

Dear Representative Kornheiser,

The unwelcome national attention that Vermont "wealth tax" proposals have been receiving lately was amplified yesterday by a prominent article from The Tax Foundation, a widely read non-partisan and non-profit tax policy group. Since these experts are very unlikely to receive an invitation to testify before the Vermont House Ways and Means Committee, please allow me to invite your attention to this article. Out of an abundance of respect for the committee's time constraints in this busy season, I have reproduced the concluding paragraphs from the article below.

I humbly ask that any Committee Member that is inclined to vote "Yes" on H.827 or H.828 take a moment to skim the arguments presented in the article. Vermont is suffering terrible reputational damage already by even entertaining these proposals, and there will be a loss of revenue as people avoid or even abandon second homes in the State to avoid tax entanglements.

https://taxfoundation.org/blog/vermont-wealth-tax-proposal/?utm_medium=email&_hsmt=297166748&_hsenc=p2ANqtz--d0ES56Qd6SQiSF2gZ21k2Jy3QMVX0iiCziOUmrThuQ502IQZZqR-v5FbMySbkK2lwBpZEWKXnW4TclE1qmF2VCSTfFWvbNqib0Wm609GxClkHnF4&utm_content=297166748&utm_source=hs_email

Respectfully,

Tom Marincic

"Proponents of such taxes argue that the wealthy do not migrate as they are relatively entrenched in their respective communities, allowing for greater taxation of these groups without the risk of losing population. However, there is evidence to the contrary, and even if high-net-worth residents are relatively immobile, when they do choose to relocate, taxation is a significant factor in their decision to seek residency elsewhere.

More concerning for Vermont, however, is not the outflow of a relatively small population, but the prospect of nonresident high-net-worth individuals opting against relocating to Vermont or investing in the local economy through second home purchases, of which Vermont (along with [Maine](#)) enjoys the highest nonresident homeownership. Current part-year or temporary residents may seek to divest from Vermont assets entirely, leaving the state without an important segment of the property and [sales tax](#) bases. Once individuals opt to forgo second homes or capital investment in the state, the results are difficult to unwind and the detrimental outcomes could last for a very long time, leaving Vermont with significant challenges to growth and prosperity. These realities and concerns should be carefully thought through to ensure the trade-offs are well understood. Failing to do so could compound the problems these harmful taxes could bring to Vermont for decades to come."