

Income/Franchise:

Vermont: New Law Adopts Single-Sales Factor, Repeals “80/20” Provisions, Moves to Finnigan

S.B. 53, signed by gov. 5/31/22. New law makes several important changes to Vermont corporate income tax laws, including:

URL: <https://legislature.vermont.gov/bill/status/2022/S.53>

- Moving from a three-factor (property, payroll, and double-weighted sales) to a single-sales factor apportionment formula;
- Repealing Vermont’s sales factor “throwback” rule;
- Effectively repealing Vermont’s “80/20” company provisions;
- Moving from the “Joyce” to the “Finnigan” methodology to determine nexus for unitary taxpayers and their members; and
- Revising Vermont’s corporate minimum tax structure.

These law changes are generally applicable for taxable years beginning on and after January 1, 2023.

See forthcoming Multistate Tax Alert for more details on these tax law changes, and please contact us with any questions in the meantime.

— Mike Degulis (Boston)
Principal
Deloitte Tax LLP
mdegulis@deloitte.com

Jane Lodha (Boston)
Senior Manager
Deloitte Tax LLP
jixin@deloitte.com

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