



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

October 21, 2014

Mr. Craig Johnson
Executive Director
Streamlined Sales Tax Governing Board, Inc.
100 Majestic Drive, Suite 400
Westby, WI 54667

Re: Annual Review Comments

Dear Mr. Johnson:

Please find the enclosed comments to 2014 Annual Review spreadsheet. We have made the suggested changes in the Taxability Matrix for the items indicated.

Regarding the treatment of remotely accessed prewritten software, Vermont continues to disagree with BAC's conclusions. A detailed response to the statement of issues as outlined by the BAC can be found in the State's written comments in the revised compliance report and below.

The term "delivered electronically" is defined in the SSUTA as "delivered to the purchaser by means other than tangible storage media." The term 'delivered' is not further defined in the SSUTA. The purpose of Section 333 of the SSUTA appears to be to allow states to tax 'computer software' that is obtained by means other than tangible storage media without requiring a separate statutory provision. There is no indication that this section or any other section of the SSUTA was intended to limit the definition of "delivered electronically" to downloading while excluding remote access. Therefore, Vermont believes that its treatment of remotely accessed software is consistent with the SSUTA, as it is a tax on tangible personal property delivered electronically.

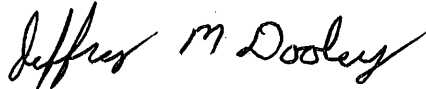
Vermont law does not require permanent use or a lack of obligations to make continued payments for a transaction involving tangible personal property to be subject to sales tax. Vermont's definition of "retail sale" includes "any sale, lease, or rental for any purpose other

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than resale, sublease, or subrental.” 32 V.S.A. § 9701(5). Vermont Sales and Use Regulations further define “sale” to include “any transfer of title or possession or both, exchange or barter, lease or license to use or consume, conditional or otherwise, in any manner or by any means whatsoever for a consideration, or any agreement therefore.” Reg. § 1.9701(5)-1 (emphasis added).

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey M. Dooley".

Jeffrey M. Dooley

Lead Tax Policy Analyst

Vermont Department of Taxes

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