1	H.841
2	Introduced by Representatives Beck of St. Johnsbury, Anthony of Barre City,
3	Bancroft of Westford, Goslant of Northfield, Masland of
4	Thetford, Morgan of Milton, and Till of Jericho
5	Referred to Committee on
6	Date:
7	Subject: Taxation; sales and use tax; cloud services; meals and rooms tax;
8	allocation
9	Statement of purpose of bill as introduced: This bill proposes to remove the
10	current sales and use tax exemption for prewritten software accessed remotely
11	The bill would also reallocate three percent of the current meals and rooms tax
12	revenue from the Education Fund to the General Fund.
13 14	An act relating to repealing the sales tax exemption for cloud services and reallocating meals and rooms tax funds
15	It is hereby enacted by the General Assembly of the State of Vermont:
16	Sec. 1. REPEAL
17	2015 Acts and Resolves No. 51, Sec. G.8 (prewritten software accessed
18	remotely) is repealed.
10	remotery) is repeated.
19	Sec. 2. 32 V.S.A. § 9771 is amended to read:
20	§ 9771. IMPOSITION OF SALES TAX

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1	Except as otherwise provided in this chapter, there is imposed a tax on retail
2	sales in this State. The tax shall be paid at the rate of six percent of the sales
3	price charged for but in no case shall any one transaction be taxed under more
4	than one of the following:
5	(1) tangible personal property;
6	* * *
7	(7) tangible personal property to an advertising agency for its use in
8	providing advertising services or creating advertising materials for transfer in
9	conjunction with the delivery of advertising service; or
10	(8) specified digital products transferred electronically to an end user
11	regardless of whether for permanent use or less than permanent use and
12	regardless of whether or not conditioned upon continued payment from the
13	purchaser; or
14	(9) remote access to prewritten computer software.
15	Sec. 3. 16 V.S.A. § 4025 is amended to read:
16	§ 4025. EDUCATION FUND
17	(a) The Education Fund is established to comprise the following:
18	* * *
19	(4) $25 \ \underline{22}$ percent of the revenues from the meals and rooms taxes

* * *

imposed under 32 V.S.A. chapter 225;

1	Sec. 4. 32 V.S.A. § 435(b) is amended to read:
2	(b) The General Fund shall be composed of revenues from the following
3	sources:
4	* * *
5	(7) 69 72 percent of the meals and rooms taxes levied pursuant to
6	chapter 225 of this title;
7	* * *
8	Sec. 5. EFFECTIVE DATE
9	This act shall take effect on July 1, 2020.