

Fair Share for Vermont:

We can build a Vermont that works
for everyone who lives here

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Public Assets Institute

Fund Vermont's Future and Fair Share for Vermont Campaign Manager

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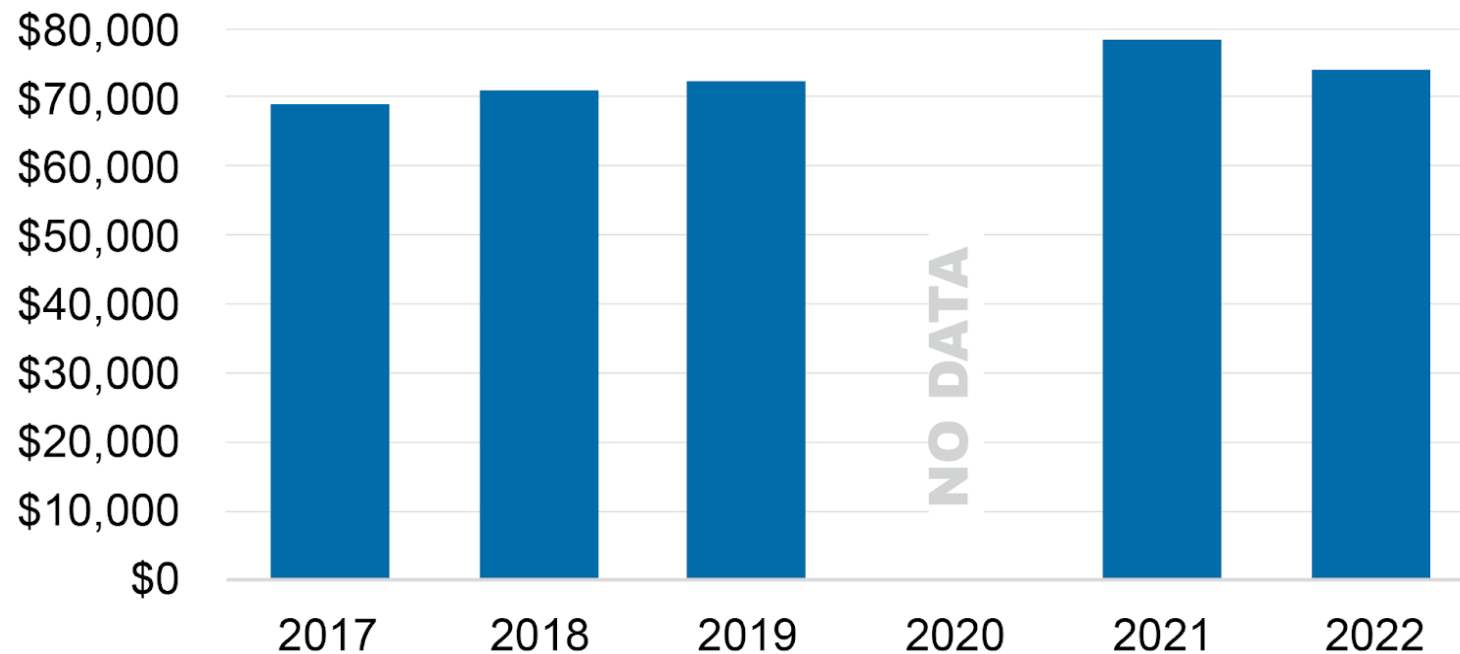
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Figure 1

