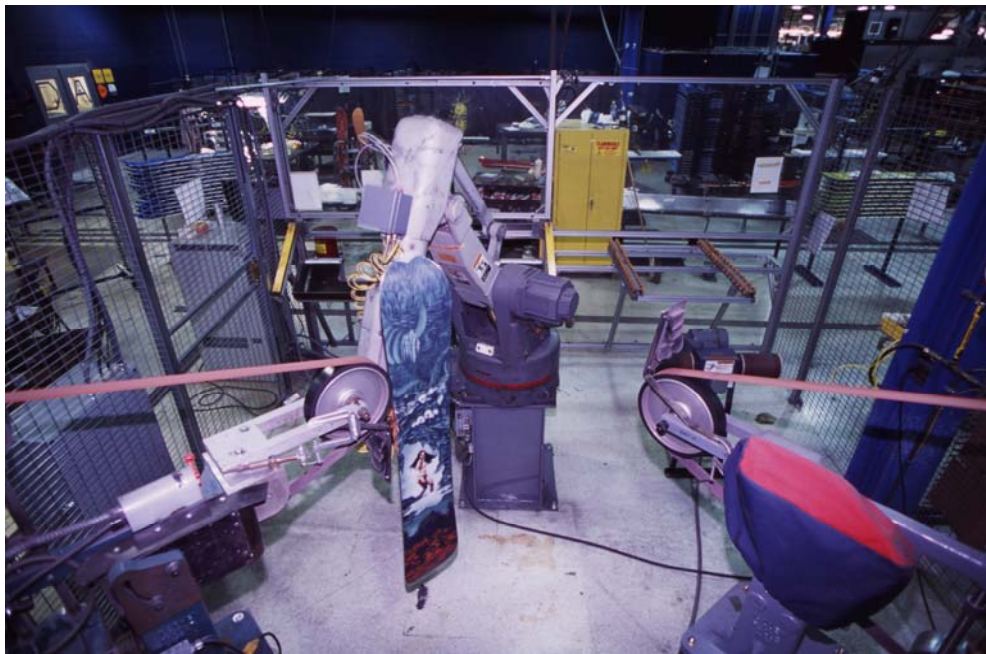


Economic Advancement Tax Incentive Program

2008 Annual Report



VERMONT ECONOMIC PROGRESS COUNCIL

VERMONT DEPARTMENT OF TAXES

EATI Program Summary

ECONOMIC IMPACT TO DATE

(1998 TO 2006)

Number of Net New Jobs Created:	1773
Average Compensation:	\$48,044
Total New Investment:	\$688,987,913
New Payroll Created:	\$172,390,621
New Research and Development Investments:	\$79,248,005
New Capital Investments:	\$426,485,311
Other New Investments:	\$9,909,227

INCENTIVES AUTHORIZED AND UTILIZED

Total Net Incentives Authorized:	\$96,385,861
(Available to earn between 1998 and 2017)	
Incentives Authorized for Utilization between 1998 and 2006:	\$84,386,325
Actually Utilized Between 1998 and 2006:	\$31,844,811
Income Tax Credits Earned:	\$44,511,066
Disallowed:	\$5,771,761
In Carry-Forward:	\$14,588,575
Applied:	\$24,150,730
Property Tax Incentives	\$5,127,427
Estimated Sales & Use Tax Exemptions	\$2,566,654
Incentives that remain available to be earned:	
Income Tax:	\$15,415,372
Property Tax:	\$1,767,631
Sales & Use Tax:	\$300,725



**Department of Economic Development
Vermont Economic Progress Council**

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LETTER OF TRANSMITTAL

June 2, 2008

Senator Susan Bartlett, Chair, Senate Appropriations Committee
Senator Ann Cummings, Chair, Senate Finance Committee
Senator Vincent Illuzzi, Chair, Senate Economic Development Committee
Representative Martha Heath, Chair, House Appropriations Committee
Representative Warren Kitzmiller, Chair, House Commerce Committee
Representative Michael Obuchowski, Chair, House Ways & Means Committee

Dear Committee Chairpersons:

In compliance with the reporting requirement contained in 32 VSA Chapter 151, § 5930a(j), we are submitting herewith the 2008 Annual Report on the Economic Advancement Tax Incentive program for authorizations through the end of the program in December 2006 and the resulting economic activity through December 2006.

