



**Thursday, May 21, 2026, 4:30 PM, Bushor Conference Room 1st Floor, City Hall OR
REMOTELY via ZOOM**

When: May 21, 2026 04:30 PM Eastern Time (US and Canada)
Topic: Ordinance Committee Meeting

Join from PC, Mac, iPad, or Android:

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+19292056099,,96250229384#,,,,*925466# US (New York)

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+1 253 215 8782 US (Tacoma)

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+1 360 209 5623 US

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Webinar ID: 962 5022 9384

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1. Agenda

1.1. Motion to amend/adopt agenda

2. Adopt Draft Minutes

Subject	2.1. Adopt Draft Minutes from April 23, 2026
Meeting	May 21, 2026 - Ordinance Committee Meeting Agenda - Thursday, May 21, 2026, 4:30 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM
Category	2. Adopt Draft Minutes
Department	Council and Board
Type	

Recommended Action

Subject **2.2. Adopt Draft Minutes from May 1, 2026**

Meeting May 21, 2026 - Ordinance Committee Meeting Agenda - Thursday, May 21, 2026, 4:30 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM

Category 2. Adopt Draft Minutes

Department Council and Board

Type

Recommended Action

3. Public Forum

Subject **3.1. Verbal Comments**

Meeting May 21, 2026 - Ordinance Committee Meeting Agenda - Thursday, May 21, 2026, 4:30 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM

Category 3. Public Forum

Department Council and Board

Type

4. Gross Receipts Ordinance Discussion

Subject **4.1. Gross Receipts Ordinance Discussion**

Meeting May 21, 2026 - Ordinance Committee Meeting Agenda - Thursday, May 21, 2026, 4:30 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM

Category 4. Gross Receipts Ordinance Discussion

Department Council and Board

Type

Recommended Action

5. Any Other Committee Business

Subject **5.1. Any Other Committee Business**

Meeting May 21, 2026 - Ordinance Committee Meeting Agenda - Thursday, May 21, 2026, 4:30 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM

Category 5. Any Other Committee Business

Department Council and Board

Type

Recommended Action

6. Adjournment

Subject **6.1. Motion to adjourn**

Meeting May 21, 2026 - Ordinance Committee Meeting Agenda - Thursday, May 21, 2026, 4:30 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM

Category 6. Adjournment

Department Council and Board

Type

Recommended Action

Ordinance Committee
Thursday, April 23, 2026
Contois Auditorium, City Hall
or Remote via Zoom. Burlington, Vermont
DRAFT MINUTES

Members Present: Councilor Bergman (Chair), Councilor Carpenter, Councilor Barlow

Staff Present: Kim Sturtevant (Assistant City Attorney), Sarah Morgan (Planner), Bill Ward (Director of DPI)

Public Present: Sharon Bushor

Meeting called to order at 4:33 PM.

1. Adopt the Agenda
1.1 Adopt the Agenda

Motion to Adopt Agenda.

Motion by Councilor Barlow, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

2. Adopt Draft Minutes
2.1 Adopt Draft Minutes from March 19, 2026

Motion to adopt the draft minutes as drafted.

Motion by Councilor Barlow, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Councilors Bergman and Barlow

Abstain: Councilor Carpenter

3. Public Forum

Sharon Bushor: I think the changes to the fuel ordinance and private parking lot ordinance are good. The changes to the university inspection ordinance also look good. I would like for the privately-run dormitories at UVM to be covered by the ordinance.

4. 2026-2027 Meeting Schedule

The proposed 2026-2027 meeting schedule is available in the agenda packet on CivicClerk.

Councilor Bergman proposed eliminating the meetings on July 2, and August 7. He further proposed to add the collaborative meetings with the Planning Commission, with the change of the September 8 meeting to September 22.

Motion to adopt the proposed meeting schedule with the amendments made by Councilor Bergman.

Motion by Councilor Bergman, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

5. University Exemption for Periodic Minimum Housing Inspection Ordinance Discussion

Attorney Sturtevant shared both the draft ordinance change and the draft self-certification form. Both of these forms are included in the agenda packet available on CivicClerk.

Councilor Carpenter said she would be interested in having contact information for facilities for each building required on the self-certification form.

Councilor Bergman said that the self-certification form should only say dormitories and not include the term ‘properties’. He also added that he would like the phrase ‘escalate a complaint’ to be changed or removed so that every dormitory tenant is treated the same as any other tenant.

Bill Ward (Director of DPI) said that when someone makes a complaint one of the first questions is whether they have already notified their landlord. He added that DPI does not currently have the capacity to review hundreds or thousands more complaints directly from students and that working with school facilities teams is the best first step.

Councilors agreed on changing the language on the top of page two of the self-certification form to read “Residents are instructed on how to make a housing complaint to the university/college staff in order to resolve applicability issues. Additionally, they are informed that they have the right to complain to the City of Burlington.”

All councilors agreed that the self-certification form should include more information about the dormitories, such as number of floors and rooms.

6. Fuel Purchase Ordinance

Attorney Sturtevant shared the most recent draft of the consumer protection ordinance. This draft ordinance is available in the agenda packet on CivicClerk.

Bill Ward said that it is the bank or lending institution that sets the value of the hold on a card and not a matter of gas station policy.

Motion to remove the language regarding the dollar amount of a hold and the length of time of the hold because these values are not determined by the gas station, and to refer the draft ordinance back to the full council for a first reading, and to notify the local gas stations of the new ordinance changes.

Motion by Councilor Bergman, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

7. Private Parking Lot Terms and Rates Ordinance

Attorney Sturtevant shared the most recent draft of the consumer protection ordinance. This draft ordinance is available in the agenda packet on CivicClerk.

Motion to refer the draft ordinance back to the full City Council for first reading, and to notify the owners' of effected parking lots of the ordinance changes.

Motion by Councilor Barlow, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

8. CDO – ZA-26-02 PlanBTV Downtown Code Fences

Attorney Sturtevant said that the particular fence that raised this question is in the midst of coming to a resolution.

