

**Online Food Delivery Platforms**

**Issue:** Miscellaneous Tax bill clarifies that online delivery platforms are required to collect the Meals and Rooms Tax (M&R) on sales made on their platform, including their service and delivery charges.

**Other States**

- These online delivery platforms are collecting and remitting in other states under existing marketplace facilitator statutes.
  - This is because in most states, any taxes on prepared meals are considered sales taxes, whereas Vermont has a separate M&R tax.
  - Some states do exclude online delivery platforms explicitly from their marketplace facilitator definition (California, Massachusetts)
- Uber Eats and Doordash do not appear to be collecting and remitting M&R on the full cost of the meal and delivery in Vermont.

<b>States where UberEats and Doordash are collecting relevant taxes</b>	
<b>UberEats</b>	<b>Doordash</b>
Arkansas	Arkansas
Arizona	Colorado
Connecticut	Connecticut
Georgia	District of Columbia
District of Columbia	Georgia
Hawaii	Hawaii
Idaho	Idaho
Iowa	Illinois
Indiana	Indiana
Illinois	Iowa
Kentucky	Kentucky
Maine	Maine
Maryland	Michigan
Massachusetts	Minnesota
Michigan	Nebraska
Nebraska	Nevada
New Mexico	New Mexico
New York	North Carolina
Nevada	North Dakota
North Carolina	Pennsylvania
North Dakota	Rhode Island
Ohio	South Carolina
Oklahoma	South Dakota
Pennsylvania	Washington
Rhode Island	West Virginia
South Carolina	Wisconsin
South Dakota	Wyoming
Utah	
Vermont (only for grocery deliver)	
Virginia	
Washington	
West Virginia	

Wisconsin	
Wyoming	

- Issue with Vermont appears to be that our M&R tax is separate from our sales tax, and therefore, online delivery platforms might not be collecting under existing marketplace facilitator statute.
  - Maine has a “meals tax” of 8%, but it is under their sales tax statute, and therefore covered by their marketplace facilitator law. These platforms are collecting in Maine.
  - New Hampshire has a 9% meals tax, and no sales tax, and therefore, no marketplace facilitator law. These platforms are not collecting in New Hampshire.
- Other states haven’t had the need for the type of legislation being proposed in the Miscellaneous Tax Bill because most apply their sales tax to prepared food, and therefore, existing marketplace facilitator laws capture the service and delivery charges from these platforms.