

From: Heidi Scheuermann [heidi@heidischeuermann.com]

Sent: Thursday, April 14, 2011 10:57 AM

To: Peterson, Mary

CC: MacLean, Alex

Subject: Kudos Due

Dear Commissioner Peterson –

I just wanted to drop a note to share with you a great experience I had recently with your staff at the Department of Taxes.

Last week, a constituent of mine contacted me about a recent decision the Department made regarding a web hosting tax. I contacted the Department, and was referred to Ken Jones. Ken responded immediately and came over to the State House a couple of hours later to meet with me about it. He explained to me the decision, though understood my concerns, and asked to have the constituent contact him so that they could talk about it. I did so.

Two days later I received an email from Ken that, frankly, blew me over. He said that as he looked into it and discussed it with a number of businesses, the Department “reviewed their decision, changed that decision, and revised their opinion.”

I have pasted below the story as I included it in my email newsletter I sent out last week.

I know you and the Department get a lot of complaints throughout the year about different things. So, I just wanted to share this great experience with you and with the readers of my newsletter.

Thanks,

Heidi

Web Hosting Tax

There are always complaints about government - how unwieldy it can be and how slowly things happen. This is not one of those. Rather, I had a great experience with the Vermont Department of Taxes this week that should be shared.

After being contacted by a constituent with questions and concerns about a recent decision by the Vermont Tax Department to subject website hosting to sales tax, I began to look into the situation. Following discussions with staff at the Tax Department sharing my concerns, the constituent then contacted the staff to provide more expertise (thankfully).

In two days I received an email I never expected from Ken Jones, a policy analyst at the Department. After discussions with my constituent and a flurry of contacts about subjecting website hosting to the sales tax, the Department “reviewed their decision, changed that decision, and revised their opinion.” Essentially, after talking with the businesses, they realized that the hardware and software components are not the predominant portion of the service. In addition, states that do tax website hosting also tax services, and most states that don't tax services (like Vermont) do not tax hosting.

Thank you, Mr. Jones, for your very efficient work on this issue. And thank you, Joe, for bringing it to our attention!

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