



Reshoring Institute

VERMONT

State Economic Survey and Incentive Comparison

CONTACT INFORMATION

Contact Name: Tim Tierney

Contact Phone Number: 802 505 5496

Contact Email Address:
Tim.Tierney@vermont.gov

US State Name: Vermont

State Abbreviation: VT

State Economic Development Web Address: <http://www.thinkvermont.com/>

State Economic Development Email Address: info@thinkvermont.com

State Economic Development Phone Number: 802.272.2399

Additional Relevant Links for Relocating Companies:
<http://accd.vermont.gov/economic-development>

INCOME AND OUTPUT

This section highlights the state's productivity and income to provide an understanding of the amount of business conducted and the rate of growth for businesses and individuals.

Gross Domestic Product, in millions: 31.092 (2016) Source: BEA

Gross Domestic Product % Growth: 2.6% 2015-2016

Per Capita Personal Income (*GDP/Population) This is often used as a standard of living measurement: \$49,780

Per Capita Personal Income % Change: 2.85%

WORKFORCE

This section gives manufacturers an idea of the industry's environment in the state, including the makeup of the available workforce, the labor requirements, and recent trends.

Total Population: 624,594 (2016)

Total Civilian Labor Force: 341,983 (BLS, May, 2017)

Total Number of Persons Employed: 312,594 (VDOL December, 2016)

Total Number of Persons Unemployed: 10,900

Unemployment Rate %: 3.2

Manufacturing Employment: 30,033 (VDOL December, 2016)

Professional and Business Services Employment: 27,526 (VDOL December, 2016)

State Right-to-Work Law Y/N: N

EDUCATION

This section provides further insight into the potential workforce education levels, advanced areas of education, and partnerships between higher education and industry for insight into quality of labor force and growth sustainability.

% High School Diploma or More: 91.8% of those 25 years or older (5-year ACS, 2015)

% Bachelor's Degree or Higher: 36.0% of those 25 years or older (5-year ACS, 2015)

Enrollment in Higher Education Institutions: 44,000 (2014)

COST OF DOING BUSINESS

This section highlights the costs associated with doing business in the state including taxes, wages, insurance, and energy expenses.

State Corporate Income Tax %: 8.5 of income above \$25,000

State Individual Income Tax %: 8.95 of income above \$411,000

State Level Sales Tax %: 6

State Use Tax: Yes 6%

Average Industrial Electric Rate: 10.23 cents per kWh (Source EIA)

Average Price of Natural Gas Delivered to Industrial Consumers: \$4.98 per thousand c.f. (Source EIA)

Minimum Wage (current): \$10.00

Pending Legislation Regarding Minimum Wage: No

If you answered YES to the above question, What is the proposed minimum wage?:

If you answered YES to the above question, What is the legislative bill number?:

ENTREPRENEURSHIP AND INNOVATION

This section underscores the successes of the state in terms of business innovation through awards, venture capital, and intellectual property attainment.

Total Small Business Innovation Research (SBIR) Awards Found at: https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105791: 407

Total Small Business Technology Transfer (STTR) Awards Found at: https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105792: 26

Venture Capital Deals, in millions: \$40 million (2014)

% of State with Internet Accessibility: 70% with broadband access; 80% with at least DSL

Newly Registered Businesses: 1,448 (2013)

Newly Registered Patents: 470 (2015)

FOREIGN DIRECT INVESTMENT

This section provides insight into the amount of current investment overseas and the potential state market for manufacturers to reshore.

Foreign Direct Announcements:

Foreign Direct Employment:

Foreign Direct Investment, in millions:

TRANSPORTATION AND INFRASTRUCTURE

This section sheds light on the basic infrastructure of the state and what a company can expect in terms of the logistics of shipping their product.

Number of major 2 or 4-Lane Highways running through state:

Number of major railways going through state:

Number of major ports connected to state:

Number of airports throughout state:

Number of International airports throughout state: 1

Number of distribution centers:

Number of foreign trade zones:

INCENTIVES

Different states offer different incentives to entice companies to move to their state. This section will allow you to highlight these incentives.

Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N): N

If you answered YES above, Please describe the pending incentives including the bill number if applicable:

Cash Incentives

Does the state provide any CASH incentives? (Y/N): Y

If you answered YES above, Please provide details of this incentive including the contact information and website if applicable:

<http://accd.vermont.gov/economic-development/funding-incentives/vegi>

The Vermont Employment Growth Incentive (VEGI) program can provide a cash payment, based on the revenue return generated to the State by prospective qualifying job and payroll creation and capital investments, to businesses that have been authorized to earn the incentive and who then meet performance requirements.

