

Vermont Cannabis Tax Guide

AUGUST 2024

Please note: The Department of Taxes will periodically update this guide to reflect any changes to Vermont law. For the most up-to-date version, please check the Vermont Department of Taxes website.

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Introduction

Vermont allows and regulates the legal use of cannabis by adults. Specifically, Vermont requires distinct licensing for cannabis cultivation, retail sale, and manufacturing. There are several laws and regulations relating to the possession, use, and sale of cannabis that are beyond the scope of this guidance. A business should review the relevant chapters of Vermont law and consult with Vermont’s Cannabis Control Board before starting an operation.

Below are links to relevant information outside the scope of taxation available at the time of publication:

- [Vermont Cannabis Control Board](http://ccb.vermont.gov) (ccb.vermont.gov)
- [Vermont Laws Relating to the Duty and Authority of the Cannabis Control Board](http://legislature.vermont.gov) (legislature.vermont.gov)
- [Vermont Laws Related to the Production and Sale of Cannabis](http://legislature.vermont.gov) (legislature.vermont.gov)
- [Vermont Regulations Related to the Production and Sale of Cannabis](http://ccb.vermont.gov) (ccb.vermont.gov)
- [Vermont Laws Related to Civil Penalties for Illegal Consumption](http://legislature.vermont.gov) (legislature.vermont.gov)

The remainder of this guidance relates to taxes owed by businesses that are legally allowed to produce or sell recreational cannabis or cannabis products in Vermont. Therefore, for purposes of this guidance, it is assumed that a business is licensed and in compliance with all other laws relating to cannabis production and sale.

Taxes Owed by Cannabis Businesses

This guidance addresses common tax issues related to cannabis cultivation, cannabis sold at retail, and cannabis used in manufacturing. As noted above, Vermont regulates all three activities. Some tax types may not apply to all types of cannabis businesses. The following Vermont taxes potentially apply:

- Cannabis Excise Tax
- Sales and Use Tax
- Property Taxes
- Vermont Income Tax
- Tobacco Products Tax
- Local Option Tax, where applicable

Some businesses that cultivate cannabis can make use of the Current Use Program to reduce property taxes but with limitations that are described in the section of this guide, [Current Use Program - Enrollment of Cannabis Cultivating Operations](#).

Important: A retail business must first obtain a license from the Cannabis Control Board (CCB) before registering for a cannabis excise tax account with the Department of Taxes. The CCB will require the applicant to show that they are in “good standing” with Vermont tax laws as part of licensure. The applicant can request good standing certification from the Department of Taxes by sending an email to TAX.ComplianceSupport@vermont.gov. Please include the business’ name and ID (SSN or FEIN) in the body of the email and include “Good standing request for Cannabis license” in the subject line. A retail business will need both a license from the CCB and tax accounts with the Department of Taxes before it can commence selling cannabis.

Registering a Business with the Vermont Department of Taxes

Before commencing business, Vermont law requires a business to register with the Department of Taxes to ensure the necessary tax accounts are set up. A business can register for multiple accounts at the same time and registration is free. The Department of Taxes Business Center¹ provides information and tools to help businesses get started.

Cannabis retailers and integrated licensees need to register for both cannabis excise tax and sales and use tax. If a business already has a sales and use tax account, it does not need to register for a second sales and use tax account when registering for the cannabis excise tax. Note that a business will first need a license number issued by the Cannabis Control Board to register for a cannabis excise tax account. If a business plans to hire employees, it will also register for a Vermont withholding tax account. A meals and rooms tax account is not necessary unless the business also offers rooms or sells meals unrelated to cannabis.

After registration, the Department of Taxes will provide licenses for cannabis excise tax and sales and use tax which must be prominently displayed at the place of business. Please note that a cannabis excise tax license can be revoked by the Cannabis Control Board for failure to comply with Vermont laws and regulations.

1 <https://tax.vermont.gov/business-center>

Create A New Account: To register for the necessary tax accounts, click the [Sign Up link on the myVTax home page](#) (myvtax.vermont.gov).

