

1 H.755

2 Introduced by Representatives Harrison of Chittenden, Beck of St. Johnsbury,  
3 Brennan of Colchester, Canfield of Fair Haven, and Smith of  
4 Derby

5 Referred to Committee on

6 Date:

7 Subject: Sales and use tax; vendor allowance

8 Statement of purpose of bill as introduced: This bill proposes to compensate  
9 eligible vendors for the cost of collecting sales and use tax on behalf of the  
10 State by allowing retention of three percent of the tax due. To be eligible for  
11 the allowance, vendors must timely file and remit sales and use tax by  
12 electronic means, and in the 12 months immediately preceding the return  
13 period, vendors must have timely filed and remitted and either have less than  
14 or equal to \$9,000.00 of tax liability or have made less than or equal to  
15 \$150,000.00 of taxable sales in the State.

16 An act relating to a sales and use tax allowance for vendors

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

18 Sec. 1. 32 V.S.A. § 9784 is added to read:

19 § 9784. VENDOR ALLOWANCE

1       (a) As compensation for the expense of collecting and remitting sales and  
2       use tax under this chapter, a vendor who timely files and remits by electronic  
3       means and who meets the small vendor threshold under subsection (b) of this  
4       section may deduct and retain three percent of the amount of tax due per  
5       return.

6       (b) To be eligible for the vendor allowance under this section, a vendor  
7       must, in the 12 months immediately preceding the period with respect to which  
8       that vendor's liability for tax under this chapter is determined:

9               (1) have timely filed and remitted by electronic means; and

10              (2) have less than or equal to a total of \$9,000.00 of tax liability; or

11              (3) have made less than or equal to \$150,000.00 of taxable sales in this  
12       State.

13       (c) Any delinquent returns or payments shall disqualify a vendor from  
14       retaining the allowance under this section until 12 consecutive months of  
15       timely returns and payments have been made.

16       Sec. 2. EFFECTIVE DATE

17       This act shall take effect on January 1, 2021.