

# Vermont Legislative Joint Fiscal Office

---

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

## *FISCAL NOTE*

April 7, 2015

Prepared by: Sara Teachout

### **Sales Tax Holiday Proposal**

The proposal to create a two day sales tax holiday (August 28 and 29, 2015) for items that are \$2,000 or less, would cost the state an estimated \$2.5 million in sales tax revenue of which 65% is General Fund (\$1.7 million) and 35% is Education Fund (\$0.8). This estimate is specific to the sales normally realized in August as well as a compression of some sales into the holiday period. In addition, the PILOT special fund revenue would be \$180,000 less in FY 2016. Local option tax towns are estimated to lose \$410,000.

While there may be some slight increase in economic activity due to the sales tax holiday, the effects are not likely to be significant and are not included in this estimate.