



March 16, 2015

House Appropriations Committee

Rep. Mitzi Johnson Chair

Committee Members

Re: Budget and Funding of Tourism Marketing

Committee Members:

I understand the tremendous pressure the committee is under this session to find palatable means of balancing the state's budget in the face of such an enormous deficit. With cross-over looming, I know the committee is expected to present their recommendations this week.

I have many thoughts on the deficit, taxes and spending cuts. However, I want to site just two issues.

First: Your committee and The Legislature as a whole, needs to consider a multi-year approach to addressing the current deficit, especially in light of the projected deficits for the following two fiscal years. A strategic multi-year plan that addresses both spending and revenue will have less of a dramatic consequence on taxpayers and on essential services Vermonters depend and rely on. Businesses often cannot take the drastic measures in a single year needed to recoup from a bad fiscal year; often it is a combination of borrowing money short-term, deeply reducing expenses as quickly as possible, combined with action to increase revenues.

Second: The committee needs to recognize that marketing our state to tourists is not an expense, it is an investment that returns many multiples on the investment. Tourists exert the least pressure on our state's resources and services such as schools, municipal services, etc. The Rooms & Meals taxes along with a considerable portion of the Sales Tax revenue is a sizable portion of the revenue to our state. We need to support the tourism marketing efforts and I would argue that if this were a business, we should increase our investment in marketing in order to generate greater revenue.

I realize the committee has tough choices ahead, I ask for your consideration of these points in deliberations this week.

Respectfully,

Marc Sherman

Legislative Committee Chair

Vermont Retail and Grocers Association

[marc@stowemercantile.com](mailto:marc@stowemercantile.com) 802-253-4554