

June 9, 2025

Honorable Mayor Mulvaney-Stanek and Members of the Burlington City Council,

First, thank you for your resolution in support of local businesses and the difficult work you are doing in support of our community. We hope that you see the Lake Champlain Chamber, and all of our programming - Hello Burlington, Burlington Young Professionals, LaunchVT, Leadership Champlain, and LCC Advocacy - as both a partner and a resource to you as you navigate these trying times.

We offer for your consideration our perspective on two issues before you.

Impact fees: Doubling fees associated with the creation of housing is antithetical to what is needed at a time when our City has unhealthy vacancy rates and a large unhoused population. While we understand that impact fee revenue goes to essential services in support of housing, we'd ask that you consider other options.

- While it might be easy to say that a \$6,000 per 1,000 square feet is an insignificant amount of money, consider that that is about the size of an accessory dwelling unit, and the State has proven through its VHIP program that assistance of \$30,000 can incentivize these units which can provide meaning infill opportunities.

Gross Receipts: As we discuss the sunset of the increase to the sales tax, while it may seem like a small marginal amount of money, the increase in the gross receipts tax has an outsized aggregate impact in the City while businesses are feeling the stress of construction, public safety, and other issues impacting the quality of life in the downtown.

We must do everything possible to send the signal that Burlington is open for business and that businesses are partners, not bank accounts.

We are sympathetic to the pressures on you, and we know that you are asking the City to forego revenue in taking these actions. As you are aware, our advocacy team works at the local, regional, and state levels, and is aware of some potential additional revenue that will soon be available to the City.

- **Greater Retention of Sales and Use Tax from Changes to PILOT:** The Vermont Legislature has approved [H.397](#), which reduces the amount of local options tax revenue that the state retains from 30% to 25%, allowing towns to retain a greater portion of the revenue. We expect the Governor to sign this bill into law soon.



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- **Increased sales Taxes on Pre-written Software Accessed Remotely: Under Act 183 of 2024**, such internet software is now liable for sales tax in the State of Vermont. As compliance with the law improves, Burlington is expected to see additional revenue.

It's been a challenging winter; however, as we see construction on Main Street hopefully come to a close within a year and we work to welcome more people into the Queen City, we hope to see increased revenue from commerce, not from higher tax rates.

Sincerely,

Catherine Z. Davis
President & CEO
Lake Champlain Chamber