

Draft Minutes

Monday, August 12, 2019 1:00 PM – 4:00 PM

Bixby Memorial Free Library
258 Main Street Vergennes, VT

Present: Commissioners: Stephen Trenholm, Bram Kleppner, Deb Brighton; Staff Director: Sean Sheehan; Consultant: Susan Mesner; Representative Robin Scheu; Tax Department: Erin Hicks-Tibbles; Public Assets Institute: Julie Lowell

1:12 P.M. Welcome and call to order – Stephen Trenholm, Commissioner

Approval of minutes from 7/24/19 – Commissioner Kleppner moved to approve, Commissioner Brighton seconded, all in favor.
Review of agenda

1:14 P.M. Discussion of Ms. Mesner’s draft paper: Background - Taxation of Pass-Through Entities: Nonresident Withholding

Commissioners inquired about feedback. Mr. Sheehan noted that both draft reports had been distributed to all of the stakeholders in the Commissioners’ draft public engagement plan, and that many stakeholders had expressed appreciation at being given the opportunity to read the drafts but only a small number had made suggestions (and all had been conveyed to the commissioners). Commissioner Trenholm reported that the IRS is currently working on resolving pass-through entity abuses. Discussion of the pros and cons of mandatory composite filing. Commissioners agreed that final recommendations are not feasible at this time, but that Ms. Mesner should update the report based on feedback received to date.

1:45 P.M. Discussion of Mr. Sheehan’ draft paper: Demographics - Stability and Change

Discussion of paper as a set of building blocks for the other issues the commission will be considering in the coming months. Commissioners requested Mr. Sheehan clarify the demographics title and executive summary to be sure it is clear that, although the Vermont population is stable, changes happening within the population will likely have a large impact on revenues.

2:20 P.M. Public Comment

- Julie Lowell of Public Assets Institute noted that income growth in VT is top-heavy, not distributed equally.
- Ms. Mesner suggested a few studies from Mary Peterson’s tenure as tax commissioner would be useful for illustrating high-income events vs. consistently high incomes. Erin Hicks-Tibbles from the VT Tax Department said she would look for the studies and send them to the commission.

3:47 P.M. Meeting adjourned by consensus

Respectfully submitted,

Sorsha Anderson
Staff Associate, Legislative Joint Fiscal Office