Councilor Carpenter said she is fine with allowing six foot fences for alleys and loading docks, but not chain link.

Councilor Bergman said he would like to remove the draft change in section B under Sec. 14.6.8(A) v. A-B that would allow chain link for alleyways and loading docks.

Councilor Bergman said that the Committee will defer any action on this ordinance for the time being.

9. Any Other Committee Business

No other Committee business.

10. Adjournment

Motion to adjourn by Councilor Bergman, without objection.

The meeting was adjourned at 6:46 PM.

Ordinance Committee
Friday, May 1, 2026
Bushor Conference Room, City Hall
or Remote via Zoom. Burlington, Vermont
DRAFT MINUTES

Members Present: Councilor Bergman (Chair), Councilor Barlow, Councilor Carpenter

Staff Present: Kim Sturtevant (Assistant City Attorney), Kara Alnasrawi (Interim Chief of Staff), Will Clavelle (Interim CEDO Director), Bill Ward (Director of DPI), Traci Isham (DFA), Caleb Manna (DPW), Philip Peterson (DPW)

Public Present: Sharon Bushor, Wendy Koenig, Alicia Estey, Amanda Clayton

Meeting called to order at 2:02 PM.

1. Adopt the Agenda
1.1 Adopt the Agenda

Motion to Adopt Agenda.

Motion by Councilor Barlow, Seconded by Councilor Bergman.

Final Resolution: Motion Passes

Yes: Unanimous

2. Adopt Draft Minutes
2.1 Adopt Draft Minutes from April 23, 2026

No minutes available to adopt.

Councilor Carpenter arrived at 2:04 PM.

3. Public Forum

Marek Broderick: I am the City Councilor for Ward Eight. I like the changes to the UVM and dorm materials. I am advocating for keeping the 2.5% gross receipts tax rate instead of allowing it to sunset back to 2%. I believe consumption taxes are regressive and we should move to a more equitable taxation system, but the City cannot afford to lose the \$900k in revenue. Allowing this to sunset will not increase business downtown, particularly for restaurants. I know people consider the menu price but rarely are people thinking about the 2.5% gross receipts tax. The bigger problems are pointless wars, exploitative landlords, and high food costs due to climate change.

Sharon Bushor: I want to thank City staff for working on the UVM inspection exemption ordinance and I like the current materials. I wonder if there is a way for a university to inform the City of ongoing dorm issues that haven't been resolved but are being worked on. There has been an increase in ebikes being used on sidewalks and there is danger of injury for pedestrians.

I want to support businesses and I think this tax is small factor and they actually need more security. I also think Grubhub and UBEREATS should be paying this gross receipts tax.

4. Gross Receipts Ordinance Discussion.

Kara Alnasrawi (Interim Chief of Staff), Will Clavelle (Interim CEDO Director), and Traci Isham (DFA) shared a presentation on the Gross Receipts Tax Ordinance change. This presentation is available in the agenda packet on CivicClerk.

Will Clavelle said that many small businesses have trouble when it comes to writing a check to the City for the taxes they owe and it would be easier to have the money automatically remit to the City like it does for the State.

Councilor Barlow said that the City has previously indicated that the 0.5% was a temporary measure. He said that South Burlington and Williston both have thriving business areas that now compete with Burlington. We are charging more taxes for hotels and restaurants than neighboring towns. He said he would like to repeal this tax increase.

Kara Alnasrawi said the ordinance change would allow the City to hold businesses like UBEREATS accountable for the taxes they owe and make it easier for them to pay as well.

Councilor Carpenter said the tax increase was originally part of a stopgap while the City pursued an efficiency study. She said the City has not been able to come up with enough efficiency improvements to warrant lowering the tax back down and that the City needs to continue to improve on its efficiencies. She said that the bigger problems for downtown are safety issues and parking. She said that the Council can adjust taxes whenever it is necessary, so it was unwise to put the label on temporary on the original increase to the gross receipts tax.

Councilor Bergman said he has opposed the sunset of the tax increase. He added that the Progressive caucus never supported having a sunset on the gross receipts tax. He said that cutting revenue will add to a debt spiral. He said that Burlington has unique advantages, particularly the lake and the sunsets. He said that it would actually be anti-business to make cuts because the things that will be cut are good for businesses. He also added that the other changes to the ordinance also will be good for business and keep small businesses from having to pay interest after interest.

Councilor Bergman added that, despite knowing and liking everyone on the Council, he is outraged that there is debate over this tax at a time when the City needs the revenue. He said that whenever the City is no longer in need of the revenue or if economic policy requires it, then the Council can change the tax.

Councilor Barlow said that the budget has many moving parts, both expenditure decreases and revenue increases. He said that the unique boons that Burlington once had are not as unique or as important as they used to be. He added that Parks have raised their fees for events as well and there are other music venues outside of Burlington that have become more attractive for promoters.

Councilor Barlow asked for Kara Alnasrawi to bring back a previous report that was created regarding whether or not providing grants to specific small businesses would be effective or not.

Kara Alnasrawi said that the report was delivered in executive session. She added that the City did not ultimately give out funds to businesses last year, but Burlington City Arts (BCA) received some more money for downtown events and advertising.

Councilor Bergman asked DFA and the City Attorney's Office to look into how the removal or lowering of the local option tax on amusements would affect the budget.

5. University Exemption for Periodic Minimum Housing Inspection Ordinance Discussion

Attorney Sturtevant shared the most recent version of the draft ordinance. This draft of the ordinance is available in the agenda packet on CivicClerk.

Wendy Koenig (UVM) said that UVM is fine with the current draft ordinance changes and with the self-certification form.

Bill Ward said that the privately-managed and owned Redstone buildings are not subject to this ordinance and are inspected like any other apartment building in the City.

Councilor Bergman said that the issue of the definition of dormitory should be looked into later and not extend out the discussion on this ordinance.

Bill Ward said that issues or complaints about the inspection process for the City go to the Housing Board of Review for further review if necessary.

Motion to refer the draft ordinance back to the full City Council for second reading with a recommendation for adoption.

