1   Sec. 1. 32 V.S.A. § 9701(60) is added to read:

2   (60) "Vendor-hosted prewritten computer software" means prewritten

3   computer software that is accessed through the internet or a vendor-hosted

4   server regardless of whether the access is permanent or temporary and

5   regardless of whether any downloading occurs.

6   Sec. 2. 32 V.S.A. § 9771 is amended to read:

7   § 9771. IMPOSITION OF SALES TAX

8   Except as otherwise provided in this chapter, there is imposed a tax on retail

9   sales in this State. The tax shall be paid at the rate of six percent of the sales

10   price charged for but in no case shall any one transaction be taxed under more

11   than one of the following:

12   * * *

13   (7) tangible personal property to an advertising agency for its use in

14   providing advertising services or creating advertising materials for transfer in

15   conjunction with the delivery of advertising service; or

16   (8) specified digital products transferred electronically to an end user

17   regardless of whether for permanent use or less than permanent use and

18   regardless of whether or not conditioned upon continued payment from the

19   purchaser; or

20   (9) vendor-hosted prewritten computer software.

21   Sec. 3. 32 V.S.A. § 9773 is amended to read:

1   § 9773. IMPOSITION OF COMPENSATING USE TAX

2   Unless property or telecommunications service has already been or will be

3   subject to the sales tax under this chapter, there is imposed on every person a

4   use tax at the rate of six percent for the use within this State, except as

5   otherwise exempted under this chapter:

6   * * *

7   (4) specified digital products transferred electronically to an end user;

8   and

9   (5) telecommunications service except coin-operated telephone service,

10   private telephone service, paging service, private communications service, or

11   value-added non-voice data service; and

12   (6) vendor-hosted prewritten computer software.

13   Sec. 4. REPEAL

14   2015 Acts and Resolves No. 51, Sec. G.8 (prewritten software accessed

15   remotely) is repealed.

16   Sec. 5. EFFECTIVE DATE

17   This act shall take effect on July 1, 2020.