From there, businesses can:

- **Register as a new taxpayer**
- **Add myVTax access for an existing Vermont tax account**
- **Register as an accountant, attorney, or third-party tax professional to access client accounts**
- **Activate an account using a myVTax Access Code**

Existing Account Holders: Businesses with a myVTax account can register for the Cannabis Excise Tax (or any tax account) by logging in and navigating to I Want To, then Add Another Account under Access Management.

Cannabis Excise Tax

Vermont applies a fourteen percent (14%) excise tax on the retail sale of cannabis and cannabis products. This includes food or beverages that contain any cannabis or cannabis product ([see the cannabis excise tax glossary for definitions](#)). Cannabis retailers and integrated licensees¹ are required to collect the excise tax from purchasers at the time of a taxable sales transaction. These are the only two types of businesses allowed to make retail sales of cannabis.

Retail purchasers of cannabis and cannabis products are responsible for paying cannabis excise tax. The business making the sale is responsible for collecting the tax and remitting it to the Department of Taxes. This means the individuals responsible for the business are personally and individually responsible for the tax if it is not correctly collected or remitted. In the case of corporations and similar entities, personal liability extends to any officer or agent of the entity. A business will also incur penalties and interest when tax is not correctly collected or remitted.

Note that buying or selling cannabis for resale (such as a sale from a cultivator to a retailer) is not subject to cannabis excise tax because the transaction is not a retail sale.

When a business collects cannabis excise tax, it holds the tax in trust for the State of Vermont. This means the tax must be always accounted for separately from other receipts.

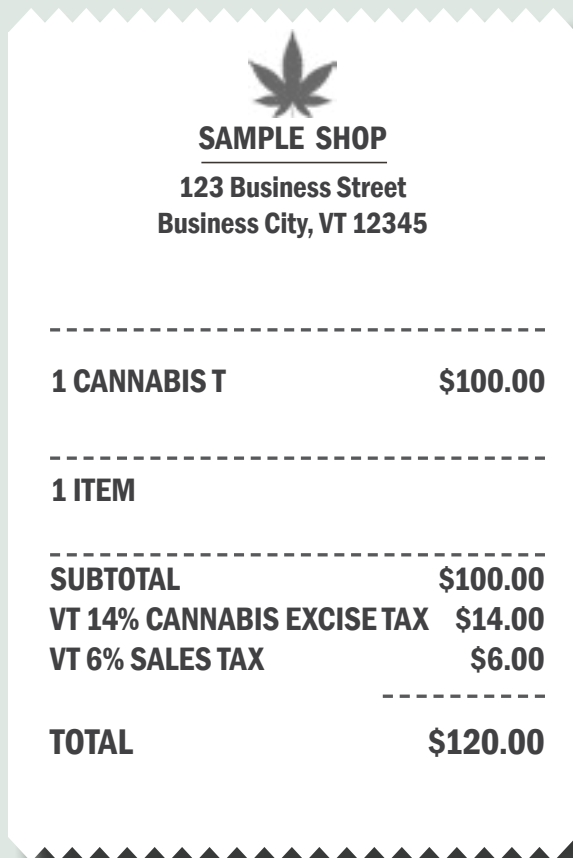
A business is allowed to refund tax when it allows a general return of the product. In this case, no retail sale would have taken place. It may also refund or credit any tax erroneously, illegally, or unconstitutionally collected. The business must keep clear records of the reason for any refunds of tax for at least three years.

How Cannabis Excise Tax and Sales Tax are Calculated


Both cannabis excise tax and sales tax are calculated on the product price only. The combined tax rates on retail sales should be twenty percent (20%) of the pre-tax sales price, or twenty one percent (21%) if there is also a local option tax in the municipality where the sale occurs. Cannabis excise tax must be separately itemized from the general sales tax on the receipt provided to the purchaser.

Example without Local Option Sales Tax

A sale of cannabis with a retail sales price of \$100.00 must include an itemized receipt that separately lists \$14.00 (14%) of cannabis excise tax and \$6.00 (6%) of sales tax. The total price of the transaction would be listed as \$120.00 (100 + 14 + 6).