Motion by Councilor Barlow, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

6. Bicycle and Motor Vehicle Ordinance Discussion

Phillip Peterson and Caleb Manna gave an overview of the changes the Public Works would like to make to the bicycle ordinance.

Caleb Manna (DPW) responded to Sharon Bushor saying that sidewalks are primarily for pedestrian use, but bicycles are allowed on sidewalks outside of the city center. He said that DPW has been working with the Burlington Walk Bike Council and the Public Works Commission on this issue.

Phillip Peterson (DPW) said that motorized bicycles are prohibited on sidewalks city-wide.

Caleb Manna said that the ordinance changes are to accomplish two goals: conforming the Main Street bike lane to state law and addressing the new electric modes of transport that are becoming more popular like ebikes or scooters.

Councilor Carpenter said she would like ebikes to be banned on sidewalks in general. Councilor Barlow agreed and said he has seen motorized bikes on the greenway and on sidewalks.

Caleb Manna said this ordinance change is mostly about securing the Main Street bike lane but the definitions of different types of motorized bikes did spark a larger discussion.

Attorney Ramakrishnan said an interim measure in the draft ordinance already is that the reckless or careless operation of a motorized bicycle is an ordinance violation.

Caleb Manna said DPW wants to solicit public input for any prohibition on motorized bicycles before bringing it to the committee.

Councilor Bergman asked Attorney Ramakrishnan to draft language around the prohibition of motorized bicycles in certain areas.

Attorney Ramakrishnan said a technical change to be made the current draft ordinance is on line 139, which should also say “otherwise as written” so that we clear about not removing the definitions.

Councilor Bergman suggested coming back to the motorized bicycle definitions and permissible locations at the June 18th meeting.

Motion to refer the draft ordinance back to the full City Council with the technical change on line 139, with a recommendation for adoption.

Motion by Councilor Bergman, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

7. Any Other Committee Business

Attorney Sturtevant said there are City Circle ordinance changes coming up in June.

8. Adjournment

Motion to adjourn by Councilor Bergman, without objection.

The meeting was adjourned at 4:02 PM.

CITY OF BURLINGTON

ORDINANCE 6.7 (was 5.26)

Sponsor: Bergman
Public Hearing Dates: _____

In the Year Two Thousand Twenty-Six

First reading: 04/13/26
Referred to: Ordinance Committee

An Ordinance in Relation to

Rules suspended and placed in all stages of passage: _____

GROSS RECEIPTS

Second reading: _____

** repeat back to CC prior to the 6/1/26 CC mtg **

Action: _____

Date: _____

Signed by Mayor: _____

Published: _____

Effective: _____

It is hereby Ordained by the City Council of the City of Burlington as follows:

1 Chapter 21, Offenses & Miscellaneous Provisions, of the Code of Ordinances of the City of Burlington be
2 and hereby is amended by amending Sec. 31 (Restaurant, hotel, amusements and admissions taxes), thereof
3 to read as follows:

4 (I), as written.

5 (II) (A) to (B), as written

6 (II) (C) Short-Term Rental Tax: There is hereby imposed a business occupation tax upon all
7 persons engaged in operating short-term rentals within the City of Burlington. The tax imposed
8 shall be at a rate of nine (9) percent of gross receipts from taxable business, as herein defined, done
9 per monthly period in accordance with the provisions of this section and dedicated to the housing
10 trust fund. Notwithstanding any other provision of this section, whenever state meals and rooms tax
11 on a short-term rental is collectible from a "booking agent", as defined in 32 V.S.A. § 9202(20), as
12 the same may be amended from time to time, then the booking agent shall be the "taxpayer", as
13 defined in subsection (III)(H) of this section, but the operator of the short-term rental shall remain
14 liable for payment of the short-term rental tax if the booking agent fails to collect and remit the tax.

15 (II) (C) to (F), as written.

16 (II) (G) Temporary Tax Rate: Notwithstanding any other provision of this section, ~~the~~
17 ~~following temporary tax rates will apply for the fiscal year commencing on July 1, 2025, and ending~~
18 ~~on June 30, 2026:~~

19 ~~(1) — Tuntil July 1, 2027,~~ the restaurant, amusements, and admissions taxes on gross receipts
20 set forth in subsections (II)(A), (II)(D), and (II)(E) of this section shall be increased from two (2)
21 percent of gross receipts to two and one-half (2.5) percent; ~~and~~

22 ~~(2) — The short-term rental tax on gross receipts set forth in subsection (H)(C) of this section~~
23 ~~shall be divided to dedicate two (2) percent of revenues for general fund purposes, with the~~
24 ~~remaining seven (7) percent dedicated to the housing trust fund.~~

25 ~~Commencing July 1, 2026, said tax rates shall again be set as set forth in subsections (I)(A)~~
26 ~~through (I)(E) of this section.~~

27 (III) DEFINITIONS: For the purposes of this section, the following terms, phrases, words
28 and their derivations shall have the meanings given herein:

29 (A) to (I), *as written*.

30 (J) Restaurant means

31 (1) Every eating and drinking establishment operated within the City of Burlington,
32 including every restaurant, cafe, lunch counter, private and social club, bar, tavern, diner, cafeteria,
33 delicatessen, sandwich shop, or other place, where any food or food products are prepared and
34 delivered on premises to the purchaser ready to eat, or where beverages, including alcoholic
35 beverages, are served for consumption on premises, or both, and for which charge is made;

36 (2) All sites of athletic contests, shows, performances, movies, theaters and entertainment
37 places where food, beverages, including alcoholic beverages, or refreshments are sold for
38 consumption on premises; or

39 (3) A person who facilitates the sale and collects the charge in connection with any taxable
40 business (as the term “taxable business” is defined in subsection (III)(G)(1) of this section), through
41 an internet transaction or any other means. For greater clarity, where such a facilitator collects a
42 charge for taxable business on behalf of the operator of any facility described in the foregoing
43 subparagraphs (1) and (2), then the facilitator shall be the taxpayer and shall be required to register
44 with the treasurer, remit monthly sworn statements, and pay all taxes due for meals facilitated, as
45 describe in subsections (IV) and (V) of this section.

