

Adjusted Local Option Tax (LOT) Allocations and H.397

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House Committee on Ways and Means

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Table 1: Historic and Estimated LOT Revenues under Current Law
(\$ millions)

Fiscal Year	Total LOT Revenue	Municipal Revenue (70%)	PILOT Fund Revenue (30%)	Return Fees to Tax
2017	\$26.76	\$18.23	\$7.81	\$0.71
2018	\$28.60	\$19.46	\$8.34	\$0.79
2019	\$29.88	\$20.21	\$8.65	\$1.01
2020	\$31.56	\$21.17	\$9.01	\$1.31
2021	\$31.46	\$20.86	\$8.92	\$1.67
2022	\$39.91	\$26.55	\$11.31	\$1.98
2023	\$43.05	\$28.70	\$12.19	\$2.05
2024	\$50.95	\$33.78	\$14.39	\$2.69
2025 - estimated	\$55.24	\$36.63	\$15.70	\$2.92
2026 - estimated	\$59.18	\$39.24	\$16.82	\$3.13

Source: Vermont Department of Taxes; JFO Analysis

- Fiscal years 2025 and 2026 are expected to show continued growth in LOT revenues, increasing revenue to municipalities and the PILOT Special Fund

Table 2: Estimated FY 2026 LOT Revenue with Allocation Changes (\$ millions)

	Total LOT Revenue	Municipal Revenue	PILOT Fund Revenue	Return Fees to Tax
80% Allocation to Towns	\$59.18	\$44.84	\$11.21	\$3.13
75% Allocation to Towns	\$59.18	\$42.04	\$14.01	\$3.13
70% Allocation to Towns	\$59.18	\$39.24	\$16.82	\$3.13

- In the Governor's Recommended Fiscal Year 2026 budget, the base PILOT appropriation is \$12.2 million. This does not include payments to municipalities for correctional facilities. The additional \$184,000 payment to Montpelier has been removed from the Budget this upcoming fiscal year since payments to Montpelier are fully funded through the base PILOT appropriation.
- In addition, H.397 as recommended by the House Committee on Government Operations and Military Affairs, would utilize \$1 million from the PILOT Fund for the Voluntary Buyout Reimbursement Program in fiscal year 2026. This program is estimated to cost \$550,000 annually in the first 5 years of the program.
- In total, these expenses would total approximately \$13 million to the PILOT Special Fund in fiscal year 2026.