A sample receipt from 'SAMPLE SHOP' at 123 Business Street, Business City, VT 12345. The receipt lists one item, '1 CANNABIS T', for \$100.00. Below this, it shows a subtotal of \$100.00, followed by 'VT 14% CANNABIS EXCISE TAX' for \$14.00 and 'VT 6% SALES TAX' for \$6.00. The total amount is \$120.00. The receipt has a decorative scalloped border.

	
SAMPLE SHOP	
123 Business Street Business City, VT 12345	

1 CANNABIS T	\$100.00

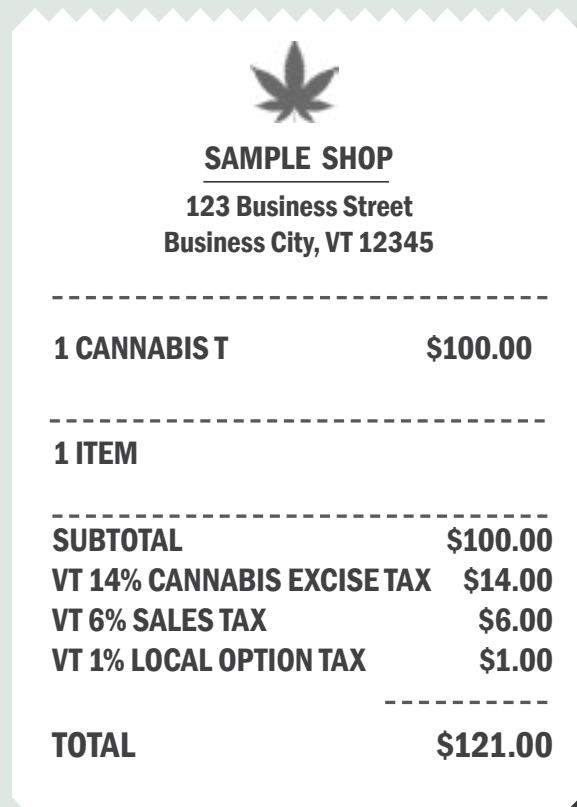
1 ITEM	

SUBTOTAL	\$100.00
VT 14% CANNABIS EXCISE TAX	\$14.00
VT 6% SALES TAX	\$6.00


TOTAL	\$120.00

Example with Local Option Sales Tax

If the municipality where the \$100.00 sale takes place has a local option tax, add \$1.00 (1% of the sale price). There is no local option tax on the cannabis excise tax portion of the sale. While cannabis excise tax and sales tax must be itemized on the invoice, sales tax and local option tax may be itemized (6% + 1%) or combined (7%). The total price of the transaction would be listed as \$121.00 (100 + 14 + 6 + 1) or (100 + 14 + 7).



A sample receipt from 'SAMPLE SHOP' at 123 Business Street, Business City, VT 12345. The receipt lists one item, '1 CANNABIS T', for \$100.00. Below this, it shows a subtotal of \$100.00, followed by 'VT 14% CANNABIS EXCISE TAX' for \$14.00, 'VT 6% SALES TAX' for \$6.00, and 'VT 1% LOCAL OPTION TAX' for \$1.00. The total amount is \$121.00. The receipt has a decorative scalloped border.

	
SAMPLE SHOP	
123 Business Street Business City, VT 12345	

1 CANNABIS T	\$100.00

1 ITEM	

SUBTOTAL	\$100.00
VT 14% CANNABIS EXCISE TAX	\$14.00
VT 6% SALES TAX	\$6.00
VT 1% LOCAL OPTION TAX	\$1.00

TOTAL	\$121.00

Filing a Return

Retailers and integrated licensees are required to file a cannabis excise tax return on or before the 25th of every month for sales made in the preceding calendar month. **For example, a return for sales in June must be filed by the 25th of July.** This is done through the myVTax portal, using the instructions provided when the business was registered with the Department. The tax is remitted electronically at the time the return is filed. If a business needs additional support with this process, it should contact the Department at (802) 828-2551 and tax.business@vermont.gov before filing.

