

Regarding the resolution to increase the local option tax from 1% to 2%

I will not be able to attend either of these hearings, but want to voice my **strong opposition** to the proposed increase in Stowe's local option tax from 1% to 2%.

The following table compares the sales tax in Vermont to those in our neighboring New England states.

Existing Stowe Sales Taxes Compared to Sales Taxes in Other New England States

	Sales Tax	Local Option Tax	Total
Vermont	6.00%	1%	7.00%
New Hampshire	0.00%	0%	0.00%
Maine	5.50%	0%	5.50%
Massachusetts	6.25%	0%	6.25%
Connecticut*	6.35%	0%	6.35%
Rhode Island	7.00%	0%	7.00%

* Connecticut taxes for luxury items like high-priced clothes are taxed at the higher rate of 7.75%.

Only Rhode Island has a sales tax as high as what we are already charging/paying here in Stowe. Adding an additional 1% local option tax puts us higher even than Rhode Island and would bring our *de facto* sales tax to 8%. This means we, and our customers, would have the highest sales tax in all of New England, including 1.75% higher than what most in the U.S. refer to as "taxachusetts".

I have heard some say, "Stowe is a ski town, with lots of high-end visitors and lots of rich people." Others say, "They won't even notice an additional 1%". I am here to tell you that my customers will notice; just as they notice that they can buy similar goods in tax-free New Hampshire. And, while many of my customers are visitors, just as many are local Vermonters.

They are the teachers and store owners, hospitality workers and cooks, mechanics and bus drivers and nursing assistants, who form the backbone of our state. There is already a shortage of affordable homes, with many Vermonters forced to commute long distances to work in Stowe. Adding an additional 1% option tax is like saying, "We, in Stowe, just don't care about anyone else."

I wanted to see if my instincts about Vermont were correct. Were we, in fact, wealthier than I thought? The following table compares per capita income by state for Vermont and its New

England neighbors. And there we are, ranking #18 in per capita income in the U.S. -- considerably behind all the other New England states except for Maine.

Per Capita Personal Income tax by State (2024 Estimates)

	2024 Per Capita Personal Income	U.S. National Rank
Massachusetts	\$93,927	#2
Connecticut	\$93,235	#3
New Hampshire	\$78,576	#9
Rhode Island	\$71,438	#15
Vermont	\$69,122	#18
Maine	\$68,129	#24

The above are based on 2024 data from the Federal Reserve Data (FRED) and the Bureau of Economic Analysis (BEA).

So, I ask, why should we be paying such high taxes? I don't have an answer. I grimace every time someone asks me about our sales tax and every time I pay my sales tax to the state of Vermont. If we need more tax revenue, maybe we should look to Connecticut, which taxes luxury goods at higher rates and leave everyday purchases alone.

I therefore urge the Selectboard and my neighbors to reject the proposed increase in the local option tax.

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