

1 H.455

2 Introduced by Representatives Killacky of South Burlington, Campbell of St.

3 Johnsbury, Howard of Rutland City, Ode of Burlington, and

4 Troiano of Stannard

5 Referred to Committee on

6 Date:

7 Subject: Taxation; sales and use tax; exemption; nonprofits

8 Statement of purpose of bill as introduced: This bill proposes to expand the
9 sales and use tax exemption for charges for admission to a place of
10 entertainment by or to 501(c)(3) nonprofit organizations and by or to 501(c)(5)
11 agricultural organizations, when presenting agricultural fairs, field days, or
12 festivals, by eliminating the \$100,000.00 annual gross sales limit.

13 An act relating to the sales and use tax exemption for charges for admission
14 by or to certain nonprofit organizations

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

16 Sec. 1. 32 V.S.A. § 9743 is amended to read:

17 § 9743. ORGANIZATIONS NOT COVERED

18 Any sale, service, or admission to a place of entertainment charged by or to
19 any of the following or any use by any of the following are not subject to the
20 sales and use taxes imposed under this chapter:

1 * * *

2 (3) Organizations that qualify for exempt status under the provisions of
3 26 U.S.C. § 501(c)(3) and agricultural organizations qualified for exempt
4 status under 26 U.S.C. § 501(c)(5), when presenting agricultural fairs, field
5 days, or festivals, ~~as amended~~, shall be exempt as follows:

6 * * *

7 (B) Charges for admission to a place of entertainment by and sales to
8 or uses by such organizations shall be exempt from the tax under this chapter.

9 * * *

10 ~~(7) An exemption under subdivision (3) of this section shall not be~~
11 ~~available for entertainment charges for admission to a live performance by an~~
12 ~~organization whose gross sales of entertainment charges by or on behalf of an~~
13 ~~organization for admission to live performances in the prior calendar year~~
14 ~~exceeded \$100,000.00. [Repealed.]~~

15 Sec. 2. 32 V.S.A. § 9706 is amended to read:

16 § 9706. STATUTORY PURPOSES

17 * * *

18 (dd) The statutory purpose of the exemption for purchases by and limited
19 purchases from 501(c)(3) and 501(c)(5) organizations in subdivision 9743(3)
20 of this title is to reduce costs for certain nonprofit organizations in order to

1 allow them to dedicate more of their financial resources to furthering the
2 public-service missions of the organizations.

3 * * *

4 (gg) ~~The statutory purpose of the exemption for amusement charges for~~
5 ~~events presented by 501(c)(3) organizations in subdivision 9743(7) of this title~~
6 ~~is to reduce the costs for and encourage participation in fundraising events~~
7 ~~organized by certain nonprofit organizations in order to allow these~~
8 ~~organizations to dedicate more financial resources to their public service~~
9 ~~missions. [Repealed.]~~

10 * * *

11 Sec. 3. EFFECTIVE DATE

12 This act shall take effect on passage.