

To: "Mark Higley" <MHigley@leg.state.vt.us>

Cc: "Bill Botzow" <BBotzow@leg.state.vt.us>, "Matthew Hill" <MHill@leg.state.vt.us>

Subject: written vs. oral home improvement contracts

Dear Rep. Higley,

I am sorry to write you so late in the day. Our Consumer Assistance Program combed through the data on home improvement contractor complaints dating back to January of 2015. Here is what they have found:

103 matters stated that there was or had documentation of a written contract

32 matters stated that there was no written contract

122 matters did not state or provide documentation of a written contract either way

Looking at the amount losses in total it appears that there were monetary amounts listed for about two-thirds of the matters and the median amount listed is \$3,500.

I'm copying Rep. Botzow and Rep. Hill on this information as well. I hope this is useful.

Best, Christopher

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I was able to use the Chainbridge model to hone in on purchases made by a specific subset of the construction industry that resembles “contractors.” This is likely over-inclusive, but could give a sense of the amount contractors spend doing business. Specifically, I looked at purchases made by people who are engaged in construction of:

1. Residential maintenance and repair
2. Single-family residential structures
3. Multifamily residential structures
4. Other residential structures

Once I zeroed-out purchases of exempt items (and also negated items taxed through other tax structures, like certain fuels) I was left with \$353M in taxable purchases, or \$21.2M in sales & use tax revenue.

Let me know if you would like further detail on the methodology!

Best,
Rebecca

From: Morgan, Candace
Sent: April 06, 2017 12:12 PM
To: Sameroff, Rebecca <Rebecca.Sameroff@vermont.gov>
Subject: Request from Rep. Higley

Hi Rebecca,

Rep. Higley reached out to ask if we have data that would be a good indicator of the amount of sales tax generated by contractors buying materials, equipment, etc. Is there something in Chainbridge that might be a useful category or other work we've done? He said it can be very broad in terms of how “contractor” is defined – doesn't need to be limited to different types of home improvement or anything. He would like it before next Tuesday if possible...

Let me know what you think!
Candace

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