Vermont inflation-adjusted income fell

Median household income, 2017-2022, adjusted for inflation



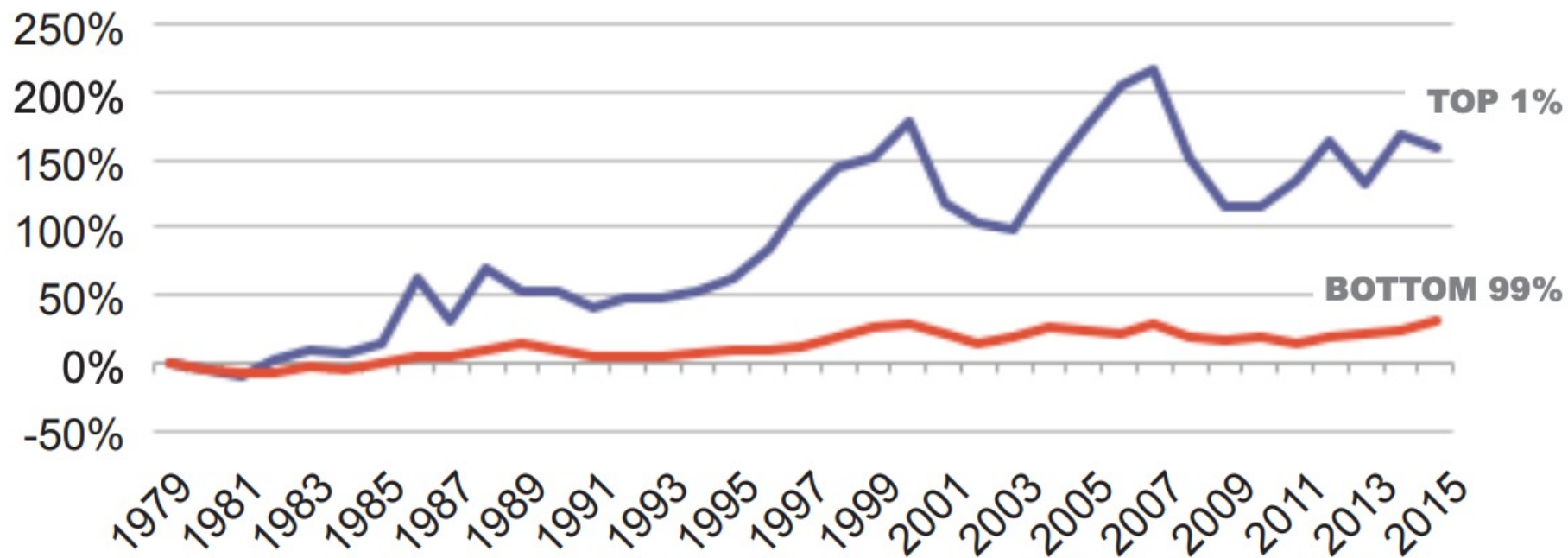
Data source: Center on Budget and Policy Priorities' analysis of American Community Survey 1-year estimates, 2017-2022

