



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

January 6, 2020

Honorable Kitty Toll, Chair, House Committee on Appropriations
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Dear Chair Toll and members of the House Appropriations Committee:

Act 51 of 2019 (H.514) – *An act relating to miscellaneous tax provisions* – changed Vermont’s corporate income tax apportionment methodology from Cost of Performance to Market-Based Sourcing (section 8). JFO’s fiscal note estimated the revenue potential in FY20 would be ~\$135,000 and in subsequent years over \$800,000.

The effective date, in section 41(3), reads: “Sec. 8 (market-based sourcing) shall take effect on January 1, 2020, and apply to tax years starting after that date.” We would propose to change the language to read: “Sec. 8 (market-based sourcing) shall take effect on January 1, 2020, and apply to tax years starting **on or** after that date.”

The original language omits calendar year 2020 which was unintentional.

Is it possible to include this revision in the FY20 BAA? I and/or Commissioner Greshin would be happy to testify in House Appropriations regarding this request.

Sincerely,

A handwritten signature in black ink that reads "Craig Bolio".

Craig Bolio
Commissioner, Department of Taxes

CC: Commissioner Adam Greshin
Representative Janet Ancel
Chief Fiscal Officer Steve Klein