

Selected JFO Reports

Senate Appropriations Committee

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January 23, 2026



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The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this presentation is meant to provide information for legislative consideration, not to provide policy recommendations



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Outline of talk

- PILOT Issue Brief
- Tax Expenditure Report
- Fee Reports



PILOT Issue Brief

[https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/GENERAL-379649-v1C-
PILOT Issue Brief.pdf](https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/GENERAL-379649-v1C-PILOT_Issue_Brief.pdf)



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What is the PILOT program?

- PILOT stands for Payment in Lieu of Taxes
- Designed to compensate municipalities for the value of State-owned property that is otherwise exempt from property taxes
- Two PILOT programs:
 - The General PILOT program compensates municipalities for the assessed value of State-owned buildings
 - Funded from PILOT Special Fund, which receives 25% of local option tax revenue minus \$5.96 return fees for administration of local option taxes
 - The current percentage was reduced from 30% by Act 57 of 2025
 - The ANR PILOT program compensates towns for the taxable value of property that is purchased for various purposes
 - 80 percent of funding from the General Fund
 - 20 percent from the Vermont Department of Fish & Wildlife
 - \$2.7 million appropriation in Section B.701 of the Governor's Recommended FY 2027 Budget



ANR PILOT Calculation

- ANR PILOT payment calculation
 - If acquired before April 1, 2016: 0.60% of fair market value as appraised by PVR as of April 1 of fiscal year 2015
 - $(\text{Land Value}/100) * 0.6 = \text{base payment}$
 - If acquired after April 1, 2016: ANR determines the “base payment” by using the land’s fair market value and tax rate *at the time of acquisition*
 - $(\text{Land Value}/100) * \text{tax rate at acquisition} = \text{base payment}$
 - Per 32 V.S.A. § 3708 (d), the ANR Secretary recommends an adjustment “consistent with statewide municipal tax rate or other appropriate indicators” every 3 to 5 years
 - The last adjustment - 1.29 percent - occurred in 2022
- Payment calculation example:
 - Taconic Mountains Ramble State Park – land bequeathed to the State in 2016
 - FY 2024 payment calculation: $(\$232,100/100) * \$0.850836 = \$1,974.79$ payment to Hubbardton



General PILOT Payments

- Separate payments for certain types of government buildings made each year as a part of the annual appropriations bill
 - **General PILOT payments**
 - Act 27 of 2025 appropriated \$12.2 million for general PILOT payments in fiscal year 2026
 - Includes the \$750,000 statutory cap on the value of University of Vermont (UVM) buildings
 - Correctional Facilities PILOT Payments*
 - Additional PILOT payments in the Budget include \$152,000 in Sec. B.338 for Newport and Springfield and \$40,000 for other correctional facilities in Sec. B.144
 - PILOT payments have only been fully funded since fiscal year 2024 – previously, payments had been prorated based on available revenues

Note: Additional PILOT payments for correctional facilities in Newport, Springfield and other towns is in addition to a regular PILOT payment based on building value



Payment Calculations and Definitions

- Per 32 V.S.A. § 3703, the PILOT payment calculation is as follows:
 - *The amount of a grant to a municipality authorized by this subchapter shall be based on the **total assessed value** of any State-owned property located in the municipality, multiplied by the **common level of appraisal** for the municipality as determined by the Division of Property Valuation and Review, multiplied by one percent, and multiplied by the **adjusted municipal tax rate** for the municipality in which the property is located*
- **Total assessed value:**
 - Based on insurance replacement value of buildings, NOT fair market value
 - For correctional facilities, this definition includes the value of land
 - Examples (FY 2026 Building Inventory):
 - 115 State Street-Annex: \$34,120,826
 - Skyeship Gondola (Killington): \$11,662,200
 - Ethan Allen Monument – Greenmount Cemetery: \$774,663
- **Common level of appraisal:**
 - NOTE: in PILOT calculations, property values are multiplied by the Common Level of Appraisal (CLA) to derive the local value of State-owned property
- **Adjusted municipal tax rate:**
 - Total sum of money voted by a municipality for all non-education expenses divided by the adjusted municipal grand list, which is the local grand list plus the insurance value of state-owned buildings



Payment Calculations and Definitions

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1. *total assessed value state buildings \times CLA \times .01 = state owned additions to grand list*
2. *total municipal property tax revenue raised \div adjusted municipal grand list = adjusted municipal tax rate*
3. *state owned additions to grand list \times adjusted municipal tax rate = PILOT Payment*

Town of Johnson FY 2026 PILOT Payment Calculation

1. $\$88,186,193 \times 68.77 \times .01 = \$606,461$
2. $\$2,195,032 \div \$3,038,360 = \$0.7224$
3. $\$606,461 \times \$0.7224 = \$438,108$



Use of Insurance Replacement Value

- Using insurance replacement value may have some advantages
 - Administrative ease
 - Rather than requiring each individual town to provide the value of state-owned buildings to PVR, values are maintained by an Agency of Administration contractor for insurance purposes
 - Reduces some complex valuation tasks, particularly in towns hosting a Vermont State University campus (e.g., the Vermont Technical College bio-digester facility in Randolph, which had a 2023 replacement value of \$2,652,263)
 - Only includes the value of buildings by default
 - Difference between replacement cost and fair market value on a variety of factors



CLA and PILOT Payments

- As part of the PILOT calculation, the value of state-owned buildings is multiplied by the CLA. Consequently, decreases in CLAs are decreasing PILOT payments in some towns.
- Johnson, for example, saw its PILOT payment decrease each year from fiscal year 2024 to 2026, despite an *increase* in the value of state-owned property in the town over that time.

