

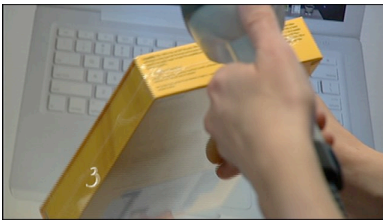
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## Tax Holiday Brings Out Shoppers



South Burlington, Vermont - July 12, 2008

Vermont's long awaited sales tax holiday got off to a strong start this weekend. The state Legislature authorized the two-day break from the six percent levy as a way to boost the economy.



You had to wait in line at Small Dog Electronics, but saving six percent -- plus South Burlington's one-cent local option tax on top of that -- made it worthwhile for business owners, as well as consumers. "What it does is help build Vermont businesses by stimulating the type of sales we're seeing here. And we're seeing this all over the state. Furniture stores and, you know, Home Depot and mom and pop stores, they're all having great sales this weekend," said Don Mayer, Small Dog Electronics CEO.



Many retailers are adding their own discounts over and above the sales tax break. Goss Dodge is rebating the six percent purchase and use tax to customers who buy one of their trucks this weekend -- even though the sales tax holiday does not include the purchase and use tax.

On smaller items, for instance at Garcia's Tobacco Shop on the Church Street Marketplace, the savings are modest. But still, the customers came. Tara Fortune, who works on the counter, said, "Everything, even the tobacco, you're saving the sales tax, so it's everything. The larger items, you save more. They're discounted an extra ten percent. So it's a big difference."

Several other states have conducted sales tax holidays, although Florida this year canceled their annual holiday due to concern over faltering revenues. In Vermont there seems to be no question that it *is* generating more sales. The question is, can the state afford it?

Glen Gross, a customer at Small Dog Electronics, said, "I saved over \$250 today, and I think that means that, ironically enough, the Legislature is going to have to raise taxes to cover the money that they've lost."

The tax break also applies to Internet sales. And Energy Star-rated home appliances qualify through next Saturday, July 18.

It remains to be seen how much business the sales tax holiday generates, and whether Vermont will try it again in the future. From the standpoint of shoppers and business owners, the sales tax holiday was a success.

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