



Published on *Vermont League of Cities and Towns* (<https://www.vlct.org>)

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## VLCT Legislative Alert: S.54, Cannabis Tax Legislation

[S.54](#) [1] is the bill that creates a taxed and regulated cannabis marketplace in Vermont. This week, the Conference Committee must resolve the differences between the version of the bill passed in the Senate and the House-passed version. The remaining issue is whether or not local governments will have local taxing authority over cannabis operations.

Almost every city and town in Vermont will host a cannabis operation, whether it be focused on retail, cultivation, farm, laboratory, or manufacturing. The Senate has proposed that either a two-percent local option sales tax be assessed, or that a portion of local cannabis tax revenue be shared among all municipalities that host cannabis establishments – and not just those towns and cities hosting retail operations. This would benefit many more municipalities across the state. By any measure, both Senate proposals are far better for cities and towns than the House proposal.

If the House-passed provision of S.54 prevails, you and your neighboring municipalities will receive *no* revenue from state taxes and have *no* authority to assess a local cannabis tax. Only the 16 towns and cities that currently have a local option sales tax would be permitted to assess a one-percent local option tax if a retail operation is located in that community. This means that if your town currently does not have a local option sales tax, it will receive no revenue from hosting a facility in the new cannabis marketplace. Your municipality will need to adopt a town-wide local option sales tax that would apply to *all* businesses, not just cannabis operations. You will, however, be responsible for hosting the facility and any potential impacts of it in town. This outcome is unacceptable and unfair.

Time is of the essence. **Contact your representatives today** to express your firm opposition to the House proposal and support for the Senate version. Urge them to oppose the House position on local taxation, which provides ***neither revenue nor taxation authority to local governments***. Urge them to support the Senate proposal that would provide a two-percent local sales tax or two percent of the new state cannabis excise tax revenues to cities and towns.

Email addresses of the representatives are posted on the “Find a Legislator” webpage, <https://legislature.vermont.gov/people/search/2020> [2].

And please cc VLCT at [khorn@vlct.org](mailto:khorn@vlct.org) [3]. Thank you!



**Links**

[1] <https://legislature.vermont.gov/bill/status/2020/S.54>

[2] <https://legislature.vermont.gov/people/search/2020>

[3] <mailto:khorn@vlct.org>