FY 2024 PILOT Payment Calculation

1. $\$86,457,758 \times 89.67 \times .01 = \$775,267$
2. $\$2,014,742 \div \$3,160,424 = \$0.6375$
3. $\$775,267 \times \$0.6375 = \$494,233$

FY 2025 PILOT Payment Calculation

1. $\$86,457,758 \times 74.15 \times .01 = \$641,084$
2. $\$2,134,099 \div \$3,060,423 = \$0.6973$
3. $\$641,084 \times \$0.6973 = \$447,028$

FY 2026 PILOT Payment Calculation

1. $\$88,186,193 \times 68.77 \times .01 = \$606,461$
2. $\$2,195,032 \div \$3,038,360 = \$0.7224$
3. $\$606,461 \times \$0.7224 = \$438,108$



PILOT Payments versus LOT towns

Green = All

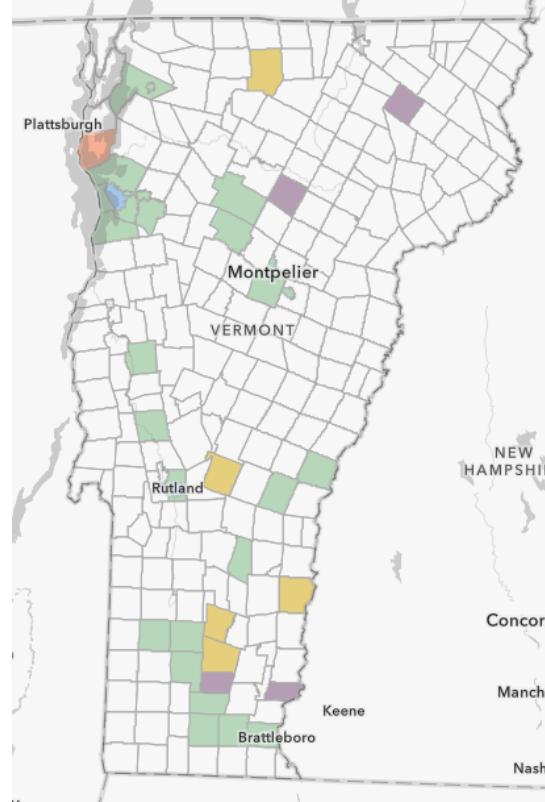
Blue = Sales

Yellow = Meals,
Rooms, and Alcohol

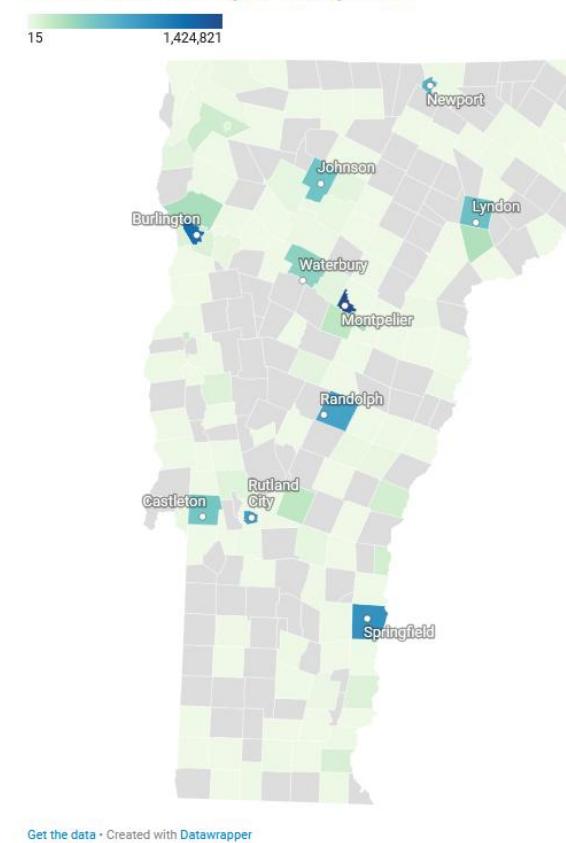
Red = Meals and
alcohol only

Purple = Rooms

**Local Option Tax Status by Town
(January 2026)**



FY 2025 PILOT Payments by Town

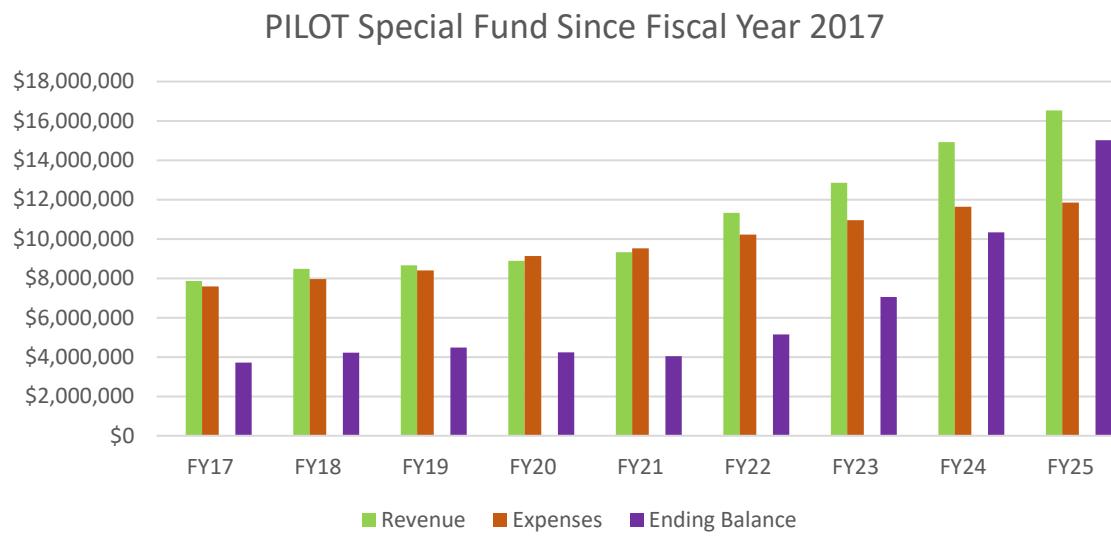


- Towns with local option taxes are often near recreation areas, or in Chittenden County
- Municipalities receiving PILOT payments are spread throughout the state



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Revenue and Appropriations Trajectory



Sources: Department of Finance and Management Special Fund Reports; Vermont Department of Taxes

- The PILOT Special Fund built a surplus of approximately \$4 million by FY 2021
- The fund surplus has increased substantially since FY 2021 driven by strong consumption tax revenues and an increase in the number of municipalities collecting local option taxes.

Number of Municipalities Collecting Local Option Tax

| Tax Type | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------|------|------|------|------|------|------|------|------|------|
| MRT | 17 | 18 | 19 | 20 | 21 | 22 | 24 | 28 | 32 |
| SUT | 14 | 14 | 14 | 16 | 16 | 17 | 20 | 22 | 25 |
| SUT - Jet Fuel* | | | | 1 | 1 | 1 | 1 | 1 | 2 |

*Jet fuel local option taxes flow to the Transportation Fund rather than the PILOT Fund

