

Vermont Department of Taxes
TECHNICAL BULLETIN

TAX: SALES
SUBJECT: Tax on Tracked Vehicles
REFERENCE: 32 V.S.A. § 9741 (38)

TB-52
ISSUED: July 1, 2008 (as TB 43)
REVISED: July 1, 2010 (as TB 52)
REVISED: May 25, 2012

Subsection 9741(38) of Title 32, Vermont Statutes Annotated limits the sales and use tax imposed on the purchase of tracked vehicles. The law further provides that the maximum tax will be adjusted as of July 1 of each even numbered year by the cumulative inflation index for the prior two calendar years under the Consumer Price Index for urban consumers – all items and rounded to the nearest ten dollars.

The maximum tax for sales occurring between July 1, 2012 and June 30, 2014 is **\$1,260** after adjusting for 2010 and 2011 inflation.

The cap is computed as follows:

Unrounded cap for July 1, 2010 to June 30, 2012	\$1,204.80
CPI Urban all items December 2009 – December 2011	x 1.04696
Unrounded cap July 1, 2012	\$1,261.38
Maximum tax July 1, 2012 through June 30, 2014	\$1,260.00

If the sale of a tracked vehicle takes place in a municipality where the local option sales tax is collected, the additional 1% tax is also due on the sale of tracked vehicles for the first \$21,000 of the price of the vehicle. In cases where the sale price of a tracked vehicle is greater than \$21,000, the local option tax is capped at \$210. In such cases, the total sales tax collected is \$1,470 (\$1,260 cap as calculated above and the additional local option tax of \$210.)

There is no change in the sales and use tax filing requirements of vendors of tracked vehicles. For sales tax reporting purposes, the total sales price of the vehicle will be reported on the vendor's sales tax return as gross sales (Line 1) with the balance of any such sale that exceeds \$21,000 shown as nontaxable sales on Line 2.

Example for the sale of a tracked vehicle:

INVOICE

Selling price	\$78,000
Sales tax due	\$ 1,260
Total due	\$ 79,260

SALES TAX REPORTING CALCULATION

Gross sales	\$78,000
Exempt sales	\$57,000
Taxable sales	\$21,000
Tax at 6%	\$ 1,260
Local Option Tax (Line 4c, if applicable)	\$210

INVOICE (Local Option jurisdiction)

Selling price	\$78,000
Sales tax due	\$1,470
Total Due	\$79,470

Approved: _____

Mary N. Peterson
Commissioner of Taxes

Date: _____

5/25/12