

1/11/11

Gray,

The Tax Department is going to develop a Technical Bulletin for answering questions on when different outdoor activities are and are not subject to the sales tax. In that Technical Bulletin we will answer some of the questions. Here are some other answers:

What is the recent history of the amusement tax? When was it changed to apply to portions of the guiding industry?

There are no recent changes to the Vermont sales tax that affect the guiding industry. The Vermont Department of Taxes regularly reviews its collection of taxes to determine if certain activities are not appropriately subject to tax, including the sales tax.

In general, when is the Vermont Sales Tax applied to “amusements”?

According to statute, the tax shall be paid for “admission to places of amusement...”

Is there a list of activities that are considered amusements for the purpose of the tax?

Vermont regulations include a list of activities that are subject to the sales tax as an amusement or as entertainment. That list includes:

- Places where athletic events, exhibitions, dramatic and musical performances are held
- Athletic facilities or gyms including golf courses and ski areas
- Places where gaming or amusement machines, apparatus or devices are available
- The use of health clubs and athletic facilities
- Admission to observatories, zoos and museums
- Charges for sleigh or buggy rides, airplane, helicopter, boat and glider rides (where the purpose is amusement rather than transportation)
- Charges for the use of riding trails, tracks or similar facilities for skiing, horseback riding, bicycling, snowboarding, skating, canoeing, kayaking, or for using ATV's, snowmobiles, motorcycles, or other recreational equipment.

If an activity is not on that list, is it exempt from the tax?

The list cannot be exhaustive, so if a specific activity or location is not on the list does not mean that it is not subject to the sales tax. Often an activity may be quite similar to one or more of the listed items and it will be subject to tax. The list does not include other activities that are subject to sales tax based on the sale or rent or licensed use of tangible personal property. This includes the rental of boats and equipment for recreational use.

Some of your other questions will get answered in the Technical Bulletin, but those Bulletins need to go through a rigorous review process that takes a couple of weeks.

Here is the language that we have for folks that are interested in appealing their decisions.

If a member organization receives a bill from the Vermont of Taxes for taxes not collected for one or more of its activities, what are the options for disputing the bill?

There is no policy that eliminates the responsibility for paying a tax if the vendor failed to collect it in the past due to their lack of knowledge. A taxpayer has the right to appeal if he/she disagrees with the Tax Department conclusion that the business is subject to the sales tax as an amusement. In the case you wish to appeal, you must send a written notice of appeal to the Commissioner of Taxes within 60 days of the assessment notice. If you do not appeal within the 60 days, you cannot challenge the Department's action at a later date. Most appeal issues are resolved during an informal conference with the audit division. If all issues are not resolved at this level, a formal hearing will be scheduled.

I will keep you posted on the Technical Bulletin. I hope that we are helping clarify the issues for your members,

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