

**S.53 – House Proposal of Amendment – Summary of Cloud Secs. 9–12 and 16(2)**

April 5, 2022

<b>Sec.</b>	<b>Summary – Sales and Use Tax on Prewritten Computer Software</b>
<b>9</b>	32 V.S.A. § 9701(60) Creates new definition of “vendor-hosted prewritten computer software,” which applies to canned software accessed through the Internet or a vendor-hosted server or platform, including where possession of the software is maintained by the vendor or a third party. The definition applies to software regardless of the method of delivery or transfer, whether the access is permanent or temporary, and the basis for the charge for the right of access (per use, per user, per license, subscription or some other basis).
<b>10–11</b>	32 V.S.A. §§ 9771 and 9773 Imposes sales and use tax on vendor-hosted prewritten computer software and the right to access that software to provide data processing services, as a separate category from tangible personal property.
<b>12</b>	2015 Acts and Resolves No. 51, Sec. G.8 Repeals 2015 session law exemption for prewritten computer software accessed remotely.
<b>16(2)</b>	Effective dates Prewritten computer software Secs. 9–12 are made effective on June 1, 2022.