PILOT Appropriations in Act 27 of 2025

Table 1: Fiscal Year 2026 Appropriations from PILOT Special Fund in Act 27

| | Appropriation | Amount (\$ millions) |
|---------------|---|-------------------------|
| B.142: | General PILOT Program | \$12.200 |
| B.144, B.338: | Correctional Facilities PILOT | 0.192 |
| B.1100(c): | Municipal Grand List Stabilization Program (one-time) | 1.000 |
| B.917: | Town Highway Non-Federal Disasters | 1.150 |
| Total | | \$14.542 |

- In addition to General PILOT payments and PILOT payments for correctional facilities, Act 27 of 2025 included two appropriations that brought the total appropriations from the PILOT Special Fund in fiscal year 2026 to approximately \$14.5 million
- Language in the Governor's Recommended BAA would add a \$500,000 appropriation from the PILOT Fund in fiscal year 2026 to the Division of Property Valuation and Review to support the development of the statewide inventory of communications property required by Act 145 of 2024
- These PILOT Special Fund uses support municipalities in various ways



PILOT Provisions in the FY 2027 Governor's Recommended Budget

- General PILOT Appropriation of \$12.2 million in fiscal year 2027
- \$192,000 in payments to towns with state correctional facilities
- Changes current funding for education of assessment professionals from the Education Fund to the PILOT Special Fund (\$100,000)
- Changes per parcel payments to municipalities for reappraisal and maintenance of municipal grand lists from the General Fund to the PILOT Special Fund
 - The FY 2027 Governor's Recommended Budget estimates approximately \$3.4 million in additional costs per year from this provision
- Will need to see which municipalities adopt local option taxes in March before finalizing an estimate for FY27 PILOT Special Fund Revenue.



Annual Fee Reports



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Why do we have fees?

