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H.661

Introduced by Representatives Wilson of Manchester, Rodgers of Glover and
Smith of Mendon

Referred to Committee on

Date:

Subject: Taxation; sales and use tax; definitions

Statement of purpose: This bill proposes to require certain businesses that sell
items subject to the sales and use tax via independent contractors located
within Vermont to collect and remit sales tax.

An act relating to taxation of certain Internet sales

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

Sec. 1. 32 V.S.A. § 9701(9)(I) is added to read:

(I) For purposes of subdivision (C) of this subdivision (9), a person making sales that are taxable under this chapter shall be presumed to be soliciting business through an independent contractor, agent, or other representative if the person enters into an agreement with a resident of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an Internet website or otherwise, to the person if the cumulative gross receipts from sales by the person to customers in the state who are referred to the

1 person by all residents with this type of an agreement with the person is in
2 excess of \$10,000.00 during the preceding tax year. For purposes of
3 subdivision (C) of this subdivision (9), the presumption may be rebutted by
4 proof that the resident with whom the person has an agreement did not engage
5 in any solicitation in the state on behalf of the person that would satisfy the
6 nexus requirements of the United States Constitution during the tax year in
7 question.

8 Sec. 2. EFFECTIVE DATE

9 This act shall take effect on July 1, 2010, and shall apply to all sales subject
10 to the tax imposed by chapter 233 of Title 32 occurring on and after that date.