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Wendy Knight, Commissioner

**Commissioner Knight Follow-up to Testimony in Senate Economic Development, Housing,
and General Affairs (SEDHGA)**

January 9, 2026

FY25 Overview

Liquor Control Fund (see additional detail below)

\$101,114,083 total revenue, exclusive of taxes

\$9,582,307 transfer to the General Fund

Vermont Lottery

\$155,814,575 sales revenue

\$30,009,559 transfer to the Education Fund

Sports Wagering

\$6,223,231 revenue share

\$6,139,162 transfer to the General Fund

Total revenue generated by sale of beverage alcohol in FY25

In FY25, the Liquor Control Fund contributed \$20,140,175 to the General Fund. This includes \$19,551,085 from the sale of distilled spirits, including:

- \$9,543,353: one-time transfer of profits from the sale of distilled spirits
- \$4,952,346: 5% excise tax collected through point-of-sale (POS) systems at 802Spirits agent stores
- \$286,210: 5% excise tax paid by Vermont spirits manufacturers who sell their products directly at tasting rooms, farmers' markets, or other special events
- \$4,769,176: Sales and Use Taxes, including 6% state sales tax and the 1% local tax DLL collects through POS systems at 802Spirits agent stores

The remaining \$589,090 is comprised of:

- \$469,800: liquor license application fees and training certifications
- \$28,760: fines levied to licensees for violations
- \$60,450: money collected through the annual Rare Spirits Raffle





In addition, the state receives revenue from liquor sales through the Rooms and Meals tax and Beverage tax. DLL does not collect these; sales of alcohol at bars, restaurants, and hotel are taxed via the Meals and Rooms Tax (MRT). Licensees purchase the alcohol products from DLL but are not taxed by the Department. Sellers (licensees) collect MRT when they resell the products by the bottle or the drink and then remit MRT to the Tax Department.

The alcohol component of Meals and Rooms Tax revenue was \$27.44M in FY25.

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 \$6.69M in FY25

In sum, the sale of beverage alcohol generated roughly \$54.27M in FY25.

FY26 Transfer Projection

Liquor Control Fund to General Fund: \$16M

Vermont Lottery to Education Fund: \$32M

Sports Wagering to General Fund: \$6.2M

Comparison to New Hampshire

Operations of the New Hampshire Liquor Commission generated net income before transfers of \$128.4 million, a decrease of \$16.3 million (11.2%) from the prior year, primarily due to an increase in operating expenses. Transfers from the Liquor Commission to the General Fund unstructured revenue totaled \$97.6 million for FY25, as compared to \$122.0 million in FY24 and represent net liquor profits used to fund the general operation of the State. In FY25, \$22.6 million in liquor profits were transferred to the State's Alcohol Abuse Prevention and Treatment. Granit Advantage Healthcare funds. The Liquor Commission accounts for the operations of State-owned liquor stores and the sales of all beer and liquor sold in the State.¹

Prize Structure versus Odds of Playing

Instant tickets are built with a fixed prize structure. Before the first ticket is sold, the number of prizes at every level is already set. The published odds (for example, *1 in 4*) tell players how often, on average, a ticket will win any prize. Because many small and mid-tier prizes are included, instant games are designed to produce frequent winners, making them feel more interactive and fast-paced.

¹State of New Hampshire, Annual Comprehensive Financial Report, Fiscal Year 2025. [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.das.nh.gov/accounting/FY%2025/FY_2025_Annual_Comprehensive_Financial_Report.pdf](https://www.das.nh.gov/accounting/FY%2025/FY_2025_Annual_Comprehensive_Financial_Report.pdf)





Draw games like Powerball or Mega Millions work differently. There is no preset number of winners. Each drawing is an independent event, and the odds are based on how many number combinations are possible. That’s why the odds of winning the jackpot are extremely long – roughly 1 in 292 million for Powerball and 1 in 290 million for Mega Million.

In-state versus out of state users and revenue (sports wagering)

In FY25, total handle was \$212,507,966, with \$146,589,687 from 12,442 in-state active users and \$65,918,279 from 10,652 out-of-state active users. Out-of-state users placed a total of 2,030,439 bets, averaging \$32.47 per bet. In-state users placed a total of 6,153,786 bets averaging \$23.82 per bet.

Additional information on responsible gaming program demographics

To maintain a caller-centered and supportive conversation, Helpline Specialists wait until the end of the call to invite callers to voluntarily share demographic information such as age and gender. Age data is available for 41 callers and gender data for 63 callers since the helpline began in January 2024.

Some callers contact the helpline on behalf of friends or relatives, or to seek support as individuals impacted by another person’s gambling.

Age of Contact	Total reported
18-24	7
25-34	15
35-44	15
45-54	2
55-64	2

Gender	Total reported
Man/Cisgender Man	48
Woman/Cisgender Woman	14
Gender Identity Not Listed	1

32 individuals have enrolled in Vermont’s Voluntary Self-Exclusion program, which supports recovery by allowing individuals to temporarily or permanently remove their access to legal sports wagering in Vermont. Participants range in age from 18 to 53, with an average age of 32.5 at the time of registration.

