

*Below is the table I presented at the Bennington meeting this afternoon. It is preceded by a note I sent to the Bennington legislative members late last year which explains the initial inquiry and my conclusions. Thanks again for your time and efforts.*

I wanted to share the figures below which I recently requested from our Department of Taxes. As you can see, the existing Use Tax gets 6.7% response from our tax paying public. With an average of \$56.25 per return in 2011 it suggests a potential \$16,470,450 in uncollected taxes. That is assuming the average reflects an accurate return on the part of those who actually file. I suggest that if over 93% of the filers don't even recognize the tax, the folks that do may even be a little light on what they declare. After all, if you are paying a tax that you know your neighbors are not paying, why worry about full disclosure? I know when I pay use tax at the end of each quarter for my business, the question of 'how many competitors pay it?' enters my mind every time.

I have suggested to several of you recently that in the constant battle to find new funding sources, we have an obligation to optimize the existing sources first. I suggest we need an effort to publicize, perhaps rename, the Use Tax, so folks understand it. "I buy it out of state so I don't have to pay sales tax" is a common misnomer, but is the result of our neglect of this tax. Not only do we pass on the tax, we encourage our citizens to shop out of state, further reducing our revenues and hampering Vermont businesses.

I have mentioned to some of you that I would like to see us explore the extension of a sales tax on financial instruments. I am still convinced that would be a giant step toward easing our budget challenges, and encourage you to continue to consider that. Both of these initiatives would allow us to increase our revenue without going back to the folks who are already paying proper taxes and simply ask for more.

Thank you as always for your efforts on our behalf.

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Sincerely,  
Greg Van Houten  
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To: G VH <[greg@gvhstudio.com](mailto:greg@gvhstudio.com)>  
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Dear Mr. Van Houten,

I received your message regarding information on use tax. The Joint Fiscal Office has shared their records on the percentage of filers reporting use tax on their personal income tax returns. I am including some of the most recent years from those records and we have recently updated the data for 2011. I realize this does not completely answer your question but it may serve as a reference.

Year	Number of Taxpayers	Total Reporting Amount	Average Amount Reported	Percent of Filers
2008	309,859	25,214 \$	819,765 \$	32.51
2009	306,841	24,148 \$	819,386 \$	33.93
2010	309,097	20,661 \$	1,062,814 \$	51.44
2011	313,955	21,147 \$	1,189,418 \$	56.25

Source: Vermont Joint Fiscal Office and Department of Taxes

Best regards,

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