A retailer or integrated licensee is required to keep accurate records showing all transactions subject to cannabis excise tax for at least three years. The records are subject to inspection by the Department of Taxes at all reasonable times during normal business hours.

Bundled Transactions Involving Cannabis and Cannabis Products

A retail sale of two or more distinct and identifiable products for one nonitemized price is considered a “bundled transaction.” It is also a bundled transaction when cannabis or a cannabis product is provided free of charge with the required purchase of another product. A business must consult with the Cannabis Control Board before bundling cannabis and cannabis products with other items to determine whether a bundle is allowable.

Generally, a retail sale of a bundled transaction that includes cannabis or a cannabis product is subject to the cannabis excise tax on the entire sales price of the bundled transaction. This is true even when the bundle includes some products that are not subject to cannabis excise tax.

Exception: If allowed by the Cannabis Control Board, a business can avoid applying cannabis excise tax to nontaxable items in a bundle only when it can identify by “reasonable and verifiable standards” the portion that is not subject to tax. The business must consistently maintain accurate records of all transactions. Any discounts applied to the bundle must be attributed to the products that are not subject to cannabis excise tax.

Exemptions to the Cannabis Excise Tax

Vermont allows some limited exemptions to the cannabis excise tax. A business must keep detailed records of any exemptions allowed for at least three years.

A sale is exempt from cannabis excise tax if it is (1) made by a licensed medical cannabis dispensary or any retailer licensed with a medical-use endorsement and (2) made only to a registered qualifying patient or through a registered caregiver.

A sale is also exempt if Vermont lacks the authority to impose tax on a purchaser. This could occur if the State or federal government makes a purchase and in some other rare occasions.

When Vermont Sales and Use Tax Applies

Vermont imposes sales tax on the retail sale of tangible personal property at a rate of six percent (6%). Cannabis and cannabis products are tangible personal property and therefore subject to sales tax. Further, Vermont law mandates that the sales tax exemption for food does not apply to cannabis and cannabis products (even when cannabis products are contained in food).

A seller must collect sales tax at the time and place of a sale. Sales tax is destination-based, meaning the tax is applied based on the location where the buyer takes possession of the item or where it is delivered. Businesses are responsible for collecting sales tax from their customers and then filing and remitting the tax to the State.

Cannabis businesses themselves may pay sales and use tax on items purchased for their business. Integrated licensees should note that sales and use tax exemptions for agriculture do not always apply to cannabis cultivators. The exemption for agricultural machinery and equipment does not apply unless the purchaser is a licensed cultivator that cultivates an outdoor space. Likewise, the exemption for agricultural supplies only applies when a cultivator is licensed and cultivates an outdoor space unless the supply is a product that is always exempt without regard for how it is used.

Use Tax

The Vermont Use Tax is a six percent (6%) tax that applies when a seller does not charge sales tax on a taxable item in Vermont. While it is unlikely that use tax will come into play in the regulated retail sale of cannabis, it may come up for businesses selling and purchasing other non-cannabis products.

Sales tax and use tax work together to create the same tax result whether a vendor collects sales tax or not. Therefore, use tax has the same rate, rules, and exemptions as the sales tax. A purchase is subject to use tax in the following situations when sales tax was not already paid to Vermont.

- The buyer takes possession of the item in Vermont.
- The buyer has the item delivered to Vermont from a vendor not required to collect tax.
- The buyer purchases the item outside of Vermont and then brings it into Vermont to use.

Businesses themselves may owe use tax on their business purchases. This occurs when no Vermont sales tax was charged or paid at the time of making a purchase of taxable goods, such as office supplies or other items for business use.

A business will report and pay use tax when it files its own sales and use tax return. An individual buyer is required to pay any use tax owed to Vermont when they file their personal income tax return.

Sales Tax Topics for Retailers

Sales Taxability of Items Sold

As stated above, cannabis and cannabis products are subject to sales tax when sold at retail. Other similar products, such as products that include hemp or CBD, are subject to sales tax unless an exemption applies².

