

## *Ruling 2000-02*

Vermont Department of Taxes

Date: January 12, 2000

Written By: George Phillips, Tax Policy Analyst

Approved By: Sean P. Campbell, Commissioner of Taxes

You have asked for a ruling as to whether the [corporation] is exempt from Vermont meals and rooms tax imposed under chapter 225 of title 32, Vermont Statutes Annotated. The [corporation] is exempt from meals and rooms tax because it is an instrumentality of the State of Vermont.

Although chapter 225 does not contain provisions exempting categories of purchasers, the meals and rooms tax does not apply to purchases by the United States Government (which is immune from taxation by states) or purchases by the State of Vermont (the legislature is not presumed to impose tax on the State itself, 1970-72 Op. Atty. Gen. 454).

The [corporation] is a nonprofit corporation established by title 10, Vermont Statutes Annotated, section 122(a), which provides that:

. . . there is hereby established a nonprofit public corporation to be known as the [corporation] [corporation], as a body corporate and politic and a public instrumentality of the state. (emphasis added)

As an instrumentality of the State, the [corporation] is not required to pay meals and rooms tax on its purchases of taxable meals or lodging. The exemption applies only to direct purchases by the [corporation], itself. Employees of the [corporation] are not exempt; purchases by employees are subject to meals and rooms tax even if the employees are to be reimbursed by the [corporation].

This ruling is issued solely to your business and is limited to the facts presented as affected by current statutes and regulations. Other taxpayers may refer to this ruling to determine the Department's general approach, but the Department will not be bound by this ruling in the case of any other taxpayer or in the case of any change in the relevant statute or regulations.