- Fees support various state services for specific users
 - DMV fees go to the Transportation Fund
 - Hunting license fees go to a Fish and Wildlife Fund
- However, some state activities benefit both users and the public good, which supports the use of General Fund dollars
 - Permitting fees and the General Fund both support the Land Use Review Board's administration of the Act 250 permit process



Fee report process as outlined on statute

- Old system: outlined in 32 V.S.A. 605
 - The Governor shall, not later than the third Tuesday of every annual legislative session, submit a consolidated Executive Branch fee report and request to the General Assembly, which shall accompany the Governor's annual budget report and request submitted to the General Assembly as required by section 306 of this title.
 - Three-year rotation starting in 2011
 - (1) "general government," "labor," "general education," "commerce and community development," and "transportation"
 - (2) "human services" and "natural resources"
 - (3) "protection to persons and property"
- The last comprehensive "fee bill" occurred during 2019 session (Act 70 of 2019)
 - Updated Financial Regulation, Judiciary, Sec. of State, and other fees



New fee report process

- Recent Big Bills have included language with a new fee report process.
- Current process is modeled on what was in statute but also few additional pieces of information, including:
 - Number of fee payments in each of the two most recent years;
 - Inflation that has occurred since last adjustment of the fee; and
 - Specific context and other state data for selected fees
- Reports developed in consultation with JFO
 - Draft Report due October 15th
 - Final Report due December 15th and submitted through the General Assembly Reports Page
- This year was the third year of the new process
 - Received reports from “General Government”, “Labor”, “Education”, “Commerce and Economic Development”, and “Transportation”



How to use fee reports

- Information on specific fee reports can be found on the General Assembly reports page
- Information is not always easily accessible due to PDF formatting - specific fees or funds data can be provided on request
- Unlike previous fee reports and fee bills, these reports do not contain information about fee requests or adjustments
 - The FY 2027 Governor's Recommended Budget includes a proposal to eliminate farmer operator fees that supported water quality work at the Agency of Agriculture, Food, and Markets, which would be replaced by General Fund
 - The Department of Fish and Wildlife is considering a new license that would assess a fee on non-hunting, fishing, or trapping activities on Fish and Wildlife land
 - Commissioner can adjust Fish and Wildlife fees by rule



Tax Expenditure Report

[https://ljfo.vermont.gov/assets/Publications/Revenue-Tax/GENERAL-379073-v3-2025 Tax Expenditure Report-v2.pdf](https://ljfo.vermont.gov/assets/Publications/Revenue-Tax/GENERAL-379073-v3-2025%20Tax%20Expenditure%20Report-v2.pdf)



Tax Expenditure Report

- Every two years, the Joint Fiscal Office (JFO) and the Department of Taxes publish an inventory of the various tax expenditures in existence
 - Next report will be published in January 2027
 - Different from the Tax Expenditure Budget in 32 V.S.A. § 306 that's included in the annual budget summary document
- Tax expenditures are statutory provisions that reduce the amount of revenue that would otherwise be collected to encourage a particular activity or limit the amount of taxes collected from certain persons
- **Tax expenditures essentially have the same fiscal effect as direct appropriations**
- Four items not considered tax expenditures:
 - Revenue outside the taxing power of the State
 - Provisions outside the normal structure of a particular tax
 - Revenue forgone as unduly burdensome to administer
 - Revenue excluded for the purpose of avoiding taxing the State itself



Tax Expenditure Report

- Major areas
 - Individual Income Tax
 - Sales and Use Taxes
 - Property Tax
 - Between these three tax types, nearly \$900 million in tax expenditures
- Others
 - Corporate
 - Meals and Rooms
 - Bank Franchise and Insurance Premiums
 - Diesel Fuel, Motor Vehicle Purchase and Use Tax



Tax Expenditure Report – Personal Income

- Personal income tax expenditures are estimated to result in over \$400 million in forgone revenue in fiscal year 2026
 - Vermont Standard Deduction (\$164.8 million)
 - Vermont Personal Exemption (\$133.8 million)
 - Earned Income Tax Credit (\$18.3 million)
 - Child Tax Credit (\$24 million)
 - Capital Gains Exclusion (\$18.3 million)

