

Montpelier, Vt. – Today, Governor Phil Scott issued the following statement:

“In my first 18 months in office, we’ve avoided \$70 million in forecasted property tax rate increases – including two consecutive years of level rates for residential property tax payers. We’ve eliminated the income tax on social security for low and middle-income households. And I’ve held the line against many other taxes and fees proposed by the Legislature.

“We’ve invested to make childcare, early education and higher education opportunities more affordable and taken critical steps towards improving the efficiency of our K-12 system – including establishing a statewide health benefit for school employees; reforming the special education delivery system; and creating a task force to improve Vermont’s staff-to-student ratios.

“We’ve also reduced unemployment insurance and workers’ compensation costs, saving employers tens of millions of dollars, among other accomplishments.

“Most importantly, we’ve ensured that our state budget is no longer growing faster than wages. For the first time in decades, state government is helping Vermonters keep more of what they earn.

“Because of the hard work of Vermont’s job creators, supported by our focus on policies that grow our economy and make Vermont more affordable, [there are nearly 4,000 more Vermonters in the workforce than when I took office](#), wages are rising and the economy is accelerating, leading to a state budget surplus for the first time in many years and declines in human service caseloads.

“Despite all this progress and a budget surplus that has grown above \$55 million in recent weeks, Legislative leaders are insisting on raising non-residential property tax rates by 4.5-cents this year. And despite multiple paths offered by my Administration and a bipartisan group of lawmakers, it’s clear majority leaders are willing to threaten a shutdown of state government, just to unnecessarily raise tax rates.

“On Friday, I had an agreement with House Speaker Mitzi Johnson and Minority Leader Don Turner that would prevent a government shutdown while achieving a second consecutive year of level rates for residential taxpayers and providing 100 percent of the rate relief for non-residential payers over two years. This agreement achieved goals of both my Administration and the Legislature.

“Unfortunately, majority party leadership walked away from this deal and an additional compromise that had broad bipartisan support late Friday night. By abandoning two agreed-upon compromises and rejecting multiple proposals to fund government beyond July 1, legislative leaders have now pushed us to the brink of a shutdown, just to unnecessarily raise tax rates on non-residential property tax payers, which includes renters, small business owners, camp owners and more.

“As Governor, I will not put the health and safety of Vermonters or the stability of our economy at risk. While I do not support raising any tax rates in a year we have a \$55 million surplus, this debate has gone as far as it can responsibly go. I’m left with no choice but to allow this bill to become law without my signature. Make no mistake, however, that I will be fighting to address these tax rates, and others, in the future – especially as our economy and our surplus continue to grow.

“I am frustrated, and disappointed for Vermonters, that Democrats in the House and Senate have forced through a non-residential tax rate increase in a year we have a growing surplus. But, I’m pleased to have

achieved about 75 percent of the property tax rate relief I fought for this year, including a second consecutive year of level statewide rates for residential payers. Legislators can expect that I will seek to achieve additional tax relief for Vermonters next year, and beyond, because there is much more work to do to make Vermont more affordable and prosperous for families and businesses.

“As we move ahead, I look forward to working with fiscally responsible lawmakers of all parties who understand the toll the tax burden takes on our economy and economic development. And I will continue to fight to make Vermont more affordable while investing in pro-growth policies that expand our workforce, strengthen our economy and protect the most vulnerable.”