

**DRAFT ALCOHOLIC BEVERAGES EXEMPTION**

(draft 1.2)  
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1 \* \* \* Meals and Rooms Tax; Alcoholic Beverages Exemption \* \* \*

2 Sec. 1. 32 V.S.A. § 9202 is amended to read:

3 § 9202. DEFINITIONS

4 The following words, terms, and phrases when used in this chapter shall  
5 have the meanings ascribed to them in this section unless the context clearly  
6 indicates a different meaning:

7 \* \* \*

8 (10) "Taxable meal" means:

9 \* \* \*

10 (D) "Taxable meal" shall not include:

11 \* \* \*

12 (ii) Food or beverage, including that described in subdivision  
13 (10)(C) of this section, or alcoholic beverages:

14 (I) served or furnished on the premises of a nonprofit  
15 corporation or association organized and operated exclusively for religious or  
16 charitable purposes, in furtherance of any of the purposes for which it was  
17 organized; with the net proceeds of the food or beverage or alcoholic  
18 beverages to be used exclusively for the purposes of the corporation or  
19 association;

20 (II) served or furnished on the premises of a school as defined  
21 herein;

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1 (III) served or furnished on the premises of any institution of  
2 the State, political subdivision thereof or of the United States to inmates and  
3 employees of such institutions;

4 (IV) prepared by the employees thereof and served in any  
5 hospital licensed under 18 V.S.A. chapter 43;

6 (V) furnished by any person while transporting passengers for  
7 hire by train, bus, or airplane if furnished on any train, bus, or airplane;

8 (VI) furnished by any person while operating a summer camp  
9 for children, in such camp;

10 (VII) sold by nonprofit organizations at bazaars, fairs, picnics,  
11 church suppers, or similar events to the extent of four such events of a day's  
12 duration, held during any calendar year; provided, however, where sales are  
13 made at such events by an organization required to have a meals and rooms  
14 registration license or otherwise required to have a license because its selling  
15 events are in excess of the number permitted, the sale of such food or beverage  
16 or alcoholic beverages shall constitute sales made in the regular course of  
17 business and are not exempted from the Vermont meals and rooms gross  
18 receipts tax;

19 (VIII) furnished to any employee of an operator as  
20 remuneration for his employment;

21 (IX) provided to the elderly pursuant to the Older Americans  
22 Act, 42 U.S.C. chapter 35, subchapter III;

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1 (X) purchased under the USDA Supplemental Nutrition  
2 Assistance Program (SNAP);

3 (XI) served or furnished on the premises of a continuing care  
4 retirement community certified under 8 V.S.A. chapter 151; or

5 (XII) prepared and served by the employees, volunteers, or  
6 contractors of any nursing home, residential care home, assisted living  
7 residence, home for the terminally ill, therapeutic community residence as  
8 defined pursuant to 33 V.S.A. chapter 71, or independent living facility;  
9 provided, however, that “contractor” under this subdivision excludes meals or  
10 alcoholic beverages provided by a restaurant as defined by subdivision (15) of  
11 this section when those meals or alcoholic beverages are not otherwise  
12 available generally to residents of the facility.

13 \* \* \*

14 (11) “Alcoholic beverages” means any malt beverages, vinous  
15 beverages, spirits, or fortified wines as defined in 7 V.S.A. § 2 and served for  
16 immediate consumption. “Alcoholic beverages” ~~do not include any beverages~~  
17 ~~served~~ shall be exempt from the tax imposed under section 9241 of this chapter  
18 when served under the circumstances enumerated in subdivision (10)(D)(ii) of  
19 this section under which food or beverages or alcoholic beverages are excepted  
20 from the definition of “taxable meal.”

21 (12) “Food or beverage” means any substance used by humans for food,  
22 drink, confectionery or condiment, except alcoholic beverages.

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