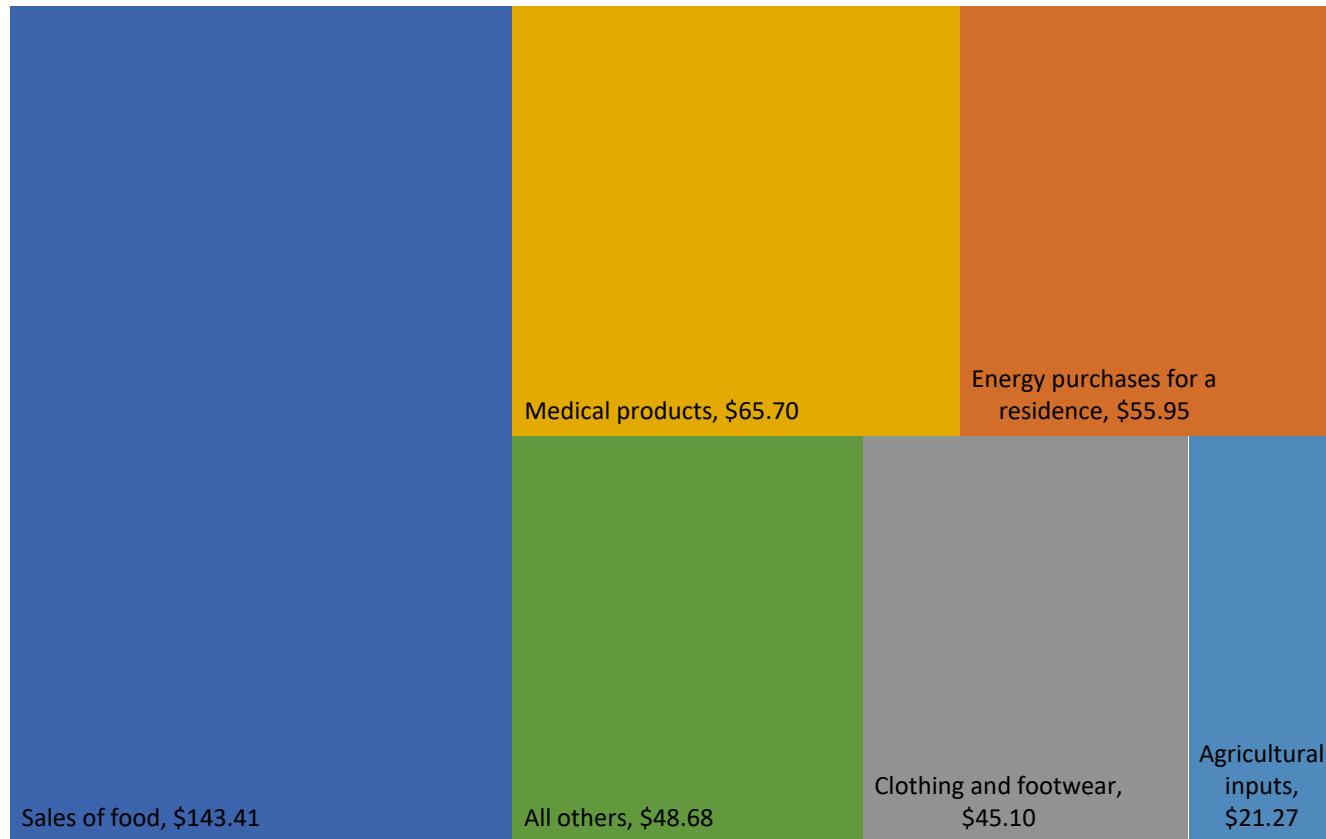
Individual Tax Expenditure Summary FY 2022, FY 2023, and FY 2026 (dollars)

| Item Number | Individual Income Tax Expenditure | FY22 amount | FY23 amount | FY26 forecast |
|-------------|---|--------------------|--------------------|--------------------|
| 11 | Vermont Standard Deduction | 149,150,106 | 149,410,110 | 164,760,000 |
| 12 | Vermont Personal Exemption | 122,064,837 | 122,788,500 | 133,750,000 |
| 13 | Vermont Municipal Bond Income | 1,669,508 | 1,490,333 | 1,620,000 |
| 14 | Capital Gains Exclusion | 23,662,661 | 19,708,894 | 18,300,000 |
| | Vermont Social Security Exemption/Civil Service Retirement (CSRS)/Military Retirement Threshold Exemption | | | |
| 15/18 | | 6,185,858 | 7,781,790 | 8,160,000 |
| 16 | Medical Expense Deduction | 4,396,010 | 3,358,101 | 2,440,000 |
| 17 | Student Loan Interest Deduction | - | 582,586 | 700,000 |
| 1.101 | Credit for Child and Dependent Care | 5,415,865 | 4,888,189 | 4,840,000 |
| 1.102 | Credit for Elderly or Disabled | 3,962 | 695 | 3,000 |
| 1.103 | Investment Tax Credit | 1,178,846 | 117,601 | 820,000 |
| 1.104 | Vermont Farm Income Averaging Credit | 104,262 | 132,456 | 110,000 |
| 1.105 | Charitable Contributions Tax Credit | 10,317,744 | 9,799,300 | 9,750,000 |
| 1.201 | Military Pay Exemption | 1,877,060 | 1,886,672 | 1,880,000 |
| 1.202 | Qualified Bond Interest Income Exemption | 51,548 | 40,473 | 50,000 |
| 1.301 | Charitable Housing Credit | 61,661 | 55,337 | 80,000 |
| 1.302 | Affordable Housing Credit | * | * | - |
| 1.303 | Qualified Sale of Mobile Home Park Credit | - | * | - |
| 1.304 | Vermont Higher Education Investment Credit | 4,435,663 | 4,143,768 | 4,140,000 |
| 1.305 | Entrepreneurs' Seed Capital Fund Credit | * | * | - |
| 1.306 | Historic Rehabilitation Tax Credit (Downtown) | * | * | - |
| 1.307 | Façade Improvement Tax Credit (Downtown) | 55,399 | * | 50,000 |
| 1.308 | Code Improvement Tax Credit (Downtown) | 155,017 | 159,542 | 160,000 |
| 1.309 | Research and Development Tax Credit | 537,413 | 911,177 | 670,000 |
| 1.401 | Low Income Child and Dependent Care Credit | 73,384 | N/A | N/A |
| 1.402 | Earned Income Tax Credit | 29,210,622 | 24,524,566 | 26,920,000 |
| 1.403 | Child Tax Credit | | 25,423,933 | 24,000,000 |
| 1.501 | Vermont Business Solar Energy Credit | 232,361 | 119,528 | 200,000 |
| * | Sum of Suppressed Data (fewer than 10 claimants) | 27,226 | 1,148,045 | * |
| | Total | 360,867,013 | 377,889,009 | 402,703,000 |



