

1 H.261

2 Introduced by Representatives Beck of St. Johnsbury and Masland of Thetford

3 Referred to Committee on

4 Date:

5 Subject: Taxation; sales and use tax; software as a service

6 Statement of purpose of bill as introduced: This bill proposes to eliminate the
7 sales and use tax exemption for prewritten computer software accessed
8 remotely and to impose the Vermont Sales and Use Tax on vendor-hosted
9 prewritten computer software. This bill would also reallocate three percent of
10 the revenue raised by the Meals and Rooms Tax from the Education Fund to
11 the General Fund.

12 An act relating to eliminating the sales and use tax exemption for prewritten
13 software accessed remotely

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

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

16 (60) “Vendor-hosted prewritten computer software” means prewritten
17 computer software that is accessed through the Internet or a vendor-hosted
18 server regardless of whether the access is permanent or temporary and
19 regardless of whether any downloading occurs.

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- (4) specified digital products transferred electronically to an end user;
- ~~and~~
- (5) telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service; and
- (6) vendor-hosted prewritten computer software.

Sec. 4. REPEAL

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 G.8 (prewritten software accessed remotely) is repealed.

Sec. 5. 16 V.S.A. § 4025(a) is amended to read:

- (a) The Education Fund is established to comprise the following:

* * *

- (4) ~~25~~ 22 percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225;

* * *

Sec. 6. 32 V.S.A. § 435(b) is amended to read:

- (b) The General Fund shall be composed of revenues from the following sources:

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