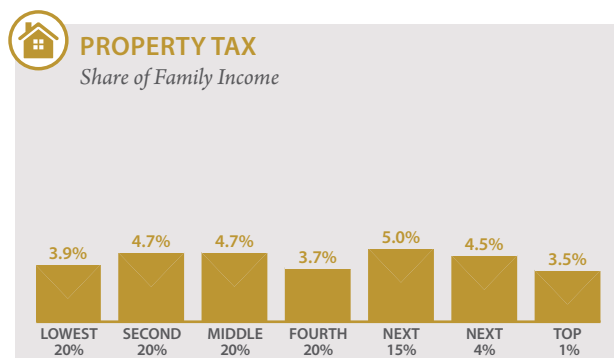
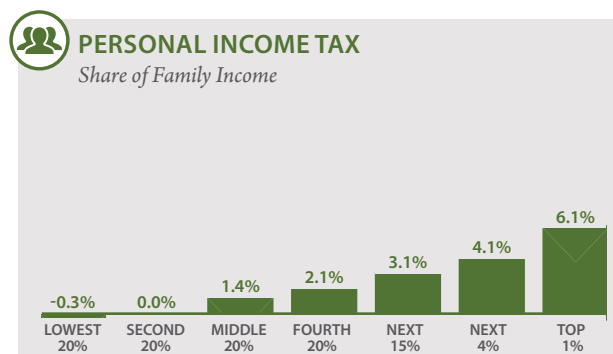
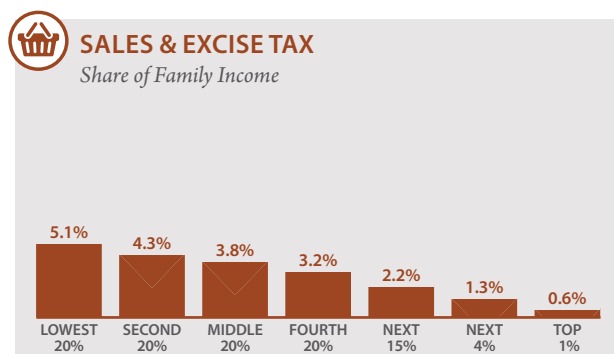
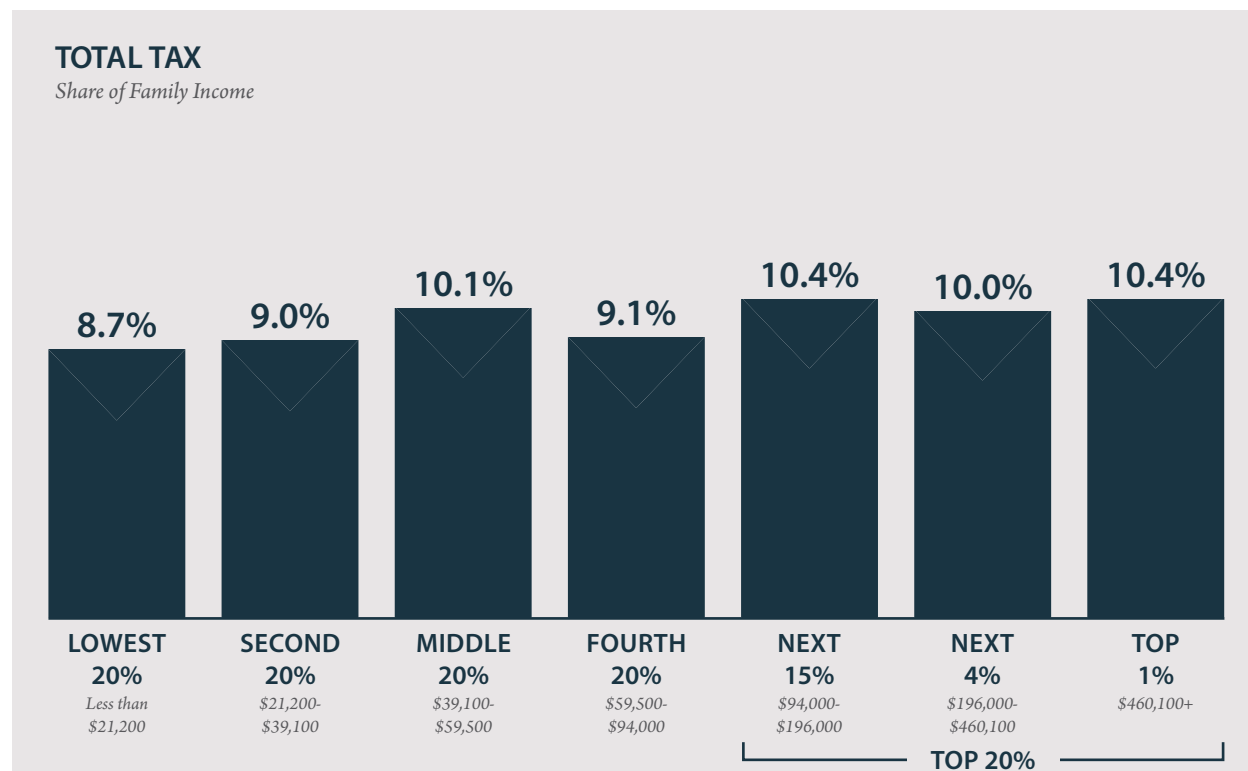


