

## Sales/Use/Indirect:

### Vermont Department of Taxes Explains Recent Repeal of Cloud Software Exemption

*Prewritten Computer Software*, Vt. Dept. of Taxes (7/24). The Vermont Department of Taxes (Department) posted guidance explaining that pursuant to recently enacted legislation [see H.B. 887 (2024), and *State Tax Matters*, Issue 2024-25, for more details on this legislation], effective as of July 1, 2024, all sales of prewritten computer software are now subject to Vermont sales and use tax – including “software purchased on storage media, downloaded to a computer system, or accessed remotely via the internet.” In doing so, the Department states that since 2015 in Vermont, “prewritten software accessed remotely and not downloaded had been exempt from sales tax;” however, Vermont sales and use tax now applies to all prewritten computer software “regardless of the method in which the software is delivered or accessed, effective July 1, 2024.” The Department also addresses what does and does not constitute taxable “prewritten computer software” in Vermont, noting that “the first payments of sales and use tax on prewritten computer software accessed remotely are due on or before August 1, 2024, unless the seller is eligible to make quarterly or annual payments.” Please contact us with any questions.

[URL: https://tax.vermont.gov/business-and-corp/sales-and-use-tax/prewritten-computer-software](https://tax.vermont.gov/business-and-corp/sales-and-use-tax/prewritten-computer-software)

[URL: https://legislature.vermont.gov/bill/status/2024/H.887](https://legislature.vermont.gov/bill/status/2024/H.887)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240621\\_6.html](https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240621_6.html)

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