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Figure 2

Incomes of the top 1 percent increased more than everyone else's

Cumulative change in income, top 1% and bottom 99%, 1979-2015



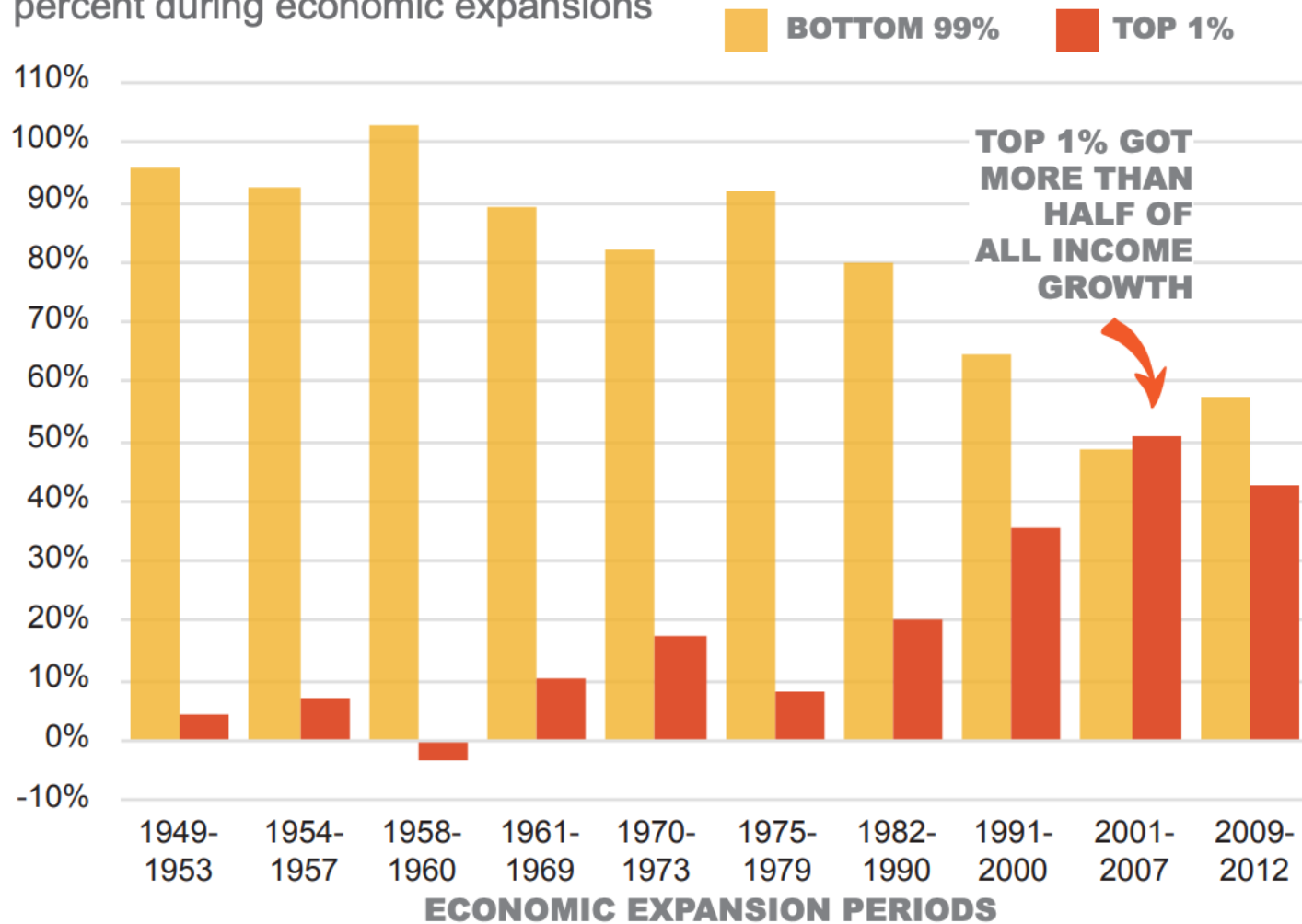
Data source: Estelle Sommeiller and Mark Price, "The New Gilded Age: Income Inequality in the U.S. by State" (Washington: Economic Policy Institute, 2018).

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Figure 3

Recent expansions rewarded the haves

Share of Vermont income growth going to top 1 percent and bottom 99 percent during economic expansions

