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H.38

Introduced by Representatives Donahue of Northfield and Till of Jericho

Referred to Committee on

Date:

Subject: Taxation; sales and use tax; candy

Statement of purpose of bill as introduced: This bill proposes to extend the Vermont Sales and Use Tax to the sale of candy.

An act relating to the imposition of sales tax on candy

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.

* * *

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

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

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

12 Sec. 3. LEGISLATIVE INTENT

13 In eliminating the sales and use tax exemption for candy, it is the intent of
14 the General Assembly to increase the amount of non-property tax revenue
15 available in the Education Fund to meet State education funding obligations.

16 Sec. 4. EFFECTIVE DATES

17 (a) This section and Sec. 1 (sales tax definitions) shall take effect on July 1,
18 2021.

19 (b) Sec. 2 (sales tax definition) shall take effect on March 1, 2022.