

1 H.756

2 Introduced by Representative Conquest of Newbury

3 Referred to Committee on

4 Date:

5 Subject: Taxation; tax on malt and vinous beverages; tax on spirits and

6 fortified wines; meals and rooms tax; filing frequency; small

7 businesses

8 Statement of purpose of bill as introduced: This bill proposes to allow small
9 businesses to file taxes on malt and vinous beverages and taxes on spirits and
10 fortified wines on an annual, quarterly, or monthly basis according to their tax
11 liability; and increases the maximum tax liability to be eligible to file meals
12 and rooms taxes on a quarterly basis.

13 An act relating to reducing filing frequency for small businesses filing taxes
14 on malt and vinous beverages, taxes on spirits and fortified wines, and
15 meals and rooms taxes

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

17 Sec. 1. 7 V.S.A. § 421 is amended to read:

18 § 421. TAX ON MALT AND VINOUS BEVERAGES

19 (a) Every bottler and wholesaler shall pay to the Commissioner of Taxes
20 the sum of 26 and one-half cents per gallon for every gallon or its equivalent of
21 malt beverage containing not more than six percent of alcohol by volume at 60

1 degrees Fahrenheit sold by them to retailers in the State and the sum of 55
2 cents per gallon for each gallon of malt beverage containing more than six
3 percent of alcohol by volume at 60 degrees Fahrenheit and each gallon of
4 vinous beverages sold by them to retailers in the State and shall also pay to the
5 Liquor Control Board all fees for bottler's and wholesaler's licenses. A
6 manufacturer or rectifier of malt or vinous beverages shall pay the taxes
7 required by this subsection to the Commissioner of Taxes for all malt and
8 vinous beverages manufactured or rectified by them and sold at retail.

9 * * *

10 (c)(1) For the purpose of ascertaining the amount of tax, ~~on or before the~~
11 ~~tenth day of each calendar month~~ on the filing dates set out in subdivision (2)
12 of this subsection according to tax liability, each bottler and wholesaler shall
13 transmit to the Commissioner of Taxes, upon a form prepared and furnished by
14 the Commissioner, a statement or return under oath or affirmation showing the
15 quantity of malt and vinous beverages sold by the bottler or wholesaler during
16 the preceding ~~calendar month~~ filing period, and report any other information
17 requested by the Commissioner accompanied by payment of the tax required
18 by this section. The amount of tax computed under subsection (a) of this
19 section shall be rounded to the nearest whole cent. At the same time this form
20 is due, each bottler and wholesaler also shall transmit to the Commissioner in
21 electronic format a separate report showing the description, quantity, and price

1 of malt and vinous beverages sold by the bottler or wholesaler to each retail
2 dealer as defined in subdivision 2(18) of this title; provided, however, for
3 direct sales to retail dealers by manufacturers or rectifiers of vinous beverages,
4 the report required by this subsection may be submitted in a nonelectronic
5 format.

6 (2) Where the tax liability for the immediately preceding full calendar
7 year has been (or would have been in cases when the business was not
8 operating for the entire year):

9 (A) \$1,000.00 or less, then payment of the tax and submission of the
10 documents required by this section shall be due in one annual filing on or
11 before the 25th day of January of each year;

12 (B) more than \$1,000.00 but less than \$10,000.00, then payment of
13 the tax and submission of the documents required by this section shall be due
14 and payable in quarterly installments on or before the 25th day of the calendar
15 month succeeding the quarter ending the last day of March, June, September,
16 and December of each year; or

17 (C) \$10,000.00 or more, then payment of the tax and submission of
18 the documents required by this section shall be due and payable monthly on or
19 before the 25th (23rd of February) day of the month following the month for
20 which the tax is due.

21 * * *

1 Sec. 2. 7 V.S.A. § 423 is amended to read:

2 § 423. ~~REGULATIONS~~ RULES

3 (a) ~~The tax commissioner~~ Commissioner of Taxes and the ~~liquor control~~
4 ~~board~~ Liquor Control Board shall make such rules ~~and regulations~~ as they
5 deem necessary for the proper administration and collection of the tax imposed
6 under section 422 of this title.

7 (b) Notwithstanding subsection (a) of this section, where the spirits and
8 fortified wines tax liability of a manufacturer or rectifier under section 422 of
9 this title for the immediately preceding full calendar year has been (or would
10 have been in cases when the business was not operating for the entire year)
11 \$1,000.00 or less, the gross revenue tax imposed on a manufacturer or rectifier
12 by section 422 of this title shall be due and payable in one annual payment on
13 or before the 25th day of January of each year. Where the spirits and fortified
14 wines tax liability of a manufacturer or rectifier under section 422 of this title
15 for the immediately preceding full calendar year has been (or would have been
16 in cases when the business was not operating for the entire year) more than
17 \$1,000.00 but less than \$10,000.00, the gross revenue tax imposed on a
18 manufacturer or rectifier by section 422 of this title shall be due and payable in
19 quarterly installments on or before the 25th day of the calendar month
20 succeeding the quarter ending the last day of March, June, September, and
21 December of each year. In all other cases, the gross revenue tax on spirits and

1 fortified wines imposed by section 422 of this title shall be due and payable
2 monthly on or before the 25th (23rd of February) day of the month following
3 the month for which the tax is due.

4 Sec. 3. 7 V.S.A. § 424 is amended to read:

5 § 424. COLLECTION

6 The ~~liquor control board~~ Liquor Control Board shall collect the tax imposed
7 under section 422 of this title from the purchaser thereof. The taxes so
8 collected shall be paid weekly to the ~~state treasurer~~ State Treasurer.

9 Sec. 4. 32 V.S.A. § 9243 is amended to read:

10 § 9243. RETURNS AND PAYMENT

11 (a) Where the meals and rooms tax liability under this chapter for the
12 immediately preceding full calendar year has been (or would have been in
13 cases when the business was not operating for the entire year) ~~\$500.00~~
14 \$3,000.00 or less, the gross receipts taxes imposed by this chapter shall be due
15 and payable in quarterly installments on or before the 25th day of the calendar
16 month succeeding the quarter ending the last day of March, June, September,
17 and December of each year. In all other cases, the gross receipts tax imposed
18 by this chapter shall be due and payable monthly on or before the 25th (23rd of
19 February) day of the month following the month for which the tax is due. The
20 Commissioner may authorize payment of the tax due by electronic funds
21 transfer. The Commissioner may require payment by electronic funds transfer

1 from any taxpayer who is required by federal tax law to pay any federal tax in
2 that manner, or from any taxpayer who has submitted to the Department of
3 Taxes two or more protested or otherwise uncollectible checks with regard to
4 any State tax payment in the prior two years. Each operator shall make out and
5 sign under the pains and penalties of perjury a return for each quarter or month.
6 The return shall be filed with the Commissioner on a form prescribed by the
7 Commissioner. The Commissioner shall distribute return forms to the
8 operators, but no operator shall be excused from liability for failure to file a
9 return or pay the tax because he has failed to receive a form. A remittance for
10 the amount of taxes shall accompany each quarterly or monthly return.
11 Returns shall be made on forms provided by the Commissioner. Payment of
12 taxes by electronic funds transfer does not affect the requirement to file
13 returns.

14 * * *

15 Sec. 5. EFFECTIVE DATE

16 This act shall take effect on July 1, 2016.