Respectfully,

Fred Kenney, Executive Director, VEPC

Karen Marshall, Chair, VEPC

Tom Pelham, Commissioner

Vermont Department of Taxes



Vermont Economic Progress Council:

Karen Marshall, Chair; Chris Keyser, Vice-Chair; Minty Conant, Member; Vincent Fusca, Member; Betsy Gentile, Member; Mary Lintermann, Member; Nancy Port, Member; Carl Rosenquist, Member; Mark Young, Member

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Introduction

In 1998, the Vermont Legislature enacted a package of tax incentives designed to achieve three goals: creation of quality jobs, closing the gap between Vermont wages and the national average wage, and maintaining and enhancing the quality of life in Vermont. The Economic Advancement Tax Incentives (EATI) program used income tax credits, sales tax exemptions, and property tax reductions and reallocations to help recruit businesses to Vermont and to encourage growth and job creation by Vermont companies.

Through an application process, the Vermont Economic Progress Council (VEPC) authorized tax incentives for a business or municipality in three categories:

1. Income tax credits based on payroll increases, research and development expenditures, workforce development expenditures, or capital expenditures in facilities and machinery or equipment, and sales of product shipped outside the state.
2. Property tax reductions for businesses including stabilization agreements, construction-in-progress exemptions, and brownfields redevelopment exemptions, Tax Increment Financing (TIF) Districts and Education Tax Reallocations for municipalities.
3. Sales Tax Exemptions including exemptions for computers used in high-tech companies, exemption for building materials in excess of \$250,000 used to construct manufacturing facilities, and, until 1999, exemptions for certain equipment, fuel and electricity.

VEPC reviewed applications for these incentives, approving or denying them based on:

1. Whether the proposed project would not occur, or would occur in a significantly different and less desirable manner, without the incentive (the “but-for” test);
2. The net impact of a project on Vermont’s economy and state tax revenues, calculated through the measurement of the costs and revenue benefits of the project; and
3. Conformity of the applicant and the proposed activity with nine guidelines.

EATI income tax incentives were authorized for periods of up to five years and property tax incentives for up to ten years. Therefore, although authorization of any new incentives under the EATI program ended December 31, 2006, administration of the program continues until all authorized incentives expire or are terminated. A new incentive program, the Vermont Employment Growth Incentive (VEGI) program started January 1, 2007.

Further information on VEPC, the Economic Advancement Tax Incentive Program, and the Vermont Employment Growth Incentive Program is available at: www.thinkvermont.com/vepc. Further information on the Department of Taxes is available at: www.state.vt.us/tax.

KEY TO ABBREVIATIONS			
CIP:	Construction-in-Progress	M&E:	Machinery and Equipment
DBA:	Doing Business As	R&D:	Research and Development
EATI:	Economic Advancement Tax Incentive program	S&U:	Sales and Use Tax Exemption
FKA:	Formerly Known As	TIF:	Tax Increment Financing
HT:	High Tech	VEPC:	Vermont Economic Progress Council
		WFD:	Workforce Development

PART I: Economic Advancement Tax Incentive Authorization Activity

The Authorization Activity section of this report includes data regarding application activity through **December 2006** and economic activity through **December 2006**. The information on pages 7–11 provides the reader with an overview of authorizations made by the Vermont Economic Progress Council (VEPC) under the Economic Advancement Tax Incentive program pursuant to 32 VSA, Chapter 151, § 5930a(b) for the period October 1998 through the end of the program in December 2006. The economic activity that has resulted from those applications for the period October 1998 to December 2006 is covered on pages 12–15 of the Authorization Activity section.

Table 1-A summarizes application activity. From the beginning of the program in October 1998 through December 2006, VEPC considered 237 applications: 199 from businesses and 38 from municipalities. Of the 237 applications, 212 were authorized (approved) and 25 were denied. VEPC staff worked very closely with the regional development corporation directors and others who counseled potential applicants regarding whether this program was appropriate for the project and the project’s likelihood of approval given the program’s statutory limitations. This “weeding out” process resulted in an undetermined number of applications that were never considered by the VEPC Board that might have been denied.

Of the 212 applications authorized, 39 remain active, 83 are inactive¹, and 90 are completed³. Appendix I shows every application to the program chronologically, including the name of the applicant, the date the application was considered, the status of the application, the total amount of incentives authorized or denied, the years the incentives are or were expected to be utilized, and the location of the project.

As indicated in Table 1-A, as of December 2006, VEPC has authorized incentives valued at \$149,640,566. However, for various reasons in accordance with statute, the Council has taken action to rescind or terminate 83 authorizations valued at \$53,254,705, which renders the incentives unavailable, the authorization to being listed as “inactive,” and the removal of the project data from tracking.