Sales Tax Expenditures

FY2026 Estimated Sales Tax Exemptions: \$380.1 million



- 5 exemptions make up over 87% of estimated total sales tax expenditure value



Sales Tax Expenditures

Sales Tax Expenditure Summary FY 2022, FY 2023, and FY 2026 (dollars)

| Item Number | Sales Tax Expenditure | FY2022 | FY2023 | FY2026 | 3.022 | Advertising materials | Not estimated | Not estimated | Not estimated |
|-------------|---|---------------|---------------|---------------|-------|--|---------------|---------------|---------------|
| | | estimated | estimated | projected | | | | | |
| 31 | Medical products | 58,000,000 | 60,500,000 | 65,700,000 | 3.023 | Documents that record a professional service | Not estimated | Not estimated | Not estimated |
| 32 | Agricultural inputs | 20,900,000 | 18,700,000 | 21,270,000 | 3.024 | Tracked vehicles | Not estimated | Not estimated | Not estimated |
| 33 | Veterinary supplies | 4,400,000 | 4,800,000 | 5,200,000 | 3.025 | Sales of building materials | Not estimated | Not estimated | Not estimated |
| 34 | Fuels for railroads and off-road uses | 2,240,000 | 1,910,000 | 1,820,000 | 3.026 | Scrap construction materials by a third party | Not estimated | Not estimated | Not estimated |
| 35 | Sales of food | 126,810,000 | 132,010,000 | 143,410,000 | 3.027 | Property incorporated in railroad line | Not estimated | Not estimated | Not estimated |
| 36 | Newspapers | 1,520,000 | 1,560,000 | 1,530,000 | 3.028 | Clothing and footwear | 39,900,000 | 41,500,000 | 45,100,000 |
| 37 | Rentals of washing facilities | 1,200,000 | 1,300,000 | 1,400,000 | 3.029 | Property incorporated into a net metering system | 1,150,000 | 880,000 | 860,000 |
| 38 | Admission fees to nonprofit museums | 3,020,000 | 3,090,000 | 3,320,000 | 3.03 | Purchases by and from 501(c)(3)s | 20,000,000 | 21,800,000 | 22,500,000 |
| 39 | Items sold to fire, ambulance, and rescue squads | Not estimated | Not estimated | Not estimated | 3.031 | Building materials used government of or 501(c)(3)s | Not estimated | Not estimated | Not estimated |
| 3.01 | Funeral charges | 2,200,000 | 2,400,000 | 2,600,000 | 3.032 | Amusement charges by nonprofit and political orgs | Not estimated | Not estimated | Not estimated |
| 3.011 | Property used in research | Not estimated | Not estimated | Not estimated | 3.033 | Amusement charges presented by 501(c)(3)s | Not estimated | Not estimated | Not estimated |
| 3.012 | Agricultural machinery and equipment | 3,770,000 | 4,020,000 | 4,360,000 | 3.034 | Reallocation of receipts from construction materials | Not estimated | Not estimated | Not estimated |
| 3.013 | Energy purchases for a residence | 54,200,000 | 51,550,000 | 55,950,000 | 3.035 | Sales to nonprofit hospital service corporations | Not estimated | Not estimated | Not estimated |
| 3.014 | Energy purchases for farming | 3,100,000 | 2,780,000 | 3,160,000 | 3.036 | Sales to nonprofit medical service corporations | Not estimated | Not estimated | Not estimated |
| 3.015 | Sales of films to movie theaters | 530,000 | 640,000 | 570,000 | 3.037 | Sales to credit unions | Not estimated | Not estimated | Not estimated |
| 3.016 | Aircraft and depreciable parts for commercial use | Not estimated | Not estimated | Not estimated | 3.038 | Sales by licensed auctioneers | Not estimated | Not estimated | Not estimated |
| 3.017 | Railroad rolling stock and depreciable parts | 200,000 | 200,000 | 200,000 | 3.039 | Menstrual Products | 690,000 | 710,000 | 760,000 |
| 3.018 | Ferryboats and depreciable parts | Under 100,000 | Under 100,000 | Under 100,000 | Total | | 344,230,000 | 350,750,000 | 380,110,000 |
| 3.019 | Sales of mobile homes and modular housing | 400,000 | 400,000 | 400,000 | | | | | |
| 3.02 | U.S. flag sold to or by exempt veterans' orgs | Not estimated | Not estimated | Not estimated | | | | | |
| 3.021 | Property transferred as part of personal service | Not estimated | Not estimated | Not estimated | | | | | |



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Property Tax Expenditures

- Property tax expenditures are estimated to reduce State revenues by \$115.5 million in fiscal year 2026
- This is compared to \$94.3 million in fiscal year 2023 (actual value)
- Increases in property taxes drive the estimated increase in value from fiscal year 2023 to fiscal year 2026
- The largest tax expenditures are:
 - Public, pious, and charitable property (estimated \$72.3 million - fiscal year 2026)
 - University of Vermont (estimated \$15.7 million – fiscal year 2026)
 - Vermont State Colleges (estimated \$8 million – fiscal year 2026)
 - Tax Increment Financing Districts – (\$6.5 million in fiscal year 2026)
- Current Use or the Use Value Appraisal Program is not in the report as it is a provision outside the normal structure of the property tax