46 This term shall not include caterers who do not prepare and deliver food and beverages to
47 customers at the caterer’s place of business. ~~This term shall include all sites of athletic contests,~~
48 ~~shows, performances, movies, theaters and entertainment places where food, beverages, including~~
49 ~~alcoholic beverages, or refreshments are sold for consumption on premises.~~

50 (K), *as written*.

51 (IV) (A) to (D), *as written*.

52 (IV) (E) If the treasurer determines that a taxpayer has failed to pay any tax, penalty or
53 portion thereof due under this section, the treasurer shall mail to such taxpayer a statement showing
54 the balance due and shall add thereto a thirteen dollar (\$13.00) late penalty payment or interest at the
55 rate of twelve (12) percent per year one (1) percent of the unpaid balance, whichever is greater. That
56 unpaid balance and penalty total shall be subject to interest at a rate of twelve (12) percent per year
57 from the date of underpayment. Such interest shall accrue until the date of payment. Within five (5)
58 days from the date the statement is mailed, the taxpayer shall pay such balance and all interest due
59 thereon. No such demand shall be made more than four (4) years after the close of the fiscal year in
60 which the same accrued, except:

61 (1) As against a taxpayer who has been guilty of any fraud or misrepresentation of
62 material facts; or

63 (2) Where a taxpayer has executed a written waiver of such limitation.

64 (IV) (F) to (H), *as written*.

65 (V) to (XV), *as written*.

66 **This ordinance shall take effect upon the later of July 1, 2026, or on the 21st day after its**
67 **publication as prescribed in Section 49 of the City Charter**

68
69

70 * Material stricken out deleted.

71 ** Material underlined added.

72
73
74
75
76

ER/Ordinances 2026/Gross Receipts Ordinance



Gross Receipts Tax

Ordinance Committee

May 1, 2026

What falls under Burlington's Gross Receipts?

- Meals, Alcohol, Admissions, & Amusements = 2.5%
- Short Term Rentals ("AirBnB Tax") = 9% (dedicated to the Housing Trust Fund)
- Hotel/Motel ("Rooms Tax") = 4%

Current Estimated GR income for FY27 = **\$7M**

Impact of sunseting the 0.5% GR tax = **-\$870,000**



How a GR Tax Works

- Gross receipts tax is an “at the register” tax.
- It is **not** added to the listed/advertised price of the item.
- [VT Gross Receipts Law](#): Applicable State guidance states: *(a) Each operator shall state the amount of tax to each occupant and each purchaser of a taxable meal and alcoholic beverage, and shall charge the tax for each rental, meal, or beverage, and shall demand and collect the tax from such occupant or purchaser. The occupant or purchaser shall pay the tax to the operator and each operator shall be liable for the collection thereof.*
 - Businesses must be passing this tax on to the consumer as a separate item
 - Businesses should not be absorbing this tax – i.e. it is not be a direct cost to the business
- The State portion of GR tax is remitted directly to the State
- The City portion of GR tax is remitted directly to the City



How the Consumer Experiences GR Tax



Alimentari
196 Saint Paul Street
Burlington, VT 05401

Server: John H
Check #36
Guest Count: 1
Ordered:

4/30/26 12:28 PM

1 MILANESE \$13.00
1 Cappuccino \$5.50

← Sandwich and a capuccino

Subtotal \$18.50
Tax \$2.13
Tip \$2.78
Total \$23.41

← Subtotal \$18.50

Credit Card Contactless
Visa xxxxxxxx4087
Time 12:28 PM
Transaction Type Sale
Authorization Approved
Approval Code 04778D
Payment ID paygXpMzryNF
Application ID A0000000031010
Application Label VISA CREDIT
Card Reader BBPOS

← State & Municipal Tax combined = \$2.13 (11.5%)

- 9% State
- 2.5% City

VISA CARDHOLDER

Powered by Toast

Tax Breakdown

- State GR (11%) = \$1.67
- City GR
 - 2% = \$0.37
 - **0.5% = \$0.09**



Impact on Consumer Behavior

- **Tax Salience** (a concept in behavioral economics): refers to how visible or noticeable a tax is to the person paying it at the moment they make an economic decision.
 - Taxes that are not fully visible at the decision point (low salience) tend to have a weaker effect on consumer behavior than equally sized, highly visible taxes*
 - Consumers underreact to taxes that not salient*

*Chetty, Raj, Adam Looney, and Kory Kroft. 2009. "Salience and Taxation: Theory and Evidence." *American Economic Review* 99, no. 4: 1145–1177.
<https://doi.org/10.1257/aer.99.4.1145>



QUESTIONS AND DISCUSSION



MEMORANDUM

TO: City Council
FROM: Katherine Schad, Chief Administrative Officer
DATE: April 13, 2026
RE: Updates to Gross Receipts Ordinance
CC: Erik Ramakrishnan, Esq.

Executive Summary

The City is looking at updating its [gross receipts ordinance](#) in three areas, including:

- (1) Applying the tax to marketplace facilitators, similarly to the state's meals and rooms tax.
- (2) Updating penalty provisions to match past practice.
- (3) Extending the temporary increase in gross receipts tax from 2% to 2.5%.

Background

First we propose updating the ordinance to ensure that the restaurant tax applies places beyond restaurants, such as places of entertainment that sell food or alcohol, and to ensure that the short-term rental tax applies beyond operators to booking agents. The current gross receipts ordinance allows the City only to collect gross receipts directly from the person or business providing the service, such as a restaurant or short-term rental operator. The ordinance has not been updated to account for the advent of the role of marketplace facilitators (these are commonly known as third-party apps and examples include GrubHub, UberEats, VRBO, AirBnB, etc) and so the City is not able to effectively collect the money owed from these facilitators.

Second we propose updating the ordinance to align penalty provisions to past practice.

