

What should my business do in preparation for the application?

Legislation that includes \$70 million for Economic Recovery Grants (\$50 million of which will be administered by the Vermont Department of Taxes) was passed by the Vermont legislature on June 12 (S.350) and signed into law by Governor Scott on June 19. The Department anticipates that it will begin taking applications exclusively through myVTax within two weeks of the bill signing. There are a couple of steps you can take to ensure your business is ready for when the grant application launches.

What are the eligibility criteria to qualify for an Economic Recovery Grant?

Eligible business will be a nonpublic, private organization that:

- Is domiciled or has its primary place of business in Vermont
- Has one or more non-owner employees in Vermont
- Is registered to collect and remit Meals and Rooms Tax or Sales and Use Tax on a quarterly or monthly basis
- Is open at the time of application, or is required to have closed due to COVID-19 restrictions but can certify to its intention to re-open when the COVID-19 restrictions are lifted
- Has experienced a 75% or greater drop in combined total sales reported on meals and rooms tax and sales and use tax returns in any one-month period from March 1, 2020 to August 1, 2020 when compared to the same month in 2019.
- The Vermont Department of Taxes will be confirming grant applications qualify by utilizing sales and use and meals and rooms tax returns from your business.

Should I take any steps to prepare for when the grant application is released?

While not all the details of the grant process are available yet, there are three critical steps the Department of Taxes recommends you undertake for your business ahead of the application being released.

1. Register for a myVTax account if you do not have one already. The good news is most meals and rooms and sales and use taxpayers already have a myVTax account. Having an active myVTax account will

streamline the application process for your business once the application is available. It will also reduce the chance of a typographical error that delays the processing of your application.

- a. **When setting up a new myVTax account you must receive a myVTax access code through the US Mail to activate your account, so we recommend you sign up today!**
2. File all of your sales and use and meals and rooms tax returns through the April 30, 2020, period. April returns were due May 25, 2020. We also encourage filing your May 31, 2020, period returns that are due June 25, 2020. The Department of Taxes will be using the data from these Tax returns to verify a 75% or greater drop in total sales subject to these taxes, which is a requirement to qualify for a grant. **If you have not filed all of these required returns, you may be deemed ineligible for the grant.**
3. Ensure you are in good standing with the Vermont Department of Taxes. Good standing for your business means that all required tax returns are filed and that all taxes are paid, OR if you owe any taxes that are past due, you are in a payment plan for those taxes. If you have any unpaid taxes for your business, you can call us at (802) 828-2518 to request a payment plan. For purposes of this grant, taxes owed for the February, March, or April 2020 tax periods for sales and use or meals and rooms tax will NOT disqualify you from receiving a grant. Any taxpayers who are otherwise not in good standing may be deemed ineligible for the grant.

What if I don't have a Rooms & Meals or Sales & Use tax account, are there grants available for my business?

Yes, S.350 included an additional \$20 million for grants to businesses that do not have a meals and rooms or sales and use tax account. Information about that program will be available at accd.vermont.gov as soon as possible, check that site frequently for updates.

If you have any questions please contact us at tax.grants@vermont.gov.

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