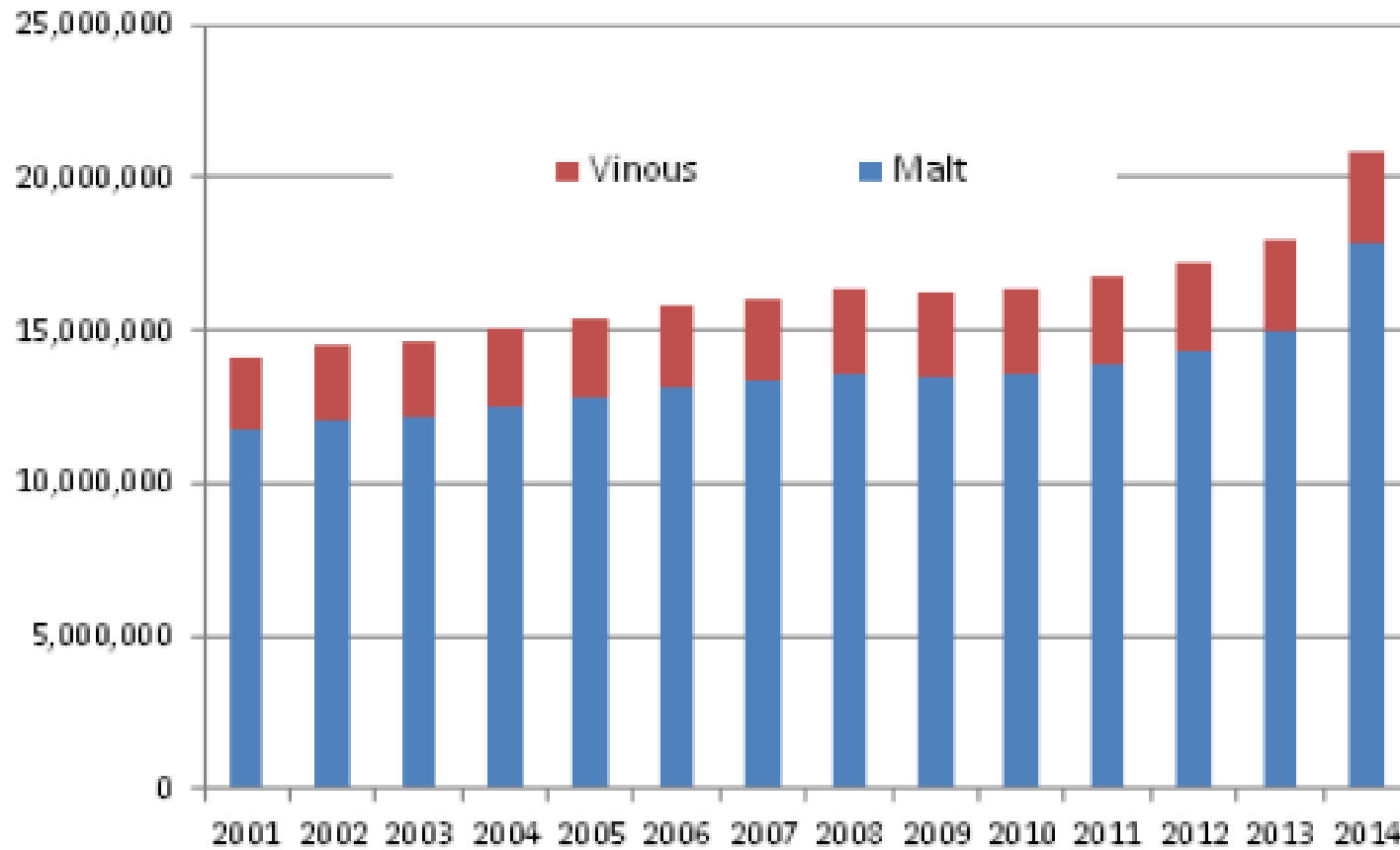
Year	M&V Gallons Sold	% Change
2001	\$14,078,307.00	
2002	\$14,509,761.00	3.1%
2003	\$14,668,777.00	1.1%
2004	\$15,079,778.00	2.8%
2005	\$15,393,044.00	2.1%
2006	\$15,804,660.00	2.7%
2007	\$16,056,094.00	1.6%
2008	\$16,358,980.00	1.9%
2009	\$16,252,492.00	-0.7%
2010	\$16,339,282.00	0.5%
2011	\$ 16,766,387.00	2.6%
2012	\$17,200,917.00	2.6%
2013	\$17,932,097.00	4.3%
2014	\$20,864,976.00	16.4%
2015	\$19,628,896.15	-5.9%
2016	\$19,506,889.64	-0.6%
2017	\$19,714,224.04	1.1%

