

PHILIP B. SCOTT
Governor



State of Vermont
OFFICE OF THE GOVERNOR

March 20, 2018

Vermont General Assembly
115 State Street
Montpelier, VT 05633

Dear Legislators:

If we work together with a focus on pro-growth policies, and diligently work to ensure the costs of state government do not increase more than wages, Vermont's economy can again grow faster than the costs of living; our state can be measurably more affordable each year for families and businesses; and we can more sustainably meet our obligations to the most vulnerable. These are the priorities of my Administration.

With these priorities in mind, and with respect for the Legislature's process, I write to reiterate my opposition to new taxes or fees in this biennium and provide 13 examples of problematic bills below.

As we did last year, we need to provide Vermonters a break – an opportunity to keep more of what they earn – and I am fully committed to ensuring they receive that relief. However, many of the bills with new or higher taxes or fees also contain other good ideas on which we can agree.

My request is simple: let's work together to find ways for many of these proposals to advance, while respecting the need to provide Vermonters with another year of relief that begins to moderate the burden of taxes and fees.

Though this is not a full list, here are some examples of bills containing new or higher taxes, fees and expenses I cannot support:

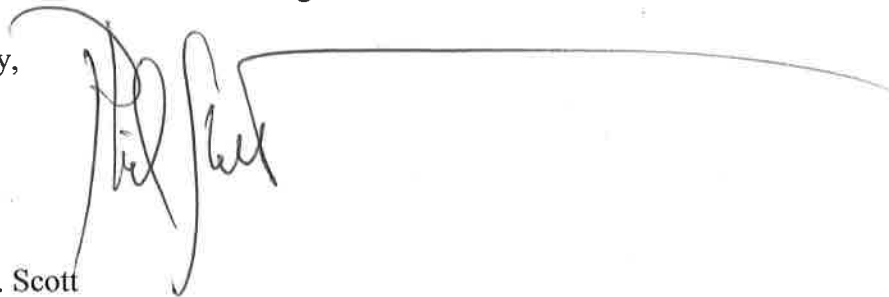
- **H.560:** Requires the executive branch to determine a fee for a stewardship program.
- **H.582:** Increases the Universal Service fee on retail telecommunication services.
- **H.725:** Imposes a new annual fee on transportation network companies.
- **H.763:** Allocates scarce state resources to study a carbon tax – a policy Vermonters cannot afford, and I will not support on the state level under any circumstance.
- **H.764:** Establishes an annual registration fee.
- **H.791:** Proposed to create a tax on carbon.

- **H.911:** Imposes an income tax surcharge on all Vermonters, making the state's top marginal income tax rate the third highest in the country. Creates a new tax on a category of renters. Creates a new tax on a category of investors in Vermont companies. Punishes a segment of income tax payers for changes made by the federal government.
- **H.922:** Assess a new tax on electronic cigarettes; creates a new fee that can be assessed by the Green Mountain Care Board.
- **S.40:** Increases business costs and factors of production that will increase prices of goods and services.
- **S.85:** Imposes a surcharge on all businesses when they file required annual reports under Title 11A – 11C.
- **S.197:** Increases the cost of liability insurance on manufacturers to the point of making the cost and availability a potentially insurmountable barrier to doing business in Vermont.
- **S.204:** Imposes a new fee on short-term rentals.
- **S.260:** Requires the design of a fee (also violates the separation of powers between the legislative and executive branches of government).

Again, aside from these new or higher taxes and fees, many of these bills contain provisions I could support. Let's work together to find ways to advance some of these proposals, while ensuring Vermonters can keep more of what they earn again this year.

My team and I look forward to working with you to resolve these concerns and reach an expeditious conclusion to the legislative session.

Sincerely,

A handwritten signature in black ink, appearing to read 'Phil Scott', with a long horizontal line extending to the right.

Philip B. Scott
Governor

PBS/kp

- c: The Honorable Mitzi Johnson, Speaker of the House
The Honorable Tim Ashe, President Pro Tempore
The Honorable David Zuckerman, Lt. Governor
The Honorable William MaGill, Clerk of the Vermont House of Representatives
The Honorable John Bloomer, Secretary of the Vermont Senate