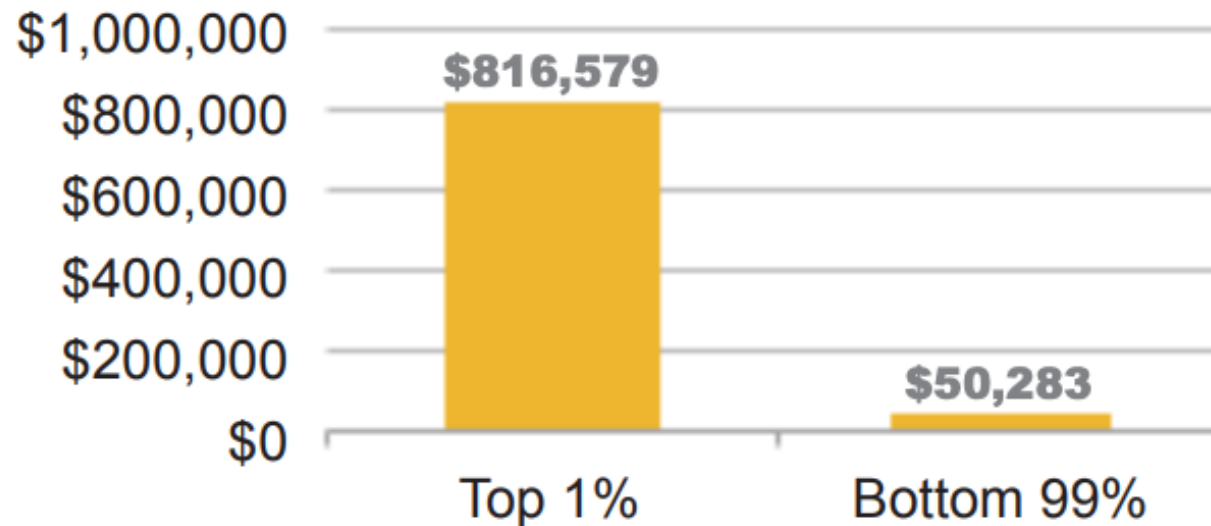


Data source: Mark Frank, Estelle Sommeiller, Mark Price, and Emmanuel Saez, "Annual Top Income Shares by U.S. State, 1917-2013"
©2015 Public Assets Institute

Figure 4

Vermont's top 1% averaged 16 times the income of the other 99%

Average income, top 1% and bottom 99%, 2015



Data source: Sommeiller and Price, "The New Gilded Age."
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Updated 2022 data from Public Assets Institute shows that Vermont's top 1% now averages 20 times the income of the other 99%. The average income among the top 1% is \$1.4 million per year, while the average income among the bottom 99% is \$69 thousand per year.

If incomes for the **bottom 99% of Vermont income earners** had grown at the **same rate as the top 1%** between 1974 and 2020, their **average income would be \$100,000 more than it currently is.**

Average income of the bottom 99% (2020): **\$59,000**

Average income of the bottom 99% (if incomes had grown at same rate as top 1%, 2020): **\$159,000**