Lastly, the City raised the gross receipts rate from 2% to 2.5% in 2024 to share the burden of increased municipal costs. Gross receipts are a consumption tax, incurred when dining out or engaging in entertainment, incurred by those who are able to afford it. This 0.5% increase has brought in an additional \$950,000 each fiscal year. The 2.5% rate is currently scheduled to sunset on June 30, 2026 and the City proposes extending this rate indefinitely.

Further Discussion

Updates to Restaurant Tax

While the City commonly refers to this as the Gross Receipts Tax, it is broken down into four categories: restaurants, hotels, short-term rentals, amusements, and admissions taxes. The first set of changes clarifies that, similarly to the state's meals and rooms tax, the Restaurant Tax extends to any "person who facilitates the sale and collects the charge in connection with any taxable business, through an internet transaction or any other means."

In the modern marketplace, consumers often order their meals through delivery services, such as Uber Eats or Grub Hub, which collect payment from the consumer, including consumption taxes. Under state law, these marketplace facilitators are the responsible taxpayer for meals

and rooms tax. However, under the City's gross receipts ordinance, the restaurant is the taxpayer. This creates confusion and has created collections problems, which the City hopes to resolve by mirroring state law.

A similar problem exists in the context of short-term rentals, which typically are booked through booking agents like AirBNB or VRBO. Under state law, these platforms are responsible for collecting and remitting meals and rooms tax. Similarly to restaurants, that is not the case under the City's gross receipts ordinance, although AirBNB voluntarily provides this service under an agreement with the City. The proposed amendments would align the City's ordinance to state law.

Updates to Interest

The ordinance's current penalty and interest provisions state the following:

"If the treasurer determines that a taxpayer has failed to pay any tax, penalty or portion thereof due under this section, the treasurer shall mail to such taxpayer a statement showing the balance due and shall add thereto a thirteen dollar (\$13.00) late penalty payment or interest at the rate of twelve (12) percent per year, whichever is greater. That unpaid balance and penalty total shall be subject to interest at a rate of twelve (12) percent per year from the date of underpayment. Such interest shall accrue until the date of payment."

Read literally, this language suggests that as a penalty for nonpayment, taxpayers should be charged interest at a rate of 12%, and then charged compound interest at the same rate a second time. Historically the City's computer systems have instead been set up to charge a penalty of 1%, but not less than \$13, plus interest at a rate of 12%.

The City is currently setting up a new computer system that will better track payments to assist with collections. In the process, staff has discovered the discrepancy between past practice and the text of the ordinance. Staff recommends codifying past practice to facilitate collections. Ultimately, the City is trying to collect the principal, but delinquent taxpayers are actually less likely to become current on their accounts if they cannot afford excessive penalties.

Gross Receipts Rate

The City raised the gross receipt rate for restaurants, amusements and admissions taxes from 2% to 2.5% in August 2024. This decision to raise the rate was made after careful consideration and in coordination with multiple ways to close the budget gap. The rate was originally increased for one fiscal year and then the increase was extended for an additional fiscal year. The City is now seeking to make the 2.5% rate permanent in recognition that the additional \$950,000 that it raises is integral to the general fund budget. As the vast majority of businesses pass this tax on to the consumer, the City has received feedback that changing the rate again would be confusing for both businesses and their consumers. The additional 0.5% is a way for the City to gain almost an additional \$1M of revenue from not just property taxpayers but also visitors from both near and far, allowing municipal costs to be borne by more people.

Next Steps

The City Council is asked to waive and approve the first reading of the ordinance and to refer it to the Ordinance Committee. Then the proposed language would be reviewed and marked-up

in detail in the Ordinance Committee before coming back to the City Council for second reading. To take effect immediately in the new fiscal year, the second reading will need to occur no later than the June 1, 2026 City Council meeting.

Requested Motion

To waive and approve the first reading of the proposed gross receipts ordinance and to refer it to the Ordinance Committee to report back prior to the June 1, 2026 City Council meeting.

21-31 **Restaurant, and hotel, amusements and admissions taxes.**

(I) *As written.*

(II) *TAXES IMPOSED:*

(A) to (B), *as written*

(C) *Short Term Rental Tax:* There is hereby imposed a business occupation tax upon all persons engaged in operating short term rentals within the City of Burlington. The tax imposed shall be at a rate of nine (9) percent of gross receipts from taxable business, as herein defined, done per monthly period in accordance with the provisions of this section and dedicated to the housing trust fund. Notwithstanding any other provision of this section, whenever state meals and rooms tax on a short-term rental is collectible from a "booking agent", as defined in 32 V.S.A. § 9202(20), as the same may be amended from time to time, then the booking agent shall be the "taxpayer", as defined in subsection (II)(H) of this section, but the operator of the short-term rental shall remain liable for payment of the short-term rental tax if the booking agent fails to collect and remit the tax.

~~(D) — *Amusements Tax:* There is hereby imposed a business occupation tax upon all persons engaged in the business of operating places of amusement, including, but not limited to, pool halls, arcades, bowling alleys, or operating any establishment making available use of amusement devices of whatever name or character within the City of Burlington. The tax imposed shall be at the rate of two (2) percent of taxable business, as defined herein, done per monthly period in accordance with the provisions of this section.~~

~~(E) — *Admissions Tax:* There is hereby imposed a tax on admissions to circuses, menageries, carnivals, cinemas, shows of every kind, plays, athletic contests, exhibitions or entertainments for money of whatever name or character except those of educational or nonprofit institutions or organizations or wholly for charitable purposes. The tax imposed shall be at the rate of two (2) percent of the gross receipts from such admissions, as defined herein, done per monthly period in accordance with the provisions of this section.~~

~~(F) *Compliance Required:* It shall be unlawful for any person to transact or carry on any business, occupation or activity subject to the provisions of this section without complying with all applicable provisions herein.~~

~~(G) *Temporary Tax Rate:* Notwithstanding any other provision of this section, the following temporary tax rates will apply for the fiscal year commencing on July 1, 2025, and ending on June 30, 2026:~~

~~(1) — *Until July 1, 2027, the restaurant, amusements, and admissions taxes on gross receipts set forth in subsections (II)(A), (II)(D), and (II)(E) of this section shall be increased from two (2) percent of gross receipts to two and one-half (2.5) percent, and*~~

