

# Vermont Tax Tips for Event Organizers and Vendors

This guidance is published by the Vermont Department of Taxes to help event organizers and businesses navigate the rules that apply to events, such as farmers markets, flea markets, craft fairs, shows, and exhibitions. We hope this guide will help you in following Vermont's tax laws. If you need further assistance with any of the topics covered below, please feel free to contact us at [tax.business@vermont.gov](mailto:tax.business@vermont.gov).

## WHAT ORGANIZERS NEED TO KNOW

### Reporting

As an event organizer, the Department of Taxes relies on you to provide us with a list of vendors at least one business day prior to an event where 25 or more vendors are expected. If the vendor list changes, send an updated list within seven days after the event. Be sure the list includes vendors' names and appropriate Vermont tax account numbers. We encourage you to submit the information within the time frames outlined in statute [32 V.S.A. § 9707](#).

The Department has developed an [excel template you may use for reporting vendor information](#). Download the template before filling it out. You do not need Microsoft Office® to open it.

Vendor lists may be emailed to [tax.officeaudit@vermont.gov](mailto:tax.officeaudit@vermont.gov) or faxed to (802) 828-2514. If you have any questions about how to submit the information, please contact the Business Tax section at (802) 828-2551.

### Tokens

If you sell tokens or event currency for customers to use at vendors, remember that tokens are taxable at the time of purchase. The entity taking the fee should report it on their tax return. If a token is used for Tangible Personal Property (TPP) subject to two or more tax types, you will need to collect the highest rate for TPP being sold at the event, unless you track the applicable taxability of each individual purchase. We know this can be complex, please contact us at (802) 828-2551 if you plan to use tokens and need advice.

### Charges for Admission

Fees to access an event are subject to sales tax.

### Booth and Table Fees

Fees charged to vendors for space at an event are not taxable unless the fee is to rent TPP, such as chairs or tables. Rentals of TPP are subject to sales tax.

### Income Tax Withholding

Event staff may be subject to withholding taxes. See our withholding page at [tax.vermont.gov/business-and-corp/withholding](http://tax.vermont.gov/business-and-corp/withholding) for more information. You may need to issue [federal Form 1099](#) to entertainers hired to perform, as required by the IRS.

**Different rules apply to nonprofits. See [tax.vermont.gov/business/nonprofits](http://tax.vermont.gov/business/nonprofits) for guidance.**

## WHAT VENDORS NEED TO KNOW

Before making any taxable sales, it's important for a vendor to have a business tax account and license in Vermont. Both are free. If you don't have them, see our Register for a Tax Account page for information. Register at least one day before the event. See [32 V.S.A. 9707](#) about the requirements.

You will need to have a business tax account even if you plan to be a vendor only one time. Additionally, if you plan to sell alcohol, don't forget to contact the Division of Liquor Control if you have any questions about licensing.

### Local Option Tax

See the list of Vermont municipalities that require a 1% additional tax on taxable sales made in those towns. Be sure to add 1% tax to the appropriate tax for items sold.

### Accepting Tokens

Do not collect sales, meals, or alcohol tax for payments made with event tokens. Tokens are

taxable when sold by the event organizer.

### **Bundled Transactions**

If items with different tax rates are sold for one non-itemized price, you must charge the highest applicable tax rate for the entire transaction. For example, if you sell alcoholic beverages (10% tax) with a prepared meal (9% tax) and you don't itemize the charges on the bill, you must charge 10% tax for the entire order. Note: This example is for a municipality without a local option tax.

### **Tips and service charges**

Tips voluntarily left by customers are not subject to sales tax or meals tax, although they may be subject to withholding for income tax. Keep in mind that service charges that are required are not voluntary tips.

See [Getting Started with Meals and Rooms Tax](#), which includes guidance on service charges.

**If meals tax is included in the price of an item, you must state "tax included" on the menu, price list, bill, or receipt.**

## **VERMONT TAXES THAT APPLY AT EVENTS WITH VENDORS**

The taxes that come up most often are the Sales and Use Tax (usually called "sales tax") and the Meals and Rooms Tax (usually called "meal tax") when it applies to sales of prepared food. Local Option Tax may also apply if the event takes place in a local option tax municipality. See our Local Option Tax page for more information.

### **Vermont Sales and Use Tax**

Vermont has a 6% sales tax on retail sales of tangible personal property. Sales tax applies if the buyer receives a taxable item in Vermont.

Most grocery-type foods are exempt from sales tax, except that soft drinks and alcoholic beverages are taxable. A drink is taxable if it has natural or artificial sweeteners (but milk, milk substitutes, or beverages with 50% or more juice are not taxed). See our infographic on the subject for more information.

Vermont has dozens of other sales tax exemptions

(although most will not apply to the types of transactions discussed here). If you're unsure about the taxability of an item, visit [tax.vermont.gov](http://tax.vermont.gov). If you still need help, please contact the Department's Business Tax section at (802) 828-2551.

See [Getting Started with Sales and Use Tax](#) for additional information.

**Some items bought with a 3SquaresVT EBT card are exempt from tax. See [tax.vermont.gov/business/industry/3squaresvt-snap](http://tax.vermont.gov/business/industry/3squaresvt-snap) to learn more**

### **Vermont Meals and Rooms Tax**

Vermont has a 9% Meals and Rooms Tax on lodging and meals.

Non-frozen sandwiches, heated food and beverages, salad bars, party platters, and prepared foods are always subject to the meals tax. Most other food and drink items are subject to the meals tax if sold by a "restaurant," which includes concession stands, street carts, vendors at farmers markets and street fairs, street carts, and food trucks.

Some items are not subject to the meals tax, even if sold by a restaurant. See our exempt meals guidance for details.

### **Vermont Alcohol Tax**

Alcohol is subject to the 10% alcohol tax if sold for immediate consumption, but is subject to the 6% sales tax if the customer is bringing it home. See our fact sheet for [Brewers, Winemakers, and Distillers](#).

**All fact sheets, guides, and forms can be found on our website at, [tax.vermont.gov/forms-and-publications](http://tax.vermont.gov/forms-and-publications)**

## **CONTACT**

Contact us at [tax.business@vermont.gov](mailto:tax.business@vermont.gov) or (802) 828-2551. We are here to help.