

Comments on House Appropriations Letter

On behalf of fuel retailers, it is our position that if the 2-cent per gallon Fuel Tax is reauthorized in 2019, it should have a defined sunset, that the rate should not increase, and that there should be clarifying language to determine whether or not the tax is applicable to sales to non-profits and/or state and municipal governments. Both the Joint Fiscal Office and Tax Department have reviewed this existing exemption, which is estimated to be \$500,000.

The current 2-cent per gallon Fuel Tax is assessed not just on oilheat, propane and kerosene, but on dyed diesel which is used by farmers, school buses, and other industries and businesses that require diesel fuel for non-heating and non-excise taxable purposes. Furthermore, businesses in Vermont already pay 6% sales tax on heating fuel. Adding additional energy taxes increases the disparity in energy costs between Vermont and neighboring states.

Thank you for your consideration.

Matt Cota
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