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### House Committee on Ways and Means

#### MEMORANDUM

To: Representative Robin Scheu  
Chair, House Committee on Appropriations

From: Representative Emilie Kornheiser  
Chair, House Committee on Ways and Means

Date: February 19, 2026

Subject: Fiscal Year 2027 Budget Feedback

The House Committee on Ways and Means is grateful for the opportunity to provide feedback on the Fiscal Year 2027 appropriations act ("Big Bill") as it relates to matters within the Committee's jurisdiction. As you know, our committee's purview is raising sufficient revenue to meet the budgetary needs of the State. Please continue to communicate your revenue needs to ensure that Vermont has sufficient resources to implement a budget that is responsive and adequate to meet the needs of Vermonters.

The Committee offers the following comments on the **proposed appropriations**:

- **Base Appropriations (Secs. B.111, B.137-144):** The Committee supports the recommended base appropriations to the Department of Taxes, the various formula-based property tax relief programs, and PILOT appropriations.
- **Volunteer Income Tax Assistance (VITA) Program (Sec. B.131):** The Office of the State Treasurer's budget includes \$400,000 of base funding for this important program, which leverages volunteer expertise to help income-qualified taxpayers file their taxes and take advantage of eligible credits and deductions. The Committee requests that the Appropriations Committee increase the base appropriation to the Office of the State Treasurer by \$150,000 to continue supporting this important program. Our significant work over the last five years to expand income tax credits and improve the property tax credit is only as useful as Vermonters' knowledge of these credits and ability to file – VITA is an essential service to keep Vermont (and our tax code) affordable.

- **10-Year Tax Study:** The Committee requests a one-time appropriation of \$100,000 to the Joint Fiscal Office to fund consultant and analytical support for preparing the upcoming decennial study on Vermont's tax structure.

The Committee offers the following comments on the **proposed language and policy**:

- **Sec. B.139 (and related E sections) - PILOT Funds**

The Committee cautiously supports the one-time use of the PILOT Fund for the administration of property tax improvements.

- **Sec. D.101(a)(1)(D) – \$114,908,097 General Fund Transfer to the Education Fund**

The Committee would appreciate if the Appropriations Committee could continue to hold this money pending our work on the Yield Bill. We are committed to doing everything we can to stabilize and lower Vermonters' property tax bills this year while maintaining essential services for Vermonters. We appreciate your patience as numbers are finalized.

The Committee supports the intent to use General Fund dollars to cover the insufficient revenues in the Transportation Fund while we work towards more sustainable solutions. However, we would prefer that \$10 million of this total, which is intended to offset the impact of redirecting Purchase and Use Tax revenue to the Transportation Fund in FY 2027, should instead be transferred straight to the Transportation Fund rather than adjusting the statutes around Purchase and Use Tax revenue allocation (Secs. E.516 and E.516.1) amid the many other fiscal challenges involved with education transformation.

- **Secs. E.306.2 and E.306.3 – Health-IT Fund**

The Committee respectfully recommends that the extension of the sunset on the Health-IT Fund in Secs. E.306.2 and E.306.3 instead be incorporated into a separate bill related to tax policy, rather than included in the budget.

- **Secs. E.516 and E.516.1 – Purchase and Use Tax**

The Committee understands the tremendous fiscal pressure on the Transportation Fund – a pressure also shared by the Education Fund. The Committee agrees with providing additional support to the Transportation Fund to ensure federal funding can be maximized and state of good repair can be met. However, the Committee does not want to place even greater stress on the Education Fund (and Vermonters' property taxes) by changing the Purchase and Use Tax allocation at this time. This proposal is better suited to be implemented when the other aspects of education transformation, as passed in Act 73, are implemented.

- **Secs. E.501.3 and E.606 – Estate Tax**

The Committee understands the importance of school construction funding but does not support the proposal to redirect excess Estate Tax revenue from the Higher Education Endowment Trust Fund to the School Construction Aid Special Fund for this purpose. Estate Tax windfalls are sporadic, highly variable, and difficult to predict. In most years the Higher Education Endowment Trust Fund receives no revenue from this source. School

construction aid requires a more sustainable funding commitment than this revenue source can provide.

- **Sec. E.923 – Transportation Fund Interest**

The Committee supports this proposal but recommends it be made effective for fiscal year 2028 so as not to disrupt the current budget process.

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