

**From:** Carpenter, Scott <Scott.Carpenter@peoples.com>

**Sent:** Monday, April 29, 2019 7:15 PM

**To:** Janet Ancel <janetancel@gmail.com>; Sorsha Anderson <SAnderson@leg.state.vt.us>; Ann Cummings <ACUMMINGS@leg.state.vt.us>; Faith Brown <FBrown@leg.state.vt.us>

**Subject:** Estate Tax proposal/tax policy

Dear Chairs,

I understand there is still significant debate in the legislature about the impact of tax policy on the retention of Vermonters, particularly as it relates to the estate tax proposal. In my capacity as the Regional Manager of the Wealth Management group at People's United Bank, and in my former position as District President of KeyBank, I have and continue to experience firsthand, every day, and on an increasing basis, the exit of Vermonters. Outside of my experience with clients, I am see the same exit pace within my network of co-workers, fellow non-profit organization Board members, friends and neighbors.

Vermonters are not just going to Florida for the warm weather and golf. They are going to New Hampshire, Colorado, Texas, New Zealand, South Carolina, North Carolina, Georgia and Florida, and they are leaving for one primary reason, taxes. Our current tax policy stands out as comparatively irresponsible. It also sends the message that we don't care if you leave; it doesn't matter. I cringe at the argument that our population migration is being offset by inflows. It is just not valid either on a dollar for dollar comparison, or to expect that we will be able grow our economy and tax base to support all the need in front of us.

I am sharing my experience and opinion in support of the proposed bill (and any future tax policy changes). I recognize this bill by itself may not be enough to stop Vermonters from leaving; however, it could serve to help change the narrative that Vermont is one of the most expensive states to live and die in, and that legislators are taking steps to facilitate change.

Our high taxes coupled with our aging population, has created the perfect storm for even the most loyal, dedicated Vermonters to leave. And when higher income Vermonters leave, it compounds. We not only loose state, local and property taxes, we lose their consumer and business spending, charitable giving, volunteer work, public service, and perhaps the most important thing, their affinity for Vermont that influences our next generation's decision to stay or return to Vermont.

In the last year alone, I can count a dozen clients and half a dozen folks in my network who have moved or are contemplating moving. On my street alone, 3 changed residency and 2 more are in process.

The profiles of these folks include:

- Age 50-70, approaching or newly retired
- Average AGI about \$600k, with range of \$150k to \$4.5 million

- Contemplating selling their business, and needing the proceeds to live on or for retirement
- Being advised by their Financial Planner, Attorney or Accountant of less expensive places to live, sell a business or for estate planning
- Tax avoidance isn't the driver, but rather making smart tax decisions that maximize the amount they have to live on, and/or to provide for the next generation and charity
- Moving to a broad range of other more tax friendly states as noted above

My goal as a 3<sup>rd</sup> generation native Vermonter is to help stop fellow Vermonters from voting with their feet, and to create an environment where we can weather our demographic challenges, and send a message to all Vermonters that we want them to stay or move back!

Thanks for listening and hopefully acting on tax policy changes!

Scott

---

*Scott D. Carpenter*  
*Senior Vice President*  
*Regional Manager-Wealth Management*  
*Two Burlington, Vermont 05401*  
*T:802-660-1428 F:802-660-1695*  
*Toll Free: 800-981-8926*  
[scott.carpenter@peoples.com](mailto:scott.carpenter@peoples.com)  
*Call Center Phone #1-800-772-7254 for Wealth Management Private Banking*