Cannabis and cannabis products are not subject to sales tax when sold by a licensed medical cannabis dispensary or any retailer licensed with a medical use endorsement to registered qualifying patients directly or through their registered caregivers. [Please refer to the cannabis excise tax glossary for definitions](#) of cannabis and cannabis products.

Cannabis related supplies, such as pipes and vaporizers, are subject to sales tax. Licensed medical cannabis dispensaries and retailers licensed with a medical-use endorsement must collect sales tax on sales of cannabis-related supplies to registered qualifying patients.

Food Items with Cannabis

Food with cannabis is always subject to sales tax under Vermont law, but never subject to meals tax. This is true even when cannabis food items are intended for immediate consumption.

2 <https://tax.vermont.gov/business/sales-and-use-tax/exemptions>

Separate Sales Tax Revenue for Cannabis Sales: When filing a sales tax return, a business will need to report sales of cannabis and cannabis products separately from other taxable items, such as merchandise. This is because Vermont law requires cannabis revenue to be used for the specific purposes of education and substance misuse prevention. The myVTax filing process will direct cannabis retailers to break out sales of cannabis products on a separate schedule accompanying the main sales and use tax return.

Filing a Sales Tax Return

A cannabis business must register to collect sales and use tax³ before filing a return. Note that a license number from the Cannabis Control Board is required when registering. The business can file sales and use tax returns and remit the tax collected using the myVTax filing site. Cannabis businesses are required to file electronically.

Transactions Involving Tobacco Products

The following products are considered “tobacco products” in Vermont unless they are sold at a licensed cannabis establishment and designed to deliver cannabis into the body: vaping devices, vaporizers, vape liquids, and oils used in vaping. This is true even when the products contain a substance other than tobacco or contain no substance.

Tobacco products tax is imposed on the wholesale sale of tobacco products at a rate of 92 percent (92%) of the wholesale price. Tobacco wholesalers pay this tax. Learn more about Tobacco Products Tax⁴.

Note that a cannabis retailer is required to obtain a tobacco retailer license from the Vermont Department of Liquor and Lottery⁵ before buying and selling tobacco products. A licensed tobacco retailer is subject to regulation and compliance checks by the Vermont Department of Liquor and Lottery.

Please see the chart below for the tax treatment of various products.

3 <https://tax.vermont.gov/business/register>

4 <https://tax.vermont.gov/business/misc-taxes/cigarette-and-tobacco>

5 <https://liquorcontrol.vermont.gov/licensing>

Table: Taxability of Tobacco-Related Products

Product	Taxability
Vaping Devices and Vaporizers Sold at a Cannabis Establishment	Sales and Use Tax, Cannabis Excise Tax
Vaping Devices and Vaporizers Sold Anywhere other than a Cannabis Establishment	Tobacco Products Tax; Sales and Use Tax
Vape Liquids and Oil Containing Tobacco	Tobacco Products Tax; Sales and Use Tax
Vape Liquids and Oil Containing Cannabis	Sales and Use Tax; Cannabis Excise Tax
Non-Liquid Cannabis	Sales and Use Tax; Cannabis Excise Tax

Cannabis products are always subject to the cannabis excise tax but never subject to the tobacco products tax. Tobacco products are always subject to tobacco products tax but never subject to cannabis excise tax. See the glossary at the end of this guide for definitions.

Local Option Tax

In addition to the state-imposed sales and use tax, a business may be required to collect and remit a one percent (1%) local option tax imposed by some Vermont municipalities. A municipality may choose to levy a local option tax on meals and alcohol, rooms, and/or any items subject to sales tax. Cannabis is subject to local options sales taxes but not local option meals tax.

Local option tax is destination-based. A business should always calculate the local option tax as one percent (1%) of the taxable (net) sales for each local option town.

Bundled Transactions

Follow the directions in the cannabis excise tax section for bundled transactions. Sales tax will apply to all transactions subject to the cannabis excise tax. Further, if any item in a bundle is not subject to cannabis excise tax, it may nonetheless be subject to sales and use tax if it is tangible personal property and is not otherwise exempt from the sales tax.

