

Vermont Sales and Use Tax for Floral Arrangements

This fact sheet is designed to provide a general overview of the unique sales tax situations for florists and similar businesses operating in Vermont. For more detailed information on each of the topics presented here, as well as general guidance on Vermont Sales and Use Tax, please visit the Vermont Department of Taxes website at tax.vermont.gov.

Items Purchased for Resale

Tangible personal property is subject to the Vermont Sales and Use Tax unless specifically exempted. The sales tax applies to retail sales. It does not apply to transactions when the items will be resold. For resale transactions, tax is instead collected when the item is subsequently sold at retail.

Like other retail businesses, florists are required to pay tax when purchasing items for their own use. A resale exemption certificate may only be used when the item will be later directly charged to the customer. This means that a florist must pay sales tax when purchasing items like packaging materials, disposable bags, or accessories included with flowers free of charge. Note that packaging materials are subject to tax when sold to a retailer.

To figure out whether you can buy an item using a resale exemption, ask whether the item is something you charge for when adding it to a retail transaction. Items that are combined with flowers, such as cards or ribbons, may be purchased using a resale exemption *as long as they are itemized on a bill or receipt* when sold to the customer and increase the price of an arrangement when included.

When purchasing items for resale, a florist must provide a Form S-3, Vermont Sales Tax Exemption Certificate to the seller. This form is available on our website.

Examples

The examples that follow are for your reference. Note that there may be some exceptions depending on the circumstances.

Examples of exempted items

Here are few examples of items you may purchase

using a resale exemption as long as you will be selling them at retail to the customer (tax is instead charged to the retail customer):

- Vases, baskets, pots
- Stuffed animals, balloons
- Flowers, brush, and plants

To qualify for the resale exemption, these items must increase the price of flowers to the customer and be itemized on the customer's bill or receipt.

Please note: candy and food items are not subject to sales tax in Vermont. (Soft drinks are an exception and are taxable.)

Examples of taxable items

Examples of purchases that do not usually qualify as resale items (the retailer must pay sales tax to the seller):

- Ribbons, bows, foam, foil wrapping, wire, metal rings, and twine that are included in an arrangement free of charge
- Card holders included free of charge
- Non-returnable containers and labels
- Packing, packaging, and shipping materials used to pack or ship goods sold to customers
- Office equipment and supplies
- Equipment used in the business to create floral arrangements but which are not sold to the consumer (shears, refrigerators, cleaning supplies)
- Vases and other supplies used only in store displays and never sold to consumers
- Flower preservative packets
- Water picks and leather leaf
- Weather-proofing spray

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.

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Sales Tax Is Destination-Based

Sales tax on floral arrangements, garlands, wreaths, kissing balls, and all other taxable items, is destination-based, meaning that tax is collected based on where the items are delivered.

Common examples

1. The customer picks up the flowers at the florist's shop located in Vermont: the florist must collect sales tax.
2. The customer orders a floral arrangement from a Vermont florist to be delivered to a location in New Hampshire, which has no sales tax: the florist does not collect sales tax.
3. The customer orders a floral arrangement from a Vermont florist to be delivered to a location in another state which has a sales tax: the florist should consult the tax laws in that state for guidance.
4. The customer orders a floral arrangement from a New Hampshire florist to be delivered to a location in Vermont: the florist must collect sales tax.
5. The customer orders a floral arrangement from an online vendor to be delivered to a location in Vermont: the vendor must collect the tax. If the vendor does not collect the tax, the customer should pay use tax on the floral arrangement.
6. The customer orders an arrangement from any florist to be delivered to a location in Vermont which has a 1% Local Option Sales Tax: the florist must collect the 1% local option tax in addition to the 6% sales tax and pay the total tax to the Vermont Department of Taxes.

Seasonal Sellers

Even if you sell floral and plant arrangements only a few weeks in a year, you must charge and collect sales tax. Before you begin making sales, register for a Vermont business tax account and appropriate licensing, and then remit the tax you collect to the Department of Taxes. For example, if you sell holiday wreaths in November and December only, you must collect and remit sales tax.

Vermont Business Tax Account and License

Businesses and nonprofits must register for a Vermont Business Tax Account and license prior to collecting Vermont tax. Registration is free.

For information on how to register for a business tax account, please see "Register for a Business Tax Account" on the Department's website.

Know Vermont Tax Law and Regulations

Business owners are expected to know state tax laws and regulations that apply to their businesses.

For more information, please see the following:

Department Website

tax.vermont.gov

Business Center

tax.vermont.gov/business-center

Tax Statute, Regulations & Technical Bulletins

tax.vermont.gov/tax-law-and-guidance

Forms and Publications

tax.vermont.gov/forms-and-publications

Questions?

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

