



Lincoln AgriSource, LLC
Samuel W. Lincoln
4884 East Bethel Rd. • Randolph Center, VT 05061 • (802) 793-1206
lincolnfarmtimber@gmail.com



To: Senate Transportation Committee

Re: S.46 fiscal impact

Date: 3-14-2025

I was present when the Joint Fiscal Office presented the fiscal note for S.46 during Thursday's committee meeting and wanted to provide some insight for the Committee's consideration.

- In 2017 & 2018, I worked with the administration and legislative committees to develop the existing logging equipment exemption. As a current member of the logging sector, I believe the numbers presented, in terms of annual purchases by logging and trucking contractors, are *significantly higher* than my understanding of the on-the-ground situation is now, or was at that time.
- Publicly facing websites representing forest economy trade associations and logger training programs in Vermont have a total of *approximately* 197 unique companies currently listed that identify as logging or trucking contractors. When counting companies, I did my best to eliminate potential duplicates that are listed on multiple websites. Essentially all of these are small rural businesses.
- When I was the Deputy Commissioner at the Department of Forests, Parks, and Recreation, we were regularly asked how many logging companies there are in Vermont. They're not tracked in any official way, but generally, using some modeled numbers, it was estimated that there were 200-250 companies in the 2017-2020 era.
- Since 2020 and the impacts of the pandemic (inflation, labor shortages, equipment and parts shortages, and market downturns), and severe weather events that resulted in long durations of inoperable ground conditions, there has been significant attrition in the number of logging companies in Vermont and many remaining companies are much smaller in size than they were prior to the pandemic. Thus, based upon the data I have found recently, my current estimate of 197 companies should be relatively accurate.
- When the original sales and use, and purchase and use, tax exemptions were supported and passed by the Legislature, it is my recollection that JFO calculated the revenue impact of those exemptions to be under \$100,000 annually for each exemption. We are trying to locate the original documents to verify this.
- JFO's fiscal note from today projects \$1,000,000 annual impact to the Transportation and Education Funds. Assuming the \$1,000,000 and dividing that by the capped Purchase and Use tax amount of \$2,486 per vehicle equates to an estimated **402 vehicles** purchased annually, registered with a Gross Vehicle Weight of 10,000 pounds or more. This would equate to an average of more than two heavy duty vehicles purchased by each Vermont logging and trucking company per year and I think **that projection is much too high**.
- In the past 30 years, I have purchased a new service truck (12,500-pound GVW) on a seven year average interval. From my experience, I would offer that loggers in Vermont replace trucks (log trucks, service trucks, log and chip trailers) on anywhere from a three to ten-year interval (some longer). **I am unaware of any loggers in Vermont that annually purchase two heavy trucks, tractors, trailers, etc.,** (I am sure there are some exceptions to this, but few and far between).
- Vermont is losing logging and trucking capacity. This is negatively impacting rural communities and more importantly, the businesses that steward our forests in a time when forest health and integrity is well known to

be a critical part of climate resilience. Those of us that remain committed to the logging and trucking business need every dollar we can hold on to in an effort to reinvest in our businesses, employees, and best practices to compete in a global economy so that we may survive.

I appreciate the committee's consideration and ask that you pass S.46 version 2.2, presented by Mr. O'Grady during Thursday's work session.