~~(2) — *The short term rental tax on gross receipts set forth in subsection (II)(C) of this section shall be divided to dedicate two (2) percent of revenues for general fund purposes, with the remaining seven (7) percent dedicated to the housing trust fund.*~~

~~Commencing July 1, 2026, said tax rates shall again be set as set forth in subsections (I)(A) through (I)(E) of this section.~~

~~(G) *Burlington Vitality Fund:* Commencing July 1, 2026 and in each fiscal year thereafter, ten (10) percent of the total taxes collected from the restaurant and hotel and motel taxes imposed by subsections II(A) and (B) shall be set aside on a specific gross receipts line item for the city council to annually appropriate to the city's various departments for the purpose of supporting municipal events, enhanced security in the downtown improvement district established by section 321 of the City Charter, and efforts to market and promote the city.~~

(III) *DEFINITIONS:* For the purposes of this section, the following terms, phrases, words and their derivations shall have the meanings given herein:

(A) *Person* means any individual, ~~male or female~~, estate, trust, receiver, cooperative association, domestic and foreign corporation, syndicate, joint stock corporation, partnership of any kind, club and society.

(B) to (C), *as written*

(D) *Gross Receipts* means the total amounts received or receivable and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed when such act or service is done as part of or in connection with a ~~taxable admission or a~~ taxable business as herein defined. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deductions therefrom on account of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from "gross receipts" shall be the following:

(1) Cash discounts allowed and taken. For the purpose of this section, "cash discount" means a deduction from the invoice price of goods or charge for services which is allowed if the bill is paid on or before a specified date.

(2) Any tax required by Chapter 225 or Chapter 233 of Title 32 Vermont Statutes Annotated.

(E) to (F), *as written*

(G) *Taxable Business* means:

(1) Sales of any food or food products prepared on premises and delivered to the purchaser ready to eat, or of beverages, including alcoholic beverages, served for consumption on premises, but shall not include:

(a) Meals served on the premises of day care centers, nurseries, kindergartens, elementary or secondary schools;

(b) Meals prepared by the employees thereof and served to the patients or wards of any hospital, convalescent home, sanitorium, group home, nursing home or home for the aged;

(c) Meals furnished to the elderly pursuant to the Older Americans Act 42 USC, Chapter 35, Subchapter VII;

(d) Meals sold by nonprofit organizations at bazaars, fairs picnics, church suppers or similar events.

(2) Rental of hotel and motel rooms including the conduct of incidental activities such as conduct of conventions, seminars and meetings on hotel or motel premises.

~~(3) — Charges of any kind received, including admission or minimum charges for the use of pool halls, billiard tables, bowling alleys, arcades, electric amusement devices, mechanical amusement devices, or the use of other places of amusement or of amusement devices of whatever name and character.~~

(H) to (I), *as written*

(J) *Restaurant* means

(1) ~~e~~Every eating and drinking establishment operated within the City of Burlington, including every restaurant, cafe, lunch counter, private and social club, bar, tavern, diner, cafeteria, delicatessen, sandwich shop, or other place, where any food or food products are prepared and delivered on premises to the purchaser ready to eat, or where beverages, including alcoholic beverages, are served for consumption on premises, or both, and for which charge is made.;

(2) All sites of athletic contests, shows, performances, movies, theaters and entertainment places where food, beverages, including alcoholic beverages, or refreshments are sold for consumption on premises; or

(3) A person who facilitates the sale and collects the charge in connection with any taxable business (as the term "taxable business" is defined in subsection (III)(G)(I) of this section), through an internet transaction or any other means. For greater clarity, where such a facilitator collects a charge for taxable business on behalf of the operator of any facility described in the foregoing subparagraphs (1) and (2), then the facilitator shall be the taxpayer and shall be required to register with the treasurer, remit monthly sworn statements, and pay all taxes due for meals facilitated, as describe in subsections (IV) and (V) of this section.

This term shall not include caterers who do not prepare and deliver food and beverages to customers at the caterer's place of business. ~~This term shall include all sites of athletic contests, shows, performances, movies, theaters and entertainment places where food, beverages, including alcoholic beverages, or refreshments are sold for consumption on premises.~~

(K), *as written*

(IV) *TAX-WHEN DUE:*

(A) Every taxpayer subject to the provisions of this section shall file within thirty (30) days of the effective date hereof an application with the treasurer for a taxpayer identification number. This application shall contain the legal name of the taxpayer, any trade name(s) employed, the address, place(s) of business within the city, principal place of business, phone number, authorized agent for service of process, the type(s) of ~~taxable admissions received by the taxpayer and that~~ taxable business(es) in which the taxpayer is engaged. Upon receipt of a complete application, the treasurer shall issue to each taxpayer an identification number. Failure of a taxpayer, or anyone reasonable likely to be a taxpayer as herein defined at the time that levy of the taxes herein commences, to file for an identification number shall be a violation.

(B) to (D), *as written*

(E) If the treasurer determines that a taxpayer has failed to pay any tax, penalty or portion thereof due under this section, the treasurer shall mail to such taxpayer a statement showing the balance due and shall add thereto a thirteen dollar (\$13.00) late penalty payment or ~~one (1) percent of the unpaid balance interest at the rate of twelve (12) percent per year~~, whichever is greater. That unpaid balance and penalty total shall be subject to interest at a rate of twelve (12) percent per year from the date of underpayment. Such interest shall accrue until the date of payment. Within five (5) days from the date the statement is mailed, the taxpayer shall pay such balance and all interest due thereon. No such demand shall be made more than four (4) years after the close of the fiscal year in which the same accrued, except"

- (1) As against a taxpayer who has been guilty of any fraud or misrepresentation of material facts; or
- (2) Where a taxpayer has executed a written waiver of such limitation.