Figure 5

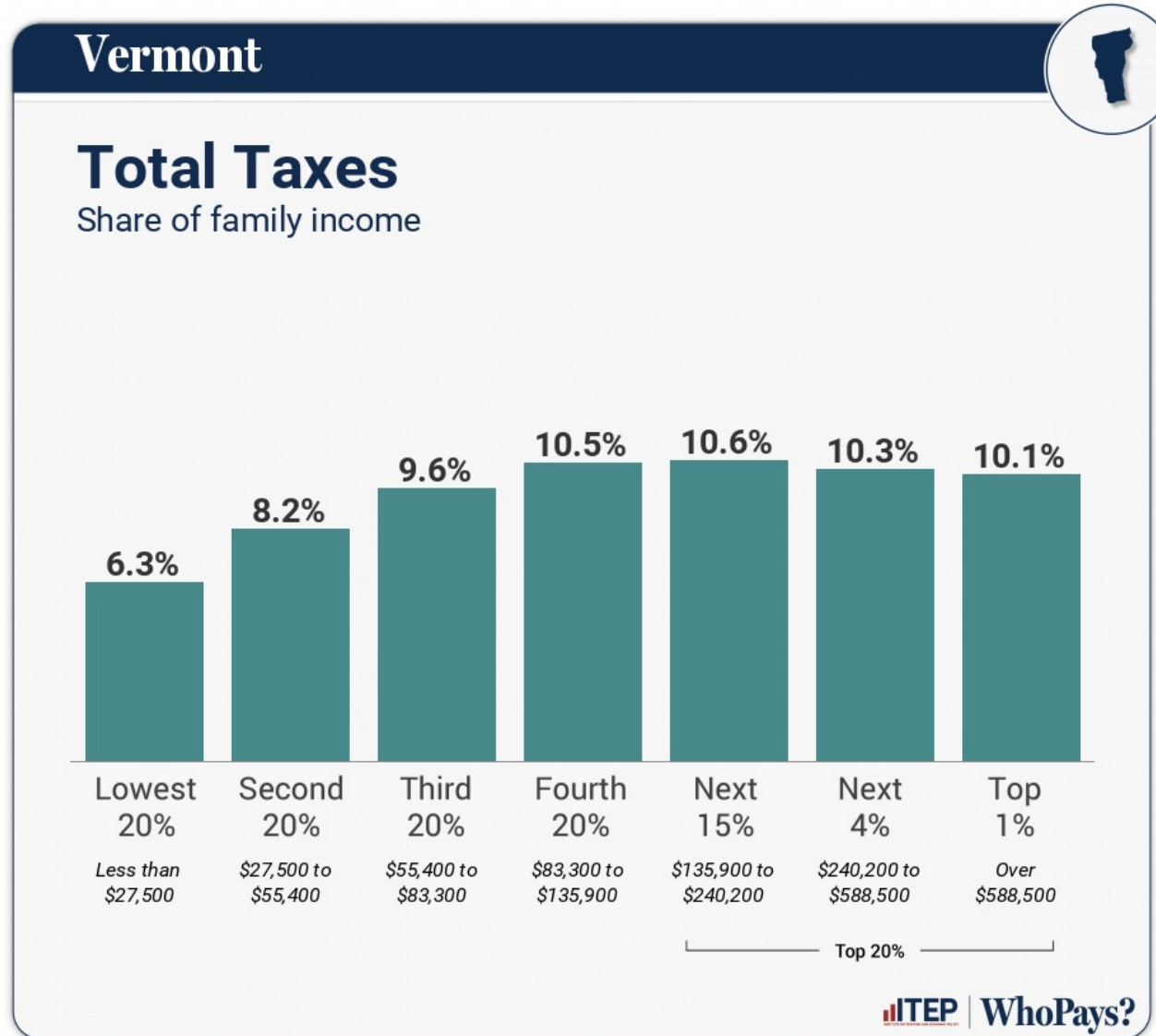


Figure 6

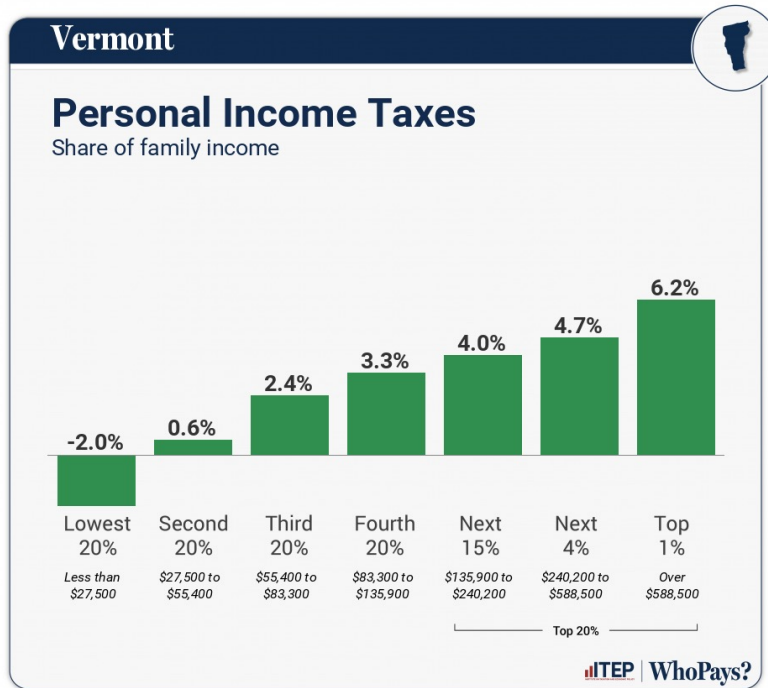


Figure 7

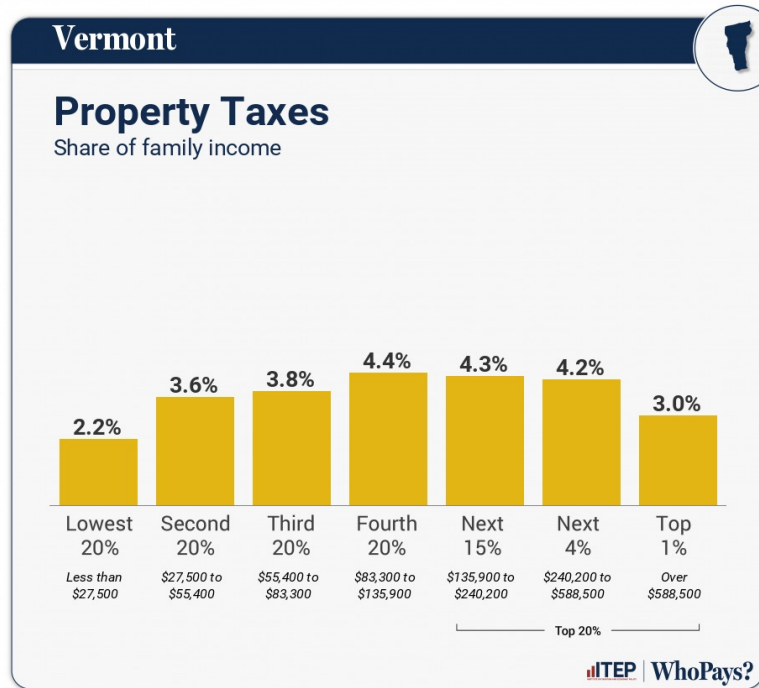