Property Tax Expenditure Summary

| Item Number | Property Tax Expenditure | FY2022 Actual | FY2023 Actual | FY2026 projected |
|-------------|---|-------------------|-------------------|--------------------|
| 5.001 | Non-Profit Medical Service Corporations | 148,000 | 154,000 | 194,000 |
| 5.002 | Local Development Corporations | 109,000 | 108,000 | 185,000 |
| 5.003 | Vermont Housing Finance Agency (VHFA) | 49,000 | 45,000 | 56,000 |
| 5.004 | Vermont State Colleges | 6,823,000 | 6,512,000 | 8,000,000 |
| 5.005 | VSAC | 45,000 | 43,000 | 54,000 |
| 5.006 | University of Vermont | 13,700,000 | 12,608,000 | 15,730,000 |
| 5.007 | Cemeteries | 537,000 | 504,000 | 622,000 |
| 5.008 | Libraries | 938,000 | 897,000 | 1,123,000 |
| 5.009 | Housing Authorities | 1,980,000 | 1,831,000 | 2,302,000 |
| 5.01 | Congressionally Chartered Organizations | 913,000 | 864,000 | 1,000,000 |
| | Personal estate property in another state | | | - |
| 5.011 | Public, pious and charitable property | 61,103,000 | 58,039,000 | 72,289,000 |
| 5.011 | PPC - Charitable | 7,089,000 | 6,879,000 | 9,124,000 |
| 5.011 | PPC - College | 16,432,000 | 15,212,000 | 19,410,000 |
| 5.011 | PPC - Pious | 13,575,000 | 12,974,000 | 15,000,000 |
| 5.011 | PPC - School | 7,097,000 | 6,999,000 | 8,548,000 |
| 5.011 | PPC - Hospital | 16,910,000 | 15,975,000 | 20,207,000 |
| 5.012 | College fraternities and societies | Repealed | Repealed | Repealed |
| 5.013 | YMCA and YWCAs | 401,000 | 374,000 | 467,000 |
| 5.014 | Owned by agricultural societies | 570,000 | 545,000 | 650,000 |
| 5.015 | Water pollution abatement property | 1,000 | 1,000 | 1,000 |
| 5.016 | Humane societies | 143,000 | 140,000 | 175,000 |
| 5.017 | FQHC and RHCs | 560,000 | 550,000 | 698,000 |
| 5.018 | Whey processing fixtures | - | - | - |
| 5.019 | Ski lifts and snowmaking equipment | 1,933,000 | 2,653,000 | 3,475,000 |
| 5.022 | Municipalities hosting large power plants | - | - | - |
| 5.101 | \$10,000 for veterans | 509,690 | 492,580 | 650,000 |
| 5.102 | Qualified Housing | 1,056,000 | 1,025,000 | 1,296,000 |
| 5.103 | Tax Increment Financing Districts | 6,262,546 | 6,881,870 | 6,500,000 |
| 5.104 | VEPC Approved Stabilization Agreements | 19,000 | - | - |
| 5.201 | Permanent Session Law Exemptions | 58,000 | 56,000 | 49,000 |
| | Total | 97,858,236 | 94,323,450 | 115,516,000 |



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Corporate Income Tax Expenditure Summary FY 2022, FY 2023, and FY 2026 (dollars)

| Item Number | Corporate Income Tax Expenditures | FY 2022 Actual | FY 2023 Actual | FY 2026 Projected |
|--|---|------------------|------------------|-------------------|
| 21 | Vermont Municipal Bond Income Exemption | Inadequate data | Inadequate data | Inadequate data |
| 2.101 | Charitable Housing Credit | * | * | * |
| 2.102 | Affordable Housing Credit | 0 | 0 | * |
| 2.103 | Qualified Sale of Mobile Home Park Credit | 0 | 0 | * |
| 2.104 | Entrepreneur's Seed Capital Fund | 0 | 0 | 0 |
| 2.105 | Historic Rehabilitation Tax Credit | 0 | * | * |
| 2.106 | Facade Improvement Tax Credit | * | 0 | * |
| 2.107 | Code Improvement Tax Credit | * | 0 | * |
| 2.108 | Machinery and Equipment Tax Credit | 0 | 0 | 0 |
| 2.109 | Research and Development Tax Credit | 4,777,000 | 4,796,000 | 6,292,000 |
| *Suppressed data (fewer than 10 claimants) | | * | * | * |
| Total | | 4,777,000 | 4,796,000 | 6,292,000 |



