



# State to Main

The Voice of Vermont Business



September 11, 2020

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### [Senate Reviews House Economic Relief Proposal](#)

The Senate Committee on Economic Development, Housing and General Affairs heard testimony from the Scott Administration and Representative Charlie Kimbell, Ranking Member of the House Committee on Commerce and Economic Development. The Committee specifically reviewed the House’s economic relief proposal. If advanced as passed by the House, the relief proposal would provide \$100 million in additional economic relief for businesses impacted by COVID-19. The Committee has not indicated what major changes they will make to the House proposal, if any, but the members of the Committee indicated they would like to reintroduce some funding for a consumer stimulus program. The Vermont Chamber has pushed for additional funds for existing relief programs and for a set-aside program serving industries most impacted by the pandemic, and will continue advocating for meaningful relief throughout the current legislative session.

### [Vermont Chamber Testifies on Unemployment Insurance Fund](#)

Charles Martin, Vermont Chamber Government Affairs Director, testified in the House Committee on Commerce and Economic Development on the future of Vermont’s Unemployment Insurance (UI) trust fund. Since the onset of the pandemic, the state’s UI fund has been drawn down from a previous high of \$500 million to a current level of \$300 million. Pandemic related layoffs are expected to regularly occur for the foreseeable future, which will continue to impact the fund. Legislators on the Committee heard from state economists and others about replenishing the fund and impacts replenishment and the associated tax increases could have on employers. While the Vermont Chamber recognizes the essential nature of maintaining a strong UI fund, employers are ill equipped to



withstand significant tax increases at this time and our engagement with the Legislature will continue to reflect this reality.

### [Vermont Chamber Urges Changes to Act 250 Proposal](#)

The Vermont Chamber joined the Lake Champlain Chamber and the Regional Development Corporations of Vermont in recommending changes to a housing bill that, if implemented, would serve to reintroduce Act 250 provisions related to areas of enhanced designation that were removed from the Act 250 proposal recently advanced by the Senate. Last week the Senate made major changes to Act 250 reform legislation that struck sections related to development in areas of enhanced designation. The Vermont Chamber and others in the economic development community were supportive of previously included provisions that would have removed designated downtowns from Act 250 jurisdiction in some instances. If implemented, these provisions would encourage sustainable economic growth and contribute to creating more affordable housing. The Vermont Chamber will continue pushing for the reintroduction of designated downtown exemptions.

### [Senate Approves Additional Hazard Pay Bill](#)

The Senate advanced changes to Vermont's hazard pay program. S.352 was passed by the Senate and includes an additional \$2.5 million in funding for the program as well as an amendment that would direct \$12 million for childcare workforce stabilization. S.353, also passed by the Senate, would enable grocery and retail workers to be eligible for hazard back pay while adding \$19.5 million to the program. The changes now require approval in the House.

### [New England Governors Oppose Tariff on Canadian Aluminum](#)

The Vermont Chamber recently joined New England states and Canada in expressing opposition to the Trump Administration's decision to reimpose a 10 percent tariff on Canadian aluminum. Chris Carrigan, Vermont Chamber Vice President of Business Development, made clear in remarks offered in a joint statement shared with the Scott Administration that the majority of Canadian companies source over half of their aerospace parts from the U.S. Carrigan also pointed out that the tariff on aluminum will add injury to an already impacted aerospace manufacturing industry suffering demand shock from a drastic decline in passenger traffic for commercial aviation due to the pandemic. Responding to industry calls for stability, Vermont Governor Phil Scott joined New Hampshire Governor Christopher Sununu and Maine Governor Janet Mills this week in calling for an end to the tariff.

### [Committee Continues Discussion of Possible "Cloud Tax"](#)

The House Ways and Means Committee continued discussion of possibly implementing a tax on prewritten software. Early in 2020 tech industry representatives descended on the State House to express opposition to establishing a tax on software as a service (SaaS), commonly known as a cloud tax. Such a tax could disincentivize the startup and growth of SaaS businesses in Vermont and add considerable operating costs to other businesses.

Prewritten software purchased on storage media or downloaded to a computer is currently taxable, while prewritten software accessed remotely via the internet is not. The Committee is again considering implementing a cloud tax as a possible means to raise an estimated \$6.5 million in revenue to address shortfalls in the education fund. Considering the overall costs to the business community and the unprecedented economic uncertainty facing Vermont, the Vermont Chamber opposes the implementation of a SaaS tax, especially given the current limited ability for stakeholders to engage the Legislature.

### [Resource Roundup](#)

The Vermont Chamber staff has spent hundreds of hours on COVID-19 Zoom calls, conference calls, and webinars learning so that we can answer your questions in this ever-changing time. Collectively, we have had thousands of individual communications with members and non-members during the crisis. We can help you, too. [Contact us](#) with questions and we will get you answers. We have also seen excellent content from our members and Vermont agencies, which we are compiling weekly in our [Resource Roundup](#). If you have content to include, please send information to [news@vtchamber.com](mailto:news@vtchamber.com). Thank you for your support.

### [In Case You Missed It](#)

[House Poised to Pass Budget Bill With State College 'Bridge Funding'](#)

[Veto Likely as House Sends Global Warming Solutions Act to Governor's Desk](#)

[House Approves \\$7.15 Billion State Budget](#)

[Buy Local Vermont Program Fully Subscribed in Under 24 Hours](#)



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In business since 1912, the Vermont Chamber of Commerce is a private, not-for-profit business organization with 1,500 members employing 45,000 people and representing all sectors of the state's economy. Our mission is to create an economic climate conducive to business growth and the preservation of the Vermont quality of life. Copyright ©2018 The Vermont Chamber of Commerce. All Rights Reserved.

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