Figure 8

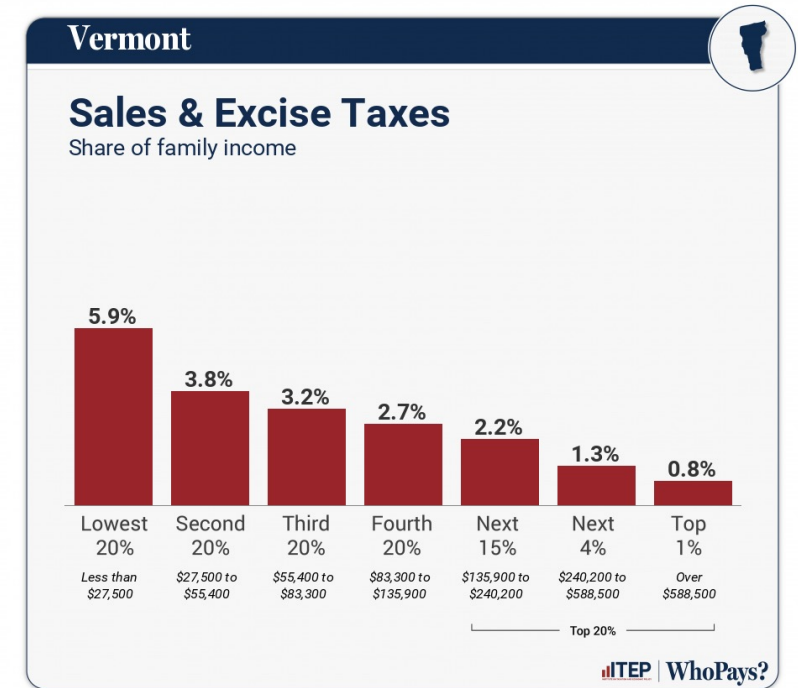
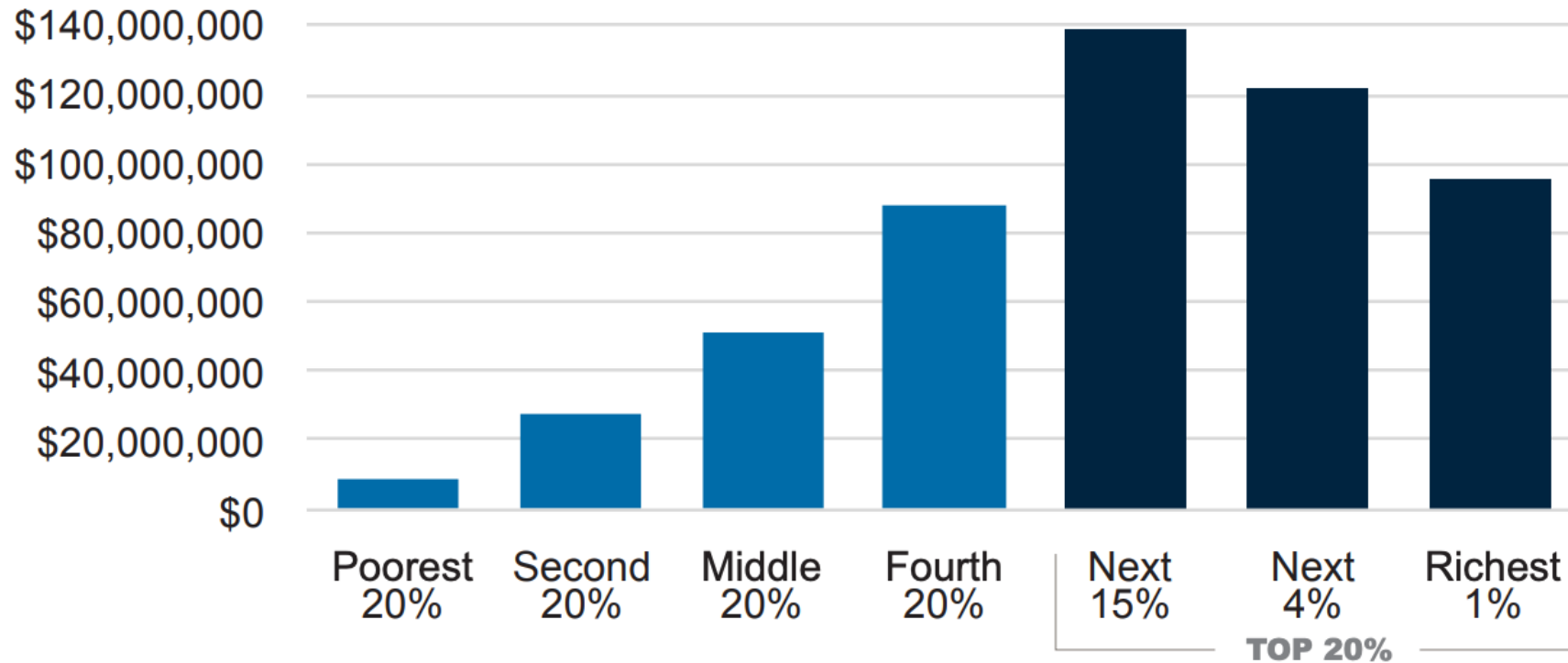


Figure 9

Trump tax cuts for the top 20% of Vermonters totaled \$350 million in 2018

Estimated total federal tax benefit to Vermonters from Tax Cuts and Jobs Act, by income group, 2018