(F) to (H), *as written*

(V) to (XV), *as written*

CITY OF BURLINGTON

ORDINANCE _____

Sponsor: Board of Finance
Public Hearing Dates: _____

In the Year Two Thousand Twenty-Six

First reading: _____

Referred to: _____

Rules suspended and placed in all

An Ordinance in Relation to

stages of passage:

GROSS RECEIPTS

It is hereby Ordained by the City Council of the City of Burlington as follows:

1 Chapter 21, Offenses & Miscellaneous Provisions, of the Code of Ordinances of the City of Burlington be
2 and hereby is amended by amending Sec. 31 (Restaurant, hotel, amusements and admissions taxes), thereof
3 to read as follows:

4 (I), as written.

5 (II) (A) Restaurant Tax: There is hereby imposed a business occupation tax upon all persons
6 engaged in the restaurant business of whatever name or character in the City of Burlington. The tax
7 imposed shall be at the rate of two and one-half (2.5) percent of the gross receipts from taxable
8 business, as defined herein, done per monthly period in accordance with the provisions of this
9 section.

10 (B), as written

11 (C) Short-Term Rental Tax: There is hereby imposed a business occupation tax upon all
12 persons engaged in operating short-term rentals within the City of Burlington. The tax imposed
13 shall be at a rate of nine (9) percent of gross receipts from taxable business, as herein defined, done
14 per monthly period in accordance with the provisions of this section and dedicated to the housing
15 trust fund. Notwithstanding any other provision of this section, whenever state meals and rooms tax
16 on a short-term rental is collectible from a "booking agent", as defined in 32 V.S.A. § 9202(20), as
17 the same may be amended from time to time, then the booking agent shall be the "taxpayer", as
18 defined in subsection (III)(H) of this section, but the operator of the short-term rental shall remain
19 liable for payment of the short-term rental tax if the booking agent fails to collect and remit the tax.

20 (D) to (F), as written.

21 ~~(G) Temporary Tax Rate: Notwithstanding any other provision of this section, the following~~
22 ~~temporary tax rates will apply for the fiscal year commencing on July 1, 2025, and ending on June~~
23 ~~30, 2026:~~

24 ~~(1) — until July 1, 2027,.~~

25 ~~(2) — The short term rental tax on gross receipts set forth in subsection (II)(C) of this section~~
26 ~~shall be divided to dedicate two (2) percent of revenues for general fund purposes, with the~~
27 ~~remaining seven (7) percent dedicated to the housing trust fund.~~

28 ~~Commencing July 1, 2026, said tax rates shall again be set as set forth in subsections (I)(A)~~
29 ~~through (I)(E) of this section.~~

30 (III) DEFINITIONS: For the purposes of this section, the following terms, phrases, words
31 and their derivations shall have the meanings given herein:

32 (A) to (I), *as written*.

33 (J) Restaurant means

34 ~~(1) eE~~Every eating and drinking establishment operated within the City of Burlington,
35 including every restaurant, cafe, lunch counter, private and social club, bar, tavern, diner, cafeteria,
36 delicatessen, sandwich shop, or other place, where any food or food products are prepared and
37 delivered on premises to the purchaser ready to eat, or where beverages, including alcoholic
38 beverages, are served for consumption on premises, or both, and for which charge is made;

39 ~~(2) All sites of athletic contests, shows, performances, movies, theaters and entertainment~~
40 ~~places where food, beverages, including alcoholic beverages, or refreshments are sold for~~
41 ~~consumption on premises; or~~

42 ~~(3) A person who facilitates the sale and collects the charge in connection with any taxable~~
43 ~~business (as the term “taxable business” is defined in subsection (III)(G)(1) of this section), through~~
44 ~~an internet transaction or any other means. For greater clarity, where such a facilitator collects a~~
45 ~~charge for taxable business on behalf of the operator of any facility described in the foregoing~~
46 ~~subparagraphs (1) and (2), then the facilitator shall be the taxpayer and shall be required to register~~
47 ~~with the treasurer, remit monthly sworn statements, and pay all taxes due for meals facilitated, as~~
48 ~~describe in subsections (IV) and (V) of this section.~~

49 This term shall not include caterers who do not prepare and deliver food and beverages to
50 customers at the caterer’s place of business. ~~This term shall include all sites of athletic contests,
51 shows, performances, movies, theaters and entertainment places where food, beverages, including
52 alcoholic beverages, or refreshments are sold for consumption on premises.~~

53 (K), as written.

54 (IV) (A) to (D), as written.

55 (IV) (E) If the treasurer determines that a taxpayer has failed to pay any tax, penalty or
56 portion thereof due under this section, the treasurer shall mail to such taxpayer a statement showing
57 the balance due and shall add thereto a thirteen dollar (\$13.00) late penalty payment or ~~interest at the
58 rate of twelve (12) percent per year~~ one (1) percent of the unpaid balance, whichever is greater. That
59 unpaid balance and penalty total shall be subject to interest at a rate of twelve (12) percent per year
60 from the date of underpayment. Such interest shall accrue until the date of payment. Within five (5)
61 days from the date the statement is mailed, the taxpayer shall pay such balance and all interest due
62 thereon. No such demand shall be made more than four (4) years after the close of the fiscal year in
63 which the same accrued, except:

64 (1) As against a taxpayer who has been guilty of any fraud or misrepresentation of
65 material facts; or

66 (2) Where a taxpayer has executed a written waiver of such limitation.

67 (IV) (F) to (H), as written.

68 (V) to (XV), as written.

69 **This ordinance shall take effect upon the later of July 1, 2026, or on the 21st day after its**
70 **publication as prescribed in Section 49 of the City Charter**

71

72 * Material stricken out deleted.

73 ** Material underlined added.

74 ER/Ordinances 2026/Gross Receipts Ordinance

CITY OF BURLINGTON

ORDINANCE _____

Sponsor: Board of Finance
Public Hearing Dates: _____

In the Year Two Thousand Twenty-Six

First reading: _____

Referred to: _____

Rules suspended and placed in all

An Ordinance in Relation to

stages of passage:

GROSS RECEIPTS

It is hereby Ordained by the City Council of the City of Burlington as follows:

1 Chapter 21, Offenses & Miscellaneous Provisions, of the Code of Ordinances of the City of Burlington be
2 and hereby is amended by amending Sec. 31 (Restaurant, hotel, amusements and admissions taxes), thereof
3 to read as follows:

4 (I), as written.

