

## Rationale in Supports of a Higher Tax Threshold

A higher tax threshold is needed to foster, support, and to encourage growth to this value added Vermont based industry.

- We do not want the existing tier “Cliff” to prevent us from growing this very important Industry as the Industry adds value to:
  - o Agriculture
  - o Employment
  - o Branding Vermont and the Integrity of Vermont Products
  - o Increased Tax Revenue from product sales from both the DLC and Distiller’s sales
  - o The overall attractiveness to Vermont’s leading economic driver, Tourism
  
- We want to expand our support of agriculture through initiatives such as proximity sourcing, proper farm compensation and building sustainable connections with local sources.
- We want to employ more Vermonters which provide direct contribution to the State of Vermont. These employees are not only helping to produce the products, they are out at special events and Farmers’ Markets promoting Vermont.
  - o Vermont Distilled Spirits sold at Farmers’ Markets, Special Events, and Retail Mfg.
    - FY10 \$110,045
    - FY11 \$284,174
    - FY12 \$702,275
    - FY13 \$970,909
    - FY14 \$1,484,691
    - FY15 \$1,700,000 (Estimate)
  
- We want to continue to strengthen the Vermont brand by introducing more high quality well made products and marketing them and Vermont throughout the United States. This positive exposure and association benefits All Vermont Made Products.
- We want to spend more money marketing which translates to direct contribution to the State of Vermont. The Vermont Distilled Spirits companies are growing at a rapid rate and we are using our own Marketing dollars to generate sales at the State Liquor Stores.
  - o Vermont Distilled Spirits sold at State Liquor Stores
    - FY10 \$533,448
    - FY11 \$752,865
    - FY12 \$1,116,603
    - FY13 \$1,766,265
    - FY14 \$2,796,090
    - FY15 \$3,345,538
  
- The industry’s continued growth will contribute to the growth of the \$1.42 Billion Direct Visitor spending as tourist travel to the state to visit our Distilleries and spend on lodging, food and beverage, gasoline, groceries, recreation and entertainment and other discretionary items.