The VEGI program provides incentives from the State of Vermont to businesses to encourage prospective economic activity in Vermont that is beyond an applicant's "organic" or background growth and that would not occur, would not occur in Vermont, or would occur in a significantly different and less desirable manner, except for the incentive provided. The economic activity can be generated by a Vermont company or a Vermont division adding new qualifying employees, a company that is considering Vermont to locate a new business or division, or start-up business activity. Once authorized, the incentives can only be earned and installments paid if performance requirements are met and maintained.

State Tax Credits

Does the state provide any Tax Credit incentives? (Y/N):N

If you answered YES above, Please describe the available tax credits:

State Tax Exemptions

Does the state provide any Tax Exemptions? (Y/N): Y

If you answered YES above, Please describe the available tax exemptions:

<http://tax.vermont.gov/business-and-corp/corp-and-business-income-taxes/tax-credits#seed>

(1) Research and Development Credit

If you take the federal R&D credit, you may qualify for a state R&D credit on eligible expenditures made in Vermont. The Vermont credit can be taken in an amount equal to 27% of the federal tax credit allowed in the taxable year. This credit applies to personal income tax or business or corporate income tax. Any unused credit available may be carried forward up to 10 years.

(2) DOWNTOWN AND VILLAGE CENTER

The Downtown and Village Center tax credit is designed to stimulate private investment, create jobs, restore historic buildings, and jumpstart the revitalization seen in Vermont's Designated Downtowns and Village Centers. To find out if your project is eligible contact the Vermont Department of Housing and Community Development.

Provides for three types of tax credits:

- (a) Historic rehabilitation tax credit;
- (b) Facade improvement tax credit; and
- (c) Code or technology improvement tax credit.

(3) INVESTMENT TAX CREDIT

The purpose of the tax credit is to encourage investment in rehabilitation, energy, qualifying advanced coal projects, qualifying gasification projects, and qualifying advanced energy project credits. Your project must be eligible for and receive the federal tax credit to receive the Vermont tax credit. For more information, contact the Vermont Department of Taxes.

Credit Amount: 24% of investment tax credit attributable to the Vermont-property portion of the investment.

(4) MACHINERY AND EQUIPMENT

This tax credit is for businesses that contribute substantially to the economy of a Vermont Rural Economic Area Partnership (REAP) Zone. Qualifying businesses:

Are Located in a REAP Zone

Create, produce, or process tangible personal property for sale

Propose to make qualified capital expenditures

State Grants

Does the state provide any Grant incentives? (Y/N): Y

If you answered YES above, Please describe the available grants:

Northern Border Regional Commission Grants - The Northern Border Regional Commission, a federal-state partnership for economic and community development, has announced its 2016 awards, which total \$1,824,000 for Vermont. Made possible due to the leadership of our federal congressional delegation, the Northern Border Regional Commission works to combat economic distress in the counties of Essex, Orleans, Caledonia, Lamoille, and Franklin counties in Vermont and also in other economically distressed regions of Maine, New Hampshire, and New York.

State Loans

Does the state provide any Low-Interest Financing incentives? (Y/N): Y

If you answered YES above, Please describe the available financing opportunities:

The Brownfields Revitalization Fund (BRF)

The BRF, administered by Vermont ACCD, offers grants and loans for remediation of brownfield sites. The funds are made available to Vermont from EPA and eligible applicants can be private developers, non-profits and municipalities. There is no limit on the size of a loan; it depends on the amount of capital available in the fund. Grants are available to eligible non-profits and municipalities.

Training Programs

Does the state provide any Specialized Training Program incentives? (Y/N): Y

If you answered YES above, Please describe the available training programs:

The Vermont Training Program (VTP) partners with employers and training providers to train Vermont's employees for the jobs of tomorrow. VTP provides performance based workforce grants for: pre-employment training, training for new hires and incumbent workers. Training can either be on-site or through a training provider/vendor. Grants may cover up to 50% of the training cost.

