An act relating to the imposition of sales tax on candy to fund child care assistance

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

Sec. 1. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

Unless the context in which they occur requires otherwise, the following terms when used in this chapter mean As used in this chapter:

* * *

(31) “Food and food ingredients” means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional
value. “Food and food ingredients” does not include alcoholic beverages, tobacco, candy, or soft drinks.

* * *

(60) “Candy” means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. “Candy” shall not include any preparation containing flour and shall require no refrigeration.

Sec. 2. 32 V.S.A. § 9701(31) is amended to read:

(31) “Food and food ingredients” means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. “Food and food ingredients” does not include alcoholic beverages, tobacco, cannabis and cannabis products as defined under 7 V.S.A. § 831, candy, or soft drinks.

Sec. 3. 16 V.S.A. § 4025(b)(6) is added to read:

(6) To provide appropriations in support of the Child Care Financial Assistance Program created under 33 V.S.A. chapter 35, subchapter 2.

Sec. 4. INTENT

It is the intent of the General Assembly that the amount of revenue raised by eliminating the sales and use tax exemption for candy be appropriated each
year to support the Child Care Financial Assistance Program, in addition to any
other appropriations from any other source.

Sec. 5. EFFECTIVE DATES

This act shall take effect on July 1, 2021 except that Sec. 2 (sales tax
definition) shall take effect on March 1, 2022.