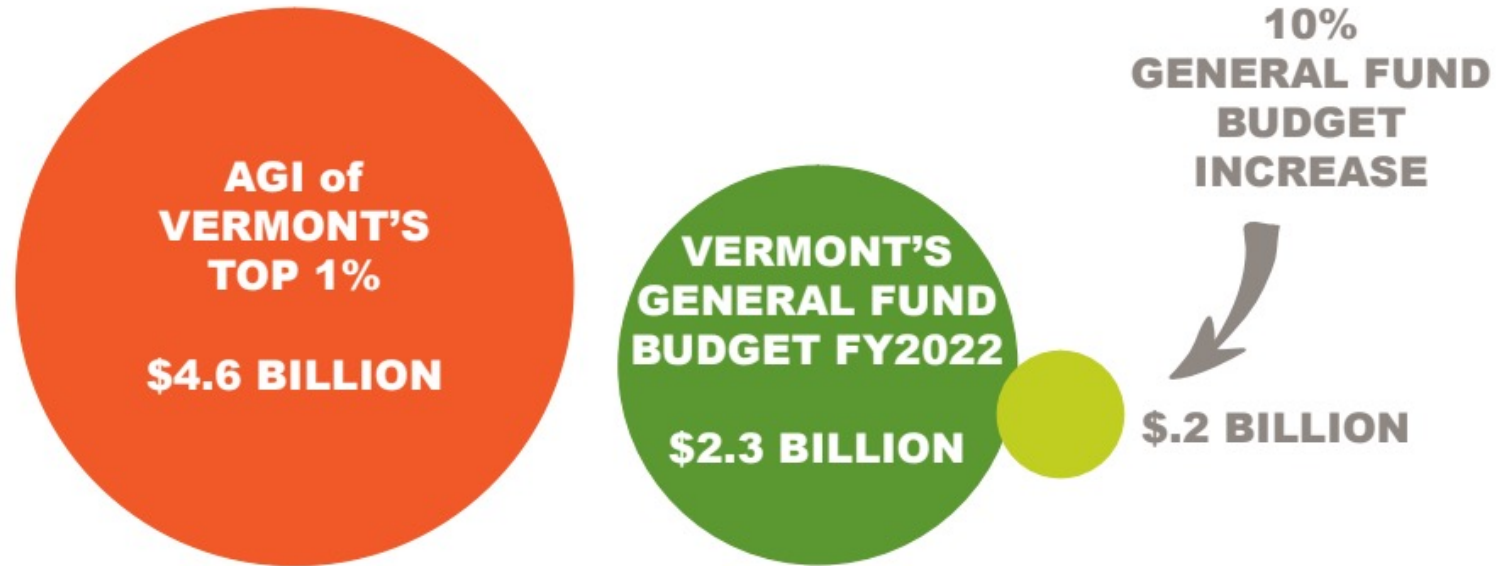
Data source: Institute on Taxation and Economic Policy

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Figure 10

Capacity to Increase Taxes on Highest Earners:

Income of top 1 percent is double the General Fund budget
Adjusted gross income (AGI) of top 1 percent of Vermont filers, 2022, General Fund budget, FY2022



Data source: Vermont Department of Taxes; Vermont Joint Fiscal Office
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Why Revenue?

We need more state revenue to meet the needs of all Vermont residents

Examples of needs:

1. January 2: legislators send letter to Gov. Scott citing over \$300 million in economic injury from summer 2023 floods
2. April: \$900 million (over 10 years) plan passed by House of Representatives to address housing crisis (current legislation would use Fair Share revenue plan)
3. Underfunding of EMT services, school construction, conservation projects, etc.
4. Chronic underfunding of state systems

To address these needs (and many more) we need to raise revenue by increasing taxes on those most able to pay.

Recap (so far)...

1. Incomes for the highest earners in Vermont are increasing faster than incomes for everybody else
2. The highest income earners in Vermont are paying a smaller portion of their income in state taxes than middle- and upper middle-income Vermonters
3. The highest income earners have benefited disproportionately from federal level tax cuts
4. There is the capacity to increase taxes on the wealthiest Vermont residents.

Which means...

- Economic capital is currently being concentrated at the top
- Middle income families are subsidizing the taxation of high-income earners
- The state is not collecting sufficient revenue
 - And inevitable costs from underfunded government services disproportionately affect lower and middle- income Vermonters

Current Proposals

1. Tax on unrealized gains

H. 827: Legislative proposal to tax unrealized gains as personal income for individuals with over \$10 million in assets

Legislative movement: a study committee on taxing wealth, including on taxing unrealized gains, passed out of the House of Representatives and is being considered by the Senate

Current Proposals

2. New Income Tax Bracket for High-Earners

House of Representatives passed H.829, including new tax bracket for filers making over \$500,000 per year

Marginal income over \$500,000 would see 3% tax increase

Tax would affect 1.1% of Vermont taxpayers (approximately 3,500 filers) and would raise over \$74 million annually

Get Involved/Get in Touch!

1. Head to fairsharevt.org and sign up to receive email updates
2. Contact your legislators in support of a new tax bracket on income over \$500,000!
3. Send me an email!
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