Total Gallons Malt and Vinous Sold FY2001-FY2017

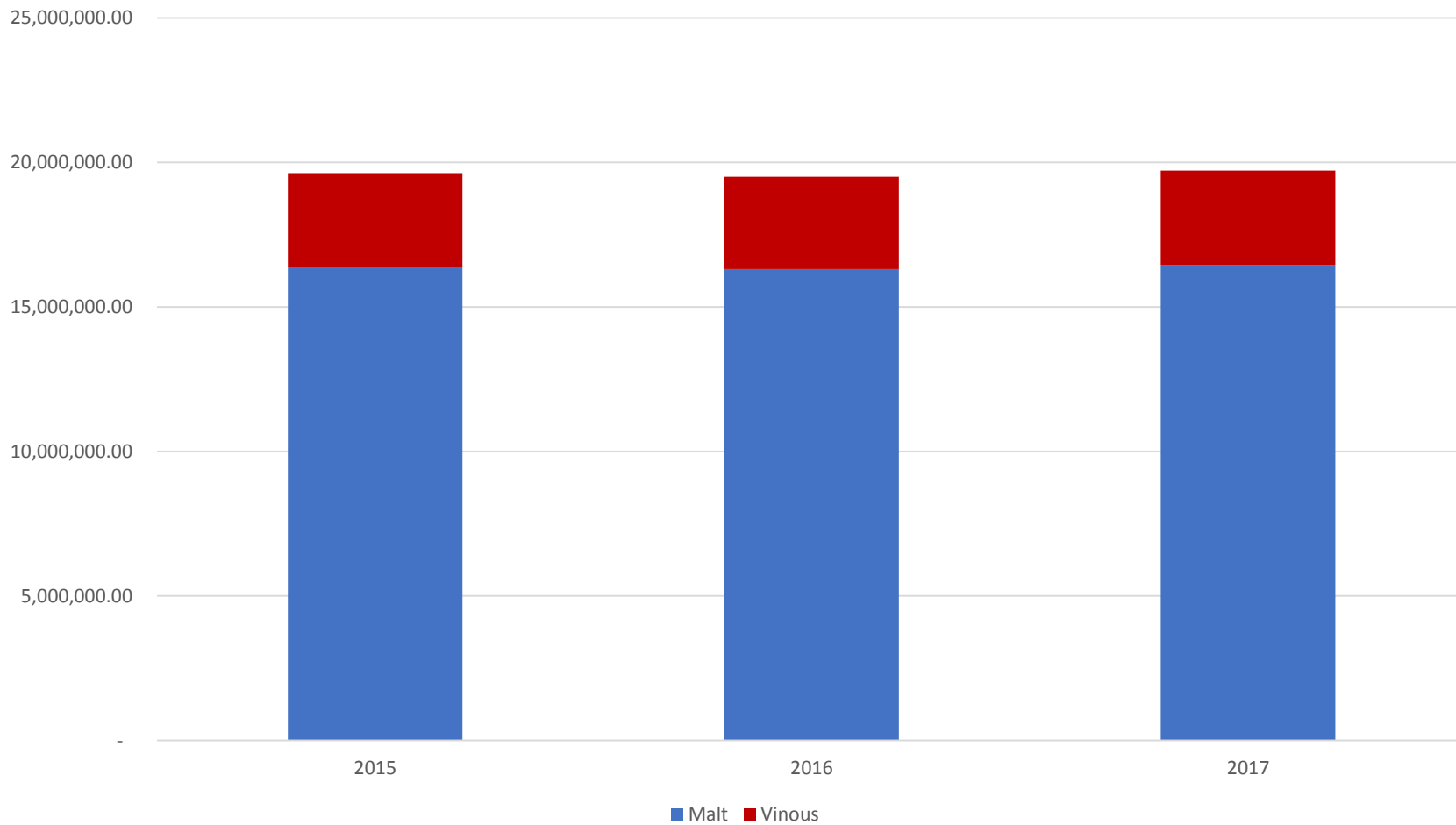


Malt and Vinous Gallons Sold

FY 2001 - 2014



Malt and Vinous Gallons Sold FY2001-FY2017



Questions?