

How to Inform Customers When Meals, Rooms, or Alcoholic Beverage Tax Is Included in the Pricing

Businesses are required to give notice to their customers when the Vermont Meals and Rooms Tax or Alcoholic Beverage Tax is included in the pricing of food, room rentals, or served alcoholic beverages. This fact sheet provides information about this requirement.

Businesses Must Give Notice of Tax

Businesses must notify customers whenever tax is included in the pricing of a meal, room rental, or served alcoholic beverage. You must do one of the following:

1. Provide a sign or signs with the type of tax charged in an area where customers may view them, such as near the cash register.
2. Make a statement on the menu, price list, bill, invoice, statement, or receipt given to the customer.

In addition, you must provide an itemized bill to any purchaser upon request.

If you own or operate a vending machine, you must indicate on the vending machine that the sales price includes the tax charged.

Below is an example of how a notice might read:

**All prices include
the Vermont Meals Tax**

Which Businesses Need to Give Notice?

All businesses that include the 9% meals tax and the 10% alcohol tax in their prices must give notice. This includes, but is not limited to, the following:

- Restaurants and bars
- Hotels
- Mobile facilities such as street vendors and lunch wagons
- Vending machines
- Other businesses and facilities as described in 32 V.S.A. § 9202 (15)

Disclaimer: The information provided here is intended to be an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information presented here.

Rev. 02/2020 • Pub. FS-1010

Additional Local Option Taxes

Some municipalities in Vermont have adopted a 1% local option tax on the sales of meals and alcohol and room rentals. If a local option tax applies to the sale or rental and is included in the price, then you must inform the customer that local option tax is included as well. Find more information on local option tax and a list of municipalities which have adopted the local option tax on the Vermont Department of Taxes website.

Know the Statutes and Regulations

Businesses owners should be familiar with laws and regulations that apply to their businesses. For this topic, the relevant section of the Vermont Statutes can be found in 32 V.S.A. § 9242.

This fact sheet is also based on the Meals and Rooms Tax Regulation § 1.9242-2, Required Notice of Tax Due.

Department of Taxes Website

tax.vermont.gov

Tax Statute

legislature.vermont.gov/statutes/title/32

Regulations

tax.vermont.gov/regulations

Technical Bulletins

tax.vermont.gov/bulletins

Forms and Publications

tax.vermont.gov/forms-and-publications

Questions?

Call (802) 828-2551 or email tax.business@vermont.gov.



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