5 (II) TAXES IMPOSED:

6 (A) Restaurant Tax: There is hereby imposed a business occupation tax upon all persons engaged in
7 the restaurant business of whatever name or character in the City of Burlington. The tax imposed shall be at
8 the rate of two and one-half (2.5) percent of the gross receipts from taxable business, as defined herein, done
9 per monthly period in accordance with the provisions of this section.

10 (B), as written

11 (C) ~~Short-Term Rental Tax~~: There is hereby imposed a business occupation tax upon all persons
12 engaged in operating short-term rentals within the City of Burlington. The tax imposed shall be at a rate of
13 nine (9) percent of gross receipts from taxable business, as herein defined, done per monthly period in
14 accordance with the provisions of this section and dedicated to the housing trust fund. Notwithstanding any
15 other provision of this section, whenever state meals and rooms tax on a short-term rental is collectible from
16 a "booking agent", as defined in 32 V.S.A. § 9202(20), as the same may be amended from time to time, then
17 the booking agent shall be the "taxpayer", as defined in subsection (III)(H) of this section, but the operator of
18 the short-term rental shall remain liable for payment of the short-term rental tax if the booking agent fails to
19 collect and remit the tax.

20 (D) Amusements Tax: There is hereby imposed a business occupation tax upon all persons engaged
21 in the business of operating places of amusement, including, but not limited to, pool halls, arcades, bowling
22 alleys, or operating any establishment making available use of amusement devices of whatever name or

23 character within the City of Burlington. The tax imposed shall be at the rate of two and one-half (2.5) percent
24 of taxable business, as defined herein, done per monthly period in accordance with the provisions of this
25 section.

26 (E) *Admissions Tax*: There is hereby imposed a tax on admissions to circuses, menageries,
27 carnivals, cinemas, shows of every kind, plays, athletic contests, exhibitions or entertainments for money of
28 whatever name or character except those of educational or nonprofit institutions or organizations or wholly
29 for charitable purposes. The tax imposed shall be at the rate of two and one-half (2.5) percent of the gross
30 receipts from such admissions, as defined herein, done per monthly period in accordance with the provisions
31 of this section.

32 (F), *as written*.

33 ~~(G) *Temporary Tax Rate*: Notwithstanding any other provision of this section, the following~~
34 ~~temporary tax rates will apply for the fiscal year commencing on July 1, 2025, and ending on June 30, 2026:~~

35 ~~(1) — until July 1, 2027,.~~

36 ~~(2) — The short term rental tax on gross receipts set forth in subsection (II)(C) of this section shall~~
37 ~~be divided to dedicate two (2) percent of revenues for general fund purposes, with the remaining seven (7)~~
38 ~~percent dedicated to the housing trust fund.~~

39 ~~Commencing July 1, 2026, said tax rates shall again be set as set forth in subsections (I)(A) through~~
40 ~~(I)(E) of this section.~~

41 (III) DEFINITIONS: For the purposes of this section, the following terms, phrases, words and their
42 derivations shall have the meanings given herein:

43 (A) to (I), *as written*.

44 (J) Restaurant means:

45 (1) Every eating and drinking establishment operated within the City of Burlington, including every
46 restaurant, cafe, lunch counter, private and social club, bar, tavern, diner, cafeteria, delicatessen, sandwich
47 shop, or other place, where any food or food products are prepared and delivered on premises to the
48 purchaser ready to eat, or where beverages, including alcoholic beverages, are served for consumption on
49 premises, or both, and for which charge is made;

50 (2) All sites of athletic contests, shows, performances, movies, theaters and entertainment places
51 where food, beverages, including alcoholic beverages, or refreshments are sold for consumption on premises;
52 or

53 (3) A person who facilitates the sale and collects the charge in connection with any taxable business
 54 (as the term “taxable business” is defined in subsection (III)(G)(1) of this section), through an internet
 55 transaction or any other means. For greater clarity, where such a facilitator collects a charge for taxable
 56 business on behalf of the operator of any facility described in the foregoing subparagraphs (1) and (2), then
 57 the facilitator shall be the taxpayer and shall be required to register with the treasurer, remit monthly sworn
 58 statements, and pay all taxes due for meals facilitated, as describe in subsections (IV) and (V) of this section.

59 This term shall not include caterers who do not prepare and deliver food and beverages to customers
 60 at the caterer’s place of business. ~~This term shall include all sites of athletic contests, shows, performances,~~
 61 ~~movies, theaters and entertainment places where food, beverages, including alcoholic beverages, or~~
 62 ~~refreshments are sold for consumption on premises.~~

63 (K), as written.

64 (IV) (A) to (D), as written.

65 (IV) (E) If the treasurer determines that a taxpayer has failed to pay any tax, penalty or portion
 66 thereof due under this section, the treasurer shall mail to such taxpayer a statement showing the balance due
 67 and shall add thereto a thirteen dollar (\$13.00) late penalty payment or ~~interest at the rate of twelve (12)~~
 68 ~~percent per year~~ one (1) percent of the unpaid balance, whichever is greater. That unpaid balance and penalty
 69 total shall be subject to interest at a rate of twelve (12) percent per year from the date of underpayment. Such
 70 interest shall accrue until the date of payment. Within five (5) days from the date the statement is mailed, the
 71 taxpayer shall pay such balance and all interest due thereon. No such demand shall be made more than four
 72 (4) years after the close of the fiscal year in which the same accrued, except:

73 (1) As against a taxpayer who has been guilty of any fraud or misrepresentation of material facts;

74 or

75 (2) Where a taxpayer has executed a written waiver of such limitation.

76 (IV) (F) to (H), as written.

77 (V) to (XV), as written.

81 * Material stricken out deleted.

82 ** Material underlined added.

83 ER/Ordinances 2026/Gross Receipts Ordinance