Sales Tax Topics for Cultivators

Sales of Agricultural Items used in Cannabis Cultivation

The sales tax exemptions for agricultural supplies, agricultural machinery and equipment, and compost apply differently to licensed cannabis cultivators depending on whether they cultivate exclusively indoors or do some cultivation outdoors. The following items are generally subject to sales tax when purchased by a cannabis cultivator who cultivates exclusively indoors: cannabis plants and seeds and machinery and equipment that will be used primarily for cannabis cultivation.

Exception for Licensed Cultivators Using an Outdoor Space

The sales tax exemptions for agricultural supplies, agricultural machinery and equipment, and compost are available to a cannabis cultivator when: (1) the purchaser is a licensed cultivator (2) who cultivates outdoors. A retailer must collect sales tax unless the purchaser meets these requirements. A purchaser must use an exemption certificate when claiming one of the exemptions and must attest that they meet all requirements listed above.

Other Agricultural Supplies Used in Cannabis Cultivation

Agricultural supplies are taxable when purchased by a cannabis cultivator unless they meet all the requirements for the cultivator exception. Examples include products designed specifically for cannabis or agricultural chemicals.

Certain agricultural supplies are always exempt from sales tax and will continue to be exempt when purchased by any taxpayer, including a cannabis cultivator. These exempt items include twine, agricultural wrap, and sheets of plastic for bunker covers. No sales tax exemption certificate is needed.

Exemption for Agricultural Machinery and Equipment

When buying machinery and equipment, a cultivator must also meet all the other requirements of that exemption. An explanation of the exemption is provided in the fact sheet entitled “Agricultural Machinery, Equipment and Supplies: Taxable or Exempt?”⁶. Note that cannabis cultivation is not a use that counts as a qualifying “predominate” use unless the purchaser meets the requirements of the exception for small cultivators.

Sales Tax Topics for Manufacturers

Cannabis product manufacturers and hemp product manufacturers may purchase certain supplies, machinery, equipment, and monitoring devices that are used in or consumed as an integral or essential part of an integrated production operation without paying sales tax on those items. The information below explains the sales tax exemption for manufacturing. Additional information can be found on the Department of Taxes website.⁷

Hemp is not considered cannabis under Vermont law. Nonetheless, the explanation below also applies to products made from hemp.

Use Vermont Form S-3M exemption certificate⁸ when claiming a manufacturing or packaging exemption during a purchase.

Property Used in Processing Cannabis into Cannabis Products and Hemp into Hemp Products

Processing cannabis and hemp into cannabis and hemp products for retail or wholesale is considered an integrated production operation that qualifies for the manufacturing sales tax exemption.

Note that the exemption is not available for nonindustrial businesses whose operations are primarily retail. This is true even if they produce or process tangible personal property as an incidental part of conducting the retail business. For this reason, cannabis businesses with a retail license but no manufacturing license are not able to use this exemption, even if they create some cannabis products at their retail location.

Manufacturing and processing businesses may use the tests below to determine whether machinery, equipment, or supplies qualify for a sales tax exemption.

Manufacturing Supplies Test

To qualify, an item must be (1) tangible personal property, (2) used in the manufacturing process, (3) have a useful life of less than one year, and (4a) become an ingredient or component part of tangible personal property for sale, or (4b) be consumed or destroyed or lose its identity in the manufacture of tangible personal property for sale.

Manufacturing Machinery and Equipment Test

To qualify, an item must be (1) used in or consumed, (2) as an integral or essential part of an integrated production operation, (3a) by a manufacturing or processing plant or facility engaged in the manufacture of tangible personal property for sale, or (3b) in the manufacture of other machinery or equipment, parts, or supplies for use in manufacturing.

6 <https://tax.vermont.gov/content/fs-1053-agricultural-machinery-equipment-and-supplies-taxable-exempt>

7 <https://tax.vermont.gov/business/industry/agriculture>

8 <https://tax.vermont.gov/content/form-s-3m>

Integrated production operations begin when raw material is first changed physically, chemically, or otherwise in form, composition, or character, including being removed from storage or introduced for this manipulation, and end when the product is placed in initial packaging. An integrated production operation includes production line operations, initial packaging operations, and waste, pollution, and environmental control operations.

