

Vermont prepares for sales tax holiday

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BRATTLEBORO -- Next Saturday will mark Vermont's Sales Tax Holiday, an opportunity for customers to take advantage of savings without worrying about the 6 percent sales tax, according to retailers.

On Aug. 22, sales of items costing \$2,000 or less are exempt from sales tax and local option sales tax. All Vermont businesses making sales of these items are required to participate in the event.

The tax-free shopping, however, stops at the front door of hotels and restaurants in the Green Mountain State -- the sales tax holiday does not apply to the meals and rooms tax.

Local business leaders say the event provides retailers around the state, but especially along the Connecticut River, a chance to compete with New Hampshire, where there is no sales tax.

"For communities like Brattleboro, which is a riverside community, it certainly (for a time) levels the playing field and offers our unique shops an opportunity to shine," said Jerry Goldberg, executive director of the Brattleboro Area Chamber of Commerce.

"We're hoping people will see this as their big opportunity," said Tasha Wallis, executive director of the Vermont Retail Association. "We're really hopeful people do stay in Vermont, and folks from New Hampshire and other adjoining states will pay us a visit."

According to Wallis, many businesses are extending their hours, picking up additional staff and taking in extra products in anticipation of the tax-free event next weekend.

While skeptics say the sales tax holiday is a feel-good tactic, others are more concerned about the slumping economy.

Sales figures declined 5 percent in July with consumer confidence dropping as well, but Wallis believes consumers are feeling more optimistic this month.

With young Vermonters heading back to school in fewer than three weeks, Wallis said there is an expanded opportunity for consumers to take advantage of the savings. Parents can go out and shop with their children for all the items they need this fall.

"An area where we expect particular success is in electronics," she said. There is an 11 percent increase expected among electronic items, she added.

"Yes, the economy will have an effect, but the need and desire for good things doesn't go away just because the economy is bad," said Goldberg. "I think we will see great success over the weekend."

Area businesses people said the holiday provides savings for locals while bringing in tourists looking for bargains.

"I think it's a great thing for the state," said Jill Bellville, store manager at the Grafton Village Cheese Co. on Route 30. Having the tax-free shopping helps get more people out of their homes, she said.

"I think that it will be a very big day, period," she added.

Another sales tax holiday is scheduled for March 6, 2010. More information about the sales tax holiday is available on the Vermont Department of Taxes Web site at www.state.vt.us.