



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

March 26, 2023

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S.93 – An act relating to the sales tax exemption for advanced wood boilers

As passed by the Senate¹

Bill Summary

This bill would extend the date of repeal of the current sales and use tax exemption for advanced wood boilers from July 1, 2023 to July 1, 2025. As defined in 32 V.S.A. § 9701(55), an advanced wood boiler is a boiler or furnace:

- (A) installed as a primary central heating system;
- (B) rated as high efficiency, meaning a higher heating value or gross calorific value of 85 percent or more;
- (C) containing at least one week fuel storage, automated startup and shutdown, and fuel feed; and
- (D) meeting other efficiency and air emissions standards established by the Department of Environmental Conservation.

Fiscal Impact

The current sales and use tax exemption for advanced wood boilers costs between \$36,000 and \$60,000 per year in forgone tax revenues to the Education Fund. This cost is based on an estimated 40 systems installed per year at an equipment cost of \$15,000-\$25,000 per system.^{2,3} This cost represents less than 0.01% of all Education Fund revenues. Because of this, JFO expects the extension will continue to have a *de minimus* effect on tax rates.

¹ <https://legislature.vermont.gov/Documents/2024/Docs/BILLS/S-0093/S-0093%20As%20passed%20by%20the%20Senate%20Official.pdf>

² <https://fpr.vermont.gov/woodenergy/rebates>

³ https://publicservice.vermont.gov/sites/dps/files/documents/Renewable_Energy/CEDE/Reports/AWH%20Baseline%20Report%20FINAL.pdf