

H. 324 – Rep. Pearson’s revenue ideas

1. Bank Franchise Tax (pay higher of BFT or corporate income)
currently 0.000096 of the average monthly deposit
banks have expanded into services, etc **\$5.0 million**
2. Tax capital gains as ordinary income
currently exempt first \$5,000 **\$11.0 million**
3. Property Transfer Tax per 0.25% value > \$500K
adds 3rd tier for high-value properties **\$1.5 million**
4. Estate Tax – reduce exemption from \$2.75 to \$1 million
brings into line with neighboring states **\$1.9 million**
5. Income Tax Top Bracket Collapse
brings actual rates closer to marginal rates **\$20.0 million**
6. Vermont Alternative Minimum Tax
parallel’s federal structure **\$1.0 million**
7. Escheat (unclaimed bottle deposits)
reclaim the nickels **\$1-2 million**
8. Natural Resources Extraction Taxes
Groundwater extraction 28 cents per gallon
Earth Resources extraction 2 cents per cubic yard
We are one of only 11 states without one **\$4.5 million**
9. Eliminate Sales Tax Exemptions
Bottled Water **\$1.0 million**
Clothing > \$100 **\$2.2 million**
We don’t need bottled water
People buying \$120 sweater can afford \$7.20

Percent Change in Adjusted Gross Income in Vermont, 2012 vs. 2009 by Income Class

