



**State of Vermont**  
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**Wendy Knight, Commissioner**

To: Senate Appropriations Committee  
From: Wendy Knight, Liquor and Lottery Commissioner  
CC: Craig Bolio, Tax Commissioner  
Date: January 24, 2025  
Re: FY24 Tax Revenue from Beverage Alcohol

As a follow up to my testimony yesterday, in Senate Appropriations Committee on DLL BAA request, I thought it would be helpful to send you a summary and explanation of taxes collected on alcohol beverage in Vermont in FY24.

For FY24, Liquor Control Fund supported the General Fund with **\$31,970,358 92** in revenue.

\$31,411,348 revenue from sales of distilled spirits  
+\$559,010 other revenue  
**= \$31,970,358 Total revenue from Liquor Control Fund to General Fund**

From the Sale of Distilled Spirits, the breakdown is as follows:

\$21.2M, one-time direct app transfer of profits  
+\$5,057,038, 5% excise tax DLL collects weekly through the registers at our 802Spirits agencies  
+\$261,711, 5% excise tax VT spirits manufacturers who sell their product directly at tasting rooms, farmers markets, or other special events  
+\$4,892,599 -- Sales and Use Taxes: 6% state sales tax and the 1% local tax DLL collects through the registers at our 802Spirits agencies

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= \$31,411,348 revenue from sale of distilled spirits

Other Revenue, the breakdown is as follows:

\$469,800 - Liquor Licenses Application fees and training certifications  
+\$28,760 Fines levied to licensees for violations  
+\$60,450 -- Money we collect through our Rare Spirits Raffles

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= \$559,010 Other Revenue





Additionally, the state receives revenue from liquor sales through Rooms and Meals tax and Beverage Tax. DLL does not collect these.

Sales of alcohol at bars, restaurants, and hotels are taxed via the Meals and Rooms Tax (MRT). Licensees purchase the alcohol products from DLL, but are not taxed by us. Sellers collect MRT when they resell the items, by the bottle or by the drink, to their customers and then remit MRT to the Tax Department.

The alcohol component of Meals and Rooms Tax revenue was \$27.3M in FY24.

Malt and Vinous Beverage (MVB) Tax is the gallonage tax that bottlers and wholesalers of malt and vinous beverages pay to the Tax Department on the sales of beer, wine, and cider. These are alcoholic beverages *not* sold through DLL/802Spirits stores.

Malt and Vinous Beverage Tax revenue was \$6.94M in FY24

The total amount of tax revenue generated by alcohol sales was \$66.14M in FY24:

\$31.9M through DLL

+ \$27.3M MRT

+ \$6.94M MVB Tax

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**= \$66.14M in tax revenue generated by alcohol sales in FY24**

Please let me or Commissioner Bolio know if you have additional questions or need more information. Thank you.

*Wendy Knight*

