

Updated: Statement of Vermont Department of Taxes on Vermont Click Through Nexus Law

The Vermont Department of Taxes makes this statement to clarify the timeline it will implement if Vermont's click through nexus law takes effect.

More online retailers will be required to collect and remit Vermont sales tax on December 1, 2015 due to the state's "click through advertising" law. Those affected will be retailers who do not have a physical presence in Vermont, but that contract to advertise on websites of individuals or businesses located in Vermont.

In 2011, the Vermont legislature passed what is commonly referred to as a click through nexus law, providing that a remote vendor will be presumed to have Vermont nexus for purposes of collecting sales tax if it has agreements with residents to refer customers that led to sales in excess of \$10,000 in the previous year. 32 V.S.A. Section 9701(I). This law takes effect after the Attorney General makes a determination that 15 or more states have similar provisions. Act 45 of 2011, Section 37(13).

As of October 2015, 16 states adopted similar laws, triggering the 15-state threshold for Vermont law. The Attorney General's office determined the law was effective as of Oct. 13, 2015.

Consistent with our prior guidance on this change, retailers with click through nexus will need to begin collecting and remitting tax on December 1. This requires businesses to obtain a Vermont business tax account and license to collect and remit Vermont sales tax. An online application will be available at www.myvtax.vermont.gov beginning on November 12.

For more information about registering a business in Vermont, visit www.tax.vermont.gov or call 802-828-2551, option 3.