VERMONT

STATE AND LOCAL TAX SHARES OF FAMILY INCOME for non-elderly taxpayers







NOTE:

Figures show permanent law in Vermont enacted through September 10, 2018 at 2015 income levels. Top figure represents total state and local taxes as a share of income. The 6th edition of Who Pays does not include the impact of the federal deduction for state and local taxes (SALT) because policy changes in the 2017 federal Tax Cuts and Jobs Act temporarily limited the extent to which the SALT deduction functions as a generalized offset of state and local taxes.

VERMONT State and Local Taxes (cont.)

TOTAL TAX

Share of Family Income

INCOME GROUP	TOP 20%						
	LOWEST 20%	SECOND 20%	MIDDLE 20%	FOURTH 20%	NEXT 15%	NEXT 4%	TOP 1%
INCOME RANGE	Less than \$21,200	\$21,200 to \$39,100	\$39,100 to \$59,500	\$59,500 to \$94,000	\$94,000 to \$196,000	\$196,000 to \$460,100	over \$460,100
AVERAGE INCOME IN GROUP	\$11,500	\$29,200	\$49,200	\$74,800	\$131,100	\$279,700	\$993,600
 SALES & EXCISE TAXES	5.1%	4.3%	3.8%	3.2%	2.2%	1.3%	0.6%
General Sales—Individuals	2.0%	2.0%	1.9%	1.7%	1.2%	0.8%	0.4%
Other Sales & Excise—Ind.	1.9%	1.2%	1.0%	0.7%	0.5%	0.3%	0.1%
Sales & Excise on Business	1.2%	1.1%	0.9%	0.8%	0.5%	0.3%	0.1%
 PROPERTY TAXES	3.9%	4.7%	4.7%	3.7%	5.0%	4.5%	3.5%
Home, Rent, Car—Individuals	3.5%	4.6%	4.3%	3.4%	4.6%	3.7%	1.6%
Other Property Taxes	0.3%	0.2%	0.5%	0.3%	0.4%	0.8%	1.9%
 INCOME TAXES	-0.3%	-0.0%	1.5%	2.2%	3.2%	4.2%	6.3%
Personal Income Tax	-0.3%	-0.0%	1.4%	2.1%	3.1%	4.1%	6.1%
Corporate Income Tax	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.2%
 TOTAL TAXES	8.7%	9.0%	10.1%	9.1%	10.4%	10.0%	10.4%

Individual figures may not sum to totals due to rounding.

ITEP TAX INEQUALITY INDEX

According to ITEP's Tax Inequality Index, **Vermont's state and local tax system does not worsen income inequality and ranks 49th on the index.** The large income gap between lower- and middle-income taxpayers, as compared to the wealthy, is somewhat narrower after state and local taxes than before. (See Appendix B for state-by-state rankings and the methodology for additional detail.)

TAX FEATURES DRIVING THE DATA IN VERMONT



PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- Provides a refundable Earned Income Tax Credit (EITC)
- Provides a refundable property tax "circuit breaker" credit to low-income taxpayers via the income tax
- Many resident homeowners pay school taxes based on income rather than property value
- Provides a partially refundable dependent care tax credit
- Sales tax base excludes groceries
- Requires the use of combined reporting for the corporate income tax
- Levies a state estate tax



REGRESSIVE TAX CODE FEATURES

- Provides a capital gains tax break
- Comparatively high cigarette tax rate