

1 H.120

2 Introduced by Representatives Masland of Thetford, Anthony of Barre City,

3 Beck of St. Johnsbury, and Sims of Craftsbury

4 Referred to Committee on

5 Date:

6 Subject: Taxation; sales and use tax; prewritten computer software; remote

7 access

8 Statement of purpose of bill as introduced: This bill proposes to repeal the

9 sales and use tax exemption for prewritten computer software accessed

10 remotely and tax vendor-hosted prewritten computer software.

11 An act relating to imposing sales and use tax on vendor-hosted prewritten
12 computer software

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 32 V.S.A. § 9701(60) is added to read:

15 (60) “Vendor-hosted prewritten computer software” means prewritten
16 computer software that is accessed through the Internet or a vendor-hosted
17 server or platform, including where possession of the software is maintained
18 by the vendor or a third party, regardless of:

19 (A) the method of delivery or transfer, including whether any
20 downloading occurs;

1 use tax at the rate of six percent for the use within this State, except as
2 otherwise exempted under this chapter:

3 * * *

4 (5) telecommunications service, except coin-operated telephone service,
5 private telephone service, paging service, private communications service, or
6 value-added non-voice data service; and

7 (6) vendor-hosted prewritten computer software and the right to access
8 and use vendor-hosted prewritten computer software.

9 Sec. 4. REPEAL

10 2015 Acts and Resolves No. 51, Sec. G.8 (prewritten software accessed
11 remotely) is repealed.

12 Sec. 5. EFFECTIVE DATE

13 This act shall take effect on July 1, 2024.