



Vermont

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
43	36	43	29	49	8

Vermont levies all major categories of taxation with comparatively high rates and an overall uncompetitive tax structure. As a result, the tax code makes the state both nationally and regionally uncompetitive, particularly compared to neighboring low-tax New Hampshire.

Vermont levies an individual income tax with multiple brackets, including a top marginal rate of 8.75 percent; the tax also includes a marriage penalty for joint filers. The Green Mountain State levies a tax at a flat rate of 16 percent on estates worth more than \$5 million.

Property taxpayers in the state are subject to a high effective rate of taxation, second only to Maine. Further, property tax collections per capita in the state are among the highest in the country (\$3,001). The state's sales tax base is unnecessarily narrow and exempts many personal goods and services while also subjecting many business inputs to the tax, which causes tax pyramiding and ultimately increases the costs borne by consumers.

The Vermont corporate tax features three brackets with a top marginal rate of 8.5 percent. Importantly, these brackets are not indexed for inflation, meaning taxpayers will be forced into a higher tax bracket when their nominal income increases, but due to inflation, their real income does not (or even declines). Net operating loss carryforwards are limited to 10 years, with no corresponding carryback allowance, and Vermont is among the minority of states that tax global intangible low-taxed income (GILTI). Vermont also has a throwback rule, which subjects a portion of businesses' out-of-state income to Vermont's corporate income tax.