When machinery or equipment is used as an integral or essential part of production operations part of the time and for non-production purposes at other times, the primary use of the machinery or equipment shall determine the qualification of the machinery or equipment for the exemption. In this case, primary use means more than fifty percent of the time.

Examples of machinery and equipment deemed to be used as an integral or essential part of an integrated production operation when used during the integrated production operation include:

- **Those used to transport or convey products from the beginning of the production line until it is placed into initial packaging.**
- **Those used to guide, control, or direct the movement of property undergoing manufacturing or processing.**
- **Those used to test or measure materials, the property undergoing manufacturing or processing, or the finished product during the manufacturer's integrated production operations.**
- **Those used to assist the functioning of other production machinery and equipment and the continuation of production operations, such as to provide lubricant, electricity, water, or similar substances.**
- **Those used to package the property being manufactured or processed in any container or wrapping in which such property is normally sold or transported, even if the machinery operates after the point of initial packaging.**

This list is not exhaustive. Consult the Department of Taxes website for further guidance if needed.

Quality Control Testing

Quality control testing is generally considered part of manufacturing. The manufacturing exemption applies to monitoring devices used in manufacturing even if it operates beyond the point of initial packaging.

Packaging Exemption

A sales tax exemption is available for a manufacturer or distributor to purchase packing, packaging, or shipping materials used on tangible personal property for sale.

Fuel Used in Manufacturing Exemption

A fuel dealer should know when to collect sales tax on fuel deliveries and what exemptions may apply. They will need a manufacturer's help in determining specific uses and appropriate tax treatment. The Department of Taxes advises that taxpayers use separate meters or fuel storage tanks to easily distinguish taxable and exempt uses. If that is not practical, a taxpayer may also determine the percentage of floor space used primarily for qualified purposes and allocate usage according to the resulting percentage, provided floor space accurately reflects fuel usage.

Income Tax

Filing a Vermont Return

The type of Vermont income tax return filed for a cannabis business depends on how the business is structured. Any business that engages in activity in Vermont is required to file and pay income tax.

- Sole Proprietorships: Personal Income Tax Return
- Subchapter S Corporations: Business Income Tax Return
- C Corporations: Corporate Income Tax Return
- Limited Liability Company: Returns Vary Depending on Circumstances

Conflict with Federal Income Tax Law

Federal law prohibits cannabis businesses from taking deductions and exemptions as most taxpayers would because cannabis is a prohibited substance under federal law.

Vermont allows normal deductions and exemptions for cannabis businesses. This means that a business will have to recalculate federal income for purposes of filing Vermont returns. A business will have to create a mock (or "pro forma") federal tax return and submit it with their Vermont tax return. A cannabis business should submit a Vermont income tax return using the recalculated federal information.

Current Use Program - Enrollment of Cannabis Cultivating Operations

The Department's Division of Property Valuation and Review administers the Current Use Program. Land and buildings that qualify for the Current Use Program are subject to property taxes at a reduced per acre "use value" rate. General information about the application process can be found on the Department of Taxes website.

Special Rules for Cannabis Cultivation and Processing

If all other requirements of the Current Use Program are met, agricultural land and buildings used for cannabis cultivation, drying, and processing may be enrolled as long as (1) cultivation and processing is done by a cultivator licensed by the Cannabis Control Board and (2) some amount of cultivation occurs outdoors.

