

Tax Facts & Comparisons Vermont

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Vermont is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Vermont scores.



Tax Foundation Rankings of Vermont

State Business Tax Climate Index

46th
best

Vermont ranks 46th out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Vermont ranked 45th.

Vermont's individual income tax ranks 44th best, its corporate income tax ranks 42nd best, its sales tax ranks 16th best, its property tax ranks 48th best, and its unemployment insurance tax ranks 17th best.

Neighboring states' ranks: New Hampshire (7th), New York (49th), Massachusetts (24th),

State-Local Tax Burdens Rank

9th
highest

Estimated at 10.5% of income, Vermont's 2011 state-local tax burden ranks 9th highest nationally, above the national average of 9.8%. Vermont taxpayers pay \$4,351 per capita in state and local taxes.

Neighboring states' ranks: New Hampshire (44th), New York (1st), Massachusetts (11th),

Tax Freedom Day®

2015
April
22

In 2014, Vermont taxpayers worked 112 days into the year until April 22 to pay their total tax bill, ranking 34th highest nationally.

That's 2 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

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Vermont Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Vermont structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

General Info		Rank	Nat. Avg.
Income per capita	\$41,634	21st	\$43,735
Federal aid as % of gen. revenue	33%	21st	32.8%
State debt per capita	\$7,306	33rd	\$3,678

Individual Income Tax		
Number of brackets		5
Bottom income bracket rate		3.55%
Bottom bracket kick In		\$0
Top income tax rate		8.95%
Top bracket kick in		\$405,100
Collections per capita (2012)		\$956
Collections rank (2012)		23rd

Property Tax	
Collections per capita (2012)	\$2,202
Collections rank (2012)	7th
Property taxes paid as share of owner-occupied housing value (2013)	1.71%
Property taxes paid percent rank (2013)	9th

Sources of State & Local Tax Collections

	Vermont	All States.
Property Tax	43%	32%
Sales Tax	11%	23%
Corporate Income Tax	3%	4%
Individual Income Tax	19%	22%
Other	25%	20%

Corporate Income Tax		
Number of brackets		3
Top corporate tax rate		8.50%
Collections per capita (2012)		\$154
Collections rank (2012)		17th

Sales Tax	
State rate	6.00%
State + average local rate	6.14%
State + average local rank	34th
Collections per capita (2011)	\$561
Collections rank (2011)	44th

Excise Taxes	Rate	Rank
Gasoline taxes and fees	32.0¢ per gallon	13th
Cigarette taxes	\$2.75 per pack	8th
Spirits taxes	\$7.68 per gallon	15th
Beer taxes	\$0.27 per gallon	22nd
Cell phone taxes	8.50%	32nd

Other Taxes	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	None	N/A
Estate tax	0.8-16%	\$2,750,000

About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

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