Zoning

Does the state provide any Special Zoning incentives? (Y/N): N

If you answered YES above, Please describe the available special zoning opportunities:

State Marketing and Promotions

Does the state provide any Marketing and Promotional incentives? (Y/N): N

If you answered YES above, Please describe the available special marketing or promotional opportunities:

Innovation Centers

Does the state have Innovation Centers or Additional Resource available for companies? (Y/N): Y

If you answered YES above, Please describe the available innovation centers or additional resources:

Vermont Center for Emerging Technologies (VCET) is a 501 (c) 3 public benefit corporation serving all of Vermont. Since 2005, the VCET team has worked with entrepreneurs helping to crystallize concepts, assemble teams, craft business models, secure resources and locate early customers. Some firms will develop rapidly in a matter of months for a software launch while others might take years to complete medical trials. Either way, VCET programs, facilities and capital programs serve a select few firms by supporting the design, positioning and acceleration of a new product idea, a better service offering or a truly breakthrough platform technology. <http://vermonttechnologies.com/>

Windham Grows is a food and agriculture business hatchery ready to give the mentorship, education, tools and financing help food and agriculture businesses grow. <http://windhamgrows.org>

The **Flexible Capital Fund, L3C (Flex Fund)** is a low profit, limited liability company launched in 2011 by the Vermont Sustainable Jobs Fund, a non-profit organization whose mission is to accelerate Vermont's green economy. <http://flexiblecapitalfund.com/>

The **Vermont Sustainable Jobs Fund**, located in Montpelier, Vermont is a 501(c)3 nonprofit organization created by the Vermont Legislature in 1995 to partner with state government, private sector businesses, and nonprofits to build a thriving economic, social and ecological future for Vermont. Our staff and Board of Directors are committed to developing creative approaches and innovative models that help to transform Vermont's economy. The Vermont Sustainable Jobs Fund provides business assistance, value chain facilitation, network development and strategic planning in Vermont's green economy sectors: agriculture and food systems, forest products, waste management, renewable energy, and environmental technology. <http://www.vsjf.org>

UVM Innovations, formerly UVM's Office of Technology Commercialization, provides support to the faculty and staff of the university in management of patents and in commercializing inventions and technologies. Currently, UVM Innovations' staff of 4 manages the innovation output of the university community: 162 patents issues, 43 licenses in force, and 29 companies created since 2000. <https://www.uvm.edu/uvminnovations/>

Vermont Small Business Development Center (VtSBDC) has locations throughout Vermont where business advisors provide advisory services in starting, growing, funding, and marketing businesses. <http://www.vtsbdc.org/>

The **Vermont Manufacturing Extension Center (VMec)** helps improve and grow manufacturing in Vermont by leveraging private and public partnerships and by providing hands-on implementation assistance, consulting, training and coaching. <https://www.vmec.org/>

REGIONAL INFORMATION

Many states have "regions" that specialize in certain industries such as automotive in Detroit or high tech in Silicon Valley. This section is to help you highlight these regions. If the state doesn't have any special regions please skip this page.

Please note that a "region" could be an area, county, city etc...

Region One

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, what is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other:

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, Please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, Please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

Region Two

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, what is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other:

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, Please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, Please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

Region Three

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, what is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other:

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, Please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, Please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

AMERICAN MADE LABEL REQUIREMENTS

Federal Trade Commission oversees “Truth in Advertising” regulations including promotion or disclosure of products displaying “Made in USA” labeling. FTC requires products advertised as “Made in USA” be “all or virtually all” made in the U.S. “all or virtually all” means the product should contain no – or negligible – foreign content.

Made In USA Requirements

Does the state have any specific requirements for labeling products "Made in USA"? (Y/N):

If you answered YES to the question above, what are the requirements for labeling products "Made in USA":

Is there pending legislation regarding these requirements? (Y/N):

If you answered YES to the question above, please describe the proposed legislation including the bill number:

Made In YOUR STATE Requirements

Does your state have any specific requirements for labeling products "Made in YOUR STATE"? (Y/N):

If you answered YES to the question above, what are the requirements for labeling products "Made in YOUR STATE":

Is there pending legislation regarding these requirements? (Y/N):

If you answered YES to the question above, Please describe the proposed legislation including the bill number:

Is there an organization or entity that monitors state labeling? (Y/N):

If you answered YES to the question above, Please provide the name and contact information for the the organization or entity:

Thank you for your time. Please email your responses to alevy@reshoringinstitute.org and your responses will be recorded and available online for review at www.reshoringinstitute.org.