Resources

Taxes, Programs, and Industry Guidance

- [Business Center](https://tax.vermont.gov) (tax.vermont.gov)
- [Cannabis Excise Tax](https://tax.vermont.gov/business/cannabis-excise-tax) (tax.vermont.gov/business/cannabis-excise-tax)
- [Cannabis Excise Tax Statistics](https://tax.vermont.gov/data-and-statistics/cannabis-excise-tax) (tax.vermont.gov/data-and-statistics/cannabis-excise-tax)

- [Cannabis Industry Guidance](https://tax.vermont.gov/industry/cannabis) (tax.vermont.gov/industry/cannabis)
- [Certificate of Good Standing](https://tax.vermont.gov/business/business-center/certificate-good-standing) (tax.vermont.gov/business/business-center/certificate-good-standing)
- [Current Use Program](https://tax.vermont.gov) (tax.vermont.gov)
- [myVTax](https://myvtax.vermont.gov) (myvtax.vermont.gov)
- [Register to Collect Sales Tax](https://tax.vermont.gov/business/register) (tax.vermont.gov/business/register)
- [Sales and Use Tax Exemptions](https://tax.vermont.gov/business/sales-and-use-tax/exemptions) (tax.vermont.gov/business/sales-and-use-tax/exemptions)
- [Tobacco Products Tax](https://tax.vermont.gov/business/misc-taxes/cigarette-and-tobacco) (tax.vermont.gov/business/misc-taxes/cigarette-and-tobacco)

Fact Sheets, Guides, and Forms

- [FS-1053 - Agricultural Machinery, Equipment and Supplies: Taxable or Exempt?](https://tax.vermont.gov/content/fs-1053-agricultural-machinery-equipment-and-supplies-taxable-exempt) (tax.vermont.gov/content/fs-1053-agricultural-machinery-equipment-and-supplies-taxable-exempt)
- [Form S-3M, Vermont Sales Tax Exemption Certificate For Manufacturing, Publishing, Research & Development, Or Packaging](https://tax.vermont.gov/content/form-s-3m) (tax.vermont.gov/content/form-s-3m)

Laws, Rules, and Regulations

- [Vermont Cannabis Control Board](https://ccb.vermont.gov) (ccb.vermont.gov)
- [Vermont Laws Relating to the Duty and Authority of the Cannabis Control Board](https://legislature.vermont.gov/statutes/fullchapter/07/031) (legislature.vermont.gov/statutes/fullchapter/07/031)
- [Vermont Laws Related to Civil Penalties for Illegal Consumption](https://legislature.vermont.gov/statutes/section/07/021/00656) (legislature.vermont.gov/statutes/section/07/021/00656)
- [Vermont Laws Related to the Production and Sale of Cannabis](https://legislature.vermont.gov/statutes/fullchapter/07/033) (legislature.vermont.gov/statutes/fullchapter/07/033)
- [Vermont Regulations Related to the Production and Sale of Cannabis](https://ccb.vermont.gov/laws-rules-and-regulations) (ccb.vermont.gov/laws-rules-and-regulations)

Contact Us

For additional information or assistance, please contact the Business Tax Section at tax.business@vermont.gov or call (802) 828-2551.

A glossary appears on the next page.

Glossary

Table: Glossary

Term	Definition
"Cannabis" includes:	(1) all parts of the plant <i>Cannabis sativa</i> L. (except the parts listed below as not included), (2) the seeds of the plant, (3) the resin extracted from any part of the plant, and (4) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. These items are always subject to sales tax.
"Cannabis products" includes:	(1) concentrated cannabis, (2) any product that is composed of cannabis and other ingredients and is intended for use or consumption, including edible products, ointments, and tinctures, (3) vaporizer cartridges containing cannabis oil that is intended for use with a battery-powered device, and (4) any device designed to deliver cannabis into the body through inhalation of vapor that is sold at a cannabis establishment. These items are always subject to sales tax.
"Cannabis" does not include:	(1) "tobacco product" as defined in 32 V.S.A. § 7702, (2) "tobacco substitute" as defined in 7 V.S.A. § 1001, and (3) "tobacco paraphernalia" as defined in 7 V.S.A. § 1001.
A "Cannabis retailer":	is a person licensed by the Cannabis Control Board to sell cannabis and cannabis products to adults 21 years of age and older for off-site consumption.
An "Integrated licensee":	is a person licensed by the Cannabis Control Board to act as a cultivator, wholesaler, product manufacturer, retailer, or testing laboratory.