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Meals and Rooms Tax Expenditure Summary FY 2022, FY 2023, and FY 2026 (dollars)

| Item Number | Meals and Alcoholic Beverages Tax | FY 2022 estimated | FY 2023 estimated | FY 2026 projected |
|-------------|--|-------------------|-------------------|-------------------|
| 41 | Grocery-type items furnished for take-out | 7,600,000 | 8,100,000 | 8,700,000 |
| 42 | Served on the premises of a non-profit | Not estimated | Not estimated | Not estimated |
| 43 | Served on the premises of a school | Data Unavailable | Data Unavailable | Data Unavailable |
| 44 | Served in hospitals, convalescent, and nursing homes | 960,000 | 960,000 | 960,000 |
| 45 | Summer camp for children | Under 100,000 | Under 100,000 | Under 100,000 |
| 46 | Sold by nonprofits at fairs etc. but limited to 4 days | Not estimated | Not estimated | Not estimated |
| 47 | Furnished to an employee of a hotel or restaurant | Not estimated | Not estimated | Not estimated |
| 48 | Served at a continuing care retirement facility | Not estimated | Not estimated | Not estimated |
| Total | | 8,560,000 | 9,060,000 | 9,660,000 |
| Item Number | Rooms Tax | FY 2022 estimated | FY 2023 estimated | FY 2026 projected |
| 4.101 | Student housing | Not estimated | Not estimated | Not estimated |
| 4.102 | Hotel or restaurant employee | Not estimated | Not estimated | Not estimated |
| 4.103 | Summer camps | Under 100,000 | Under 100,000 | Under 100,000 |
| 4.104 | Nonprofit establishments | Not estimated | Not estimated | Not estimated |
| 4.105 | Rooms at a continuing care retirement facility | Not estimated | Not estimated | Not estimated |
| 4.106 | Hospital, convalescent, and nursing home | Not estimated | Not estimated | Not estimated |
| Total | | Under 100,000 | Under 100,000 | Under 100,000 |



Bank Franchise and Insurance Premiums Summary FY 2022, FY 2023, and FY 2026 (dollars)

| Item Number | Bank Franchise Tax Expenditures | FY 2022 Actual | FY 2023 Actual | FY 2026 Projected |
|--|---|-------------------|-------------------|----------------------|
| 61 | Credit Unions | 2,000,000 | 1,710,000 | 2,150,000 |
| 6.101 | Affordable Housing Tax Credit | * | * | * |
| 6.102 | Downtown and Village Center Program Tax Credits | 1,709,000 | 1,876,000 | 2,890,000 |
| 6.103 | Entrepreneur's Seed Capital Fund Credit | 0 | 0 | 0 |
| 6.104 | Charitable Housing Credit | 0 | 0 | 0 |
| *Suppressed data (fewer than 10 claimants) | | * | * | * |
| Total | | 3,709,000 | 3,586,000 | 5,040,000 |

Projections calculated using compound annual growth rate (CAGR) and average annual growth rate (AAGR)

| Item Number | Insurance Premium Tax Expenditures | FY 2022 Actual | FY 2023 Actual | FY 2026 Projected |
|--|---|-------------------|-------------------|----------------------|
| 71 | Affordable Housing Tax Credit | * | * | * |
| 72 | Downtown and Village Center Program Tax Credits | * | * | * |
| 73 | Entrepreneurs' Seed Capital Fund Credit | 0 | 0 | 0 |
| 7.101 | Annuity Considerations | 13,377,000 | 29,826,000 | 18,153,000 |
| 7.102 | Fraternal Societies | 115,000 | 99,000 | 96,000 |
| 7.103 | Hospital and Medical Service Organizations | 13,574,000 | 14,946,000 | 15,641,000 |
| *Suppressed data (fewer than 10 claimants) | | * | * | * |
| Total | | 27,066,000 | 44,871,000 | 33,890,000 |



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Motor Fuel and Purchase and Use Tax Expenditure Summary FY 2022, FY 2023 and FY 2026 (dollars)

| Item Number | Expenditure | FY 2022 Estimated | FY 2023 Estimated | FY 2026 projected |
|-------------|---------------|-------------------|-------------------|-------------------|
| 81 | Gasoline tax | \$0 | \$0 | \$0 |
| 82 | Diesel fuel | \$559,000 | \$641,000 | \$582,000 |
| | Totals | \$559,000 | \$641,000 | \$582,000 |

| Item Number | Expenditure | FY 2022 Estimated | FY 2023 Estimated | FY 2026 projected |
|-------------|---------------------------------|---------------------|---------------------|---------------------|
| 91 | Religious, charitable | \$76,107 | \$66,997 | \$151,000 |
| 92 | Non-registered vehicles | No data | No data | No data |
| 93 | Gifts | \$3,391,732 | \$3,084,379 | \$3,735,000 |
| 94 | IRC Sec. 351 | \$19,550 | \$30,817 | \$45,000 |
| 95 | Handicap | \$58,741 | \$31,362 | \$49,000 |
| 96 | Veterans | \$1,961 | \$3,691 | \$19,000 |
| | Subtotals Tax Exemptions | \$3,548,091 | \$3,217,246 | \$4,000,000 |
| 97 | Trade-In allowance | \$43,000,000 | \$45,300,000 | \$48,300,000 |
| | Totals | \$46,548,091 | \$48,517,246 | \$52,300,000 |



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Questions?



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