Therefore, as of December 31, 2006, the universe of incentives authorized, which were or are available to be earned between 1998 and 2016, are **\$96,385,861**. Not all incentives authorized will be earned or utilized. Please see Part II for details on credits that have been earned and applied through 2006.

TABLE 1-A INCENTIVE APPLICATION ACTIVITY SUMMARY ALL APPLICATIONS (1998 - Dec 2006)		
	#	Dollar Value
Total Applications Considered	237	\$154,870,593
Denied Applications	25	\$5,230,027
Total Applications Authorized	212	\$149,640,566
Inactive Applications ¹	83	\$53,254,705
Total Authorized Applications Available²	129	\$96,385,861
Active Applications	39	\$27,590,084
Completed Applications ³	90	\$68,795,777
¹ An application is considered "inactive" if it has been rescinded, replaced, cancelled or some other action by the applicant or VEPC that renders the authorized credits unavailable.		
² This is the amount of incentives that have been authorized by applications approved through December 31, 2006. These incentives are or were authorized for utilization, if earned, for various five and ten year periods between 1998-2016.		
³ Completed means that the authorization period has expired.		

AUTHORIZATION ACTIVITY

The Council had the authority to approve individual projects that result in a net negative revenue impact and therefore represent a cost to the state. That is, the projected net new revenues to the state generated by the project are less than the cost of the foregone revenue (the credits authorized). Use of this authority was limited through an annual cap of \$1 million for general fund (income tax credits) and \$300,000 for education fund impact (property tax incentives). Table 1-B shows that the Council was very judicious in its use of this authority, utilizing only a fraction of the annual net negative cap during three of the fiscal years since the inception of the program.

TABLE 1-B COSTS AS APPLIED TO THE NET NEGATIVE CAP		
Fiscal Year:	General Fund	Education Fund
1998	\$0.00	\$0.00
1999	\$438,200.00	\$0.00
2000	\$0.00	\$0.00
2001	\$0.00	\$0.00
2002	\$0.00	\$0.00
2003	\$0.00	\$0.00
2004	\$144,700.00	\$0.00
2005	\$0.00	\$0.00
2006	\$0.00	\$0.00
2007	\$333,500.00	\$0.00

Table 1-C shows the theoretical schedule for claiming incentives based on the five or ten year authorization periods authorized by the Vermont Economic Progress Council. The schedule estimates the credits that would be claimed if all applicants make the investments as projected in their applications and have a tax liability sufficient to apply to the earned credits.

TABLE 1-C THEORETICAL SCHEDULE FOR CLAIMING INCENTIVES (1998 - 2016) ACTIVE & COMPLETED									
Year	Payroll	Capital Invest	R&D	WFD	Export	HT	Municipal	S&U	Total
1998	\$1,205,898	\$3,014,521	\$514,592		\$464,481			\$2,781,845	\$7,981,337
1999	\$1,559,177	\$4,218,665	\$1,457,743	\$10,142	\$579,975			\$2,757,256	\$10,582,958
2000	\$2,610,040	\$6,160,479	\$1,829,506	\$26,291	\$616,614		\$379,475	\$2,701,361	\$14,323,767
2001	\$2,436,344	\$4,460,816	\$2,445,295	\$13,978	\$645,001		\$411,016	\$57,500	\$10,469,950
2002	\$2,772,166	\$4,394,589	\$1,853,002	\$15,768	\$764,926		\$678,326	\$5,650	\$10,484,428
2003	\$1,913,389	\$3,806,557	\$1,147,820	\$17,554	\$564,811	\$222,998	\$675,755	\$80,800	\$8,429,684
2004	\$1,370,970	\$2,674,293	\$434,996	\$1,935	\$399,910	\$278,758	\$1,147,977	\$43,300	\$6,352,139
2005	\$1,454,007	\$4,110,704	\$536,257	\$7,604	\$753,101	\$256,720	\$1,132,144	\$43,300	\$8,293,837
2006	\$869,326	\$4,031,909	\$625,931	\$19,376	\$363,682	\$263,922	\$1,231,057	\$63,020	\$7,468,223
2007	\$1,081,694	\$2,474,110	\$677,389	\$27,805	\$333,565	\$287,243	\$1,222,833	\$144,020	\$6,248,659
2008	\$608,992	\$1,322,690	\$223,049	\$27,982	\$34,367	\$4,341	\$1,224,137	\$10,720	\$3,456,278
2009	\$270,703	\$615,116	\$57,581	\$32,129		\$5,412	\$126,721		\$1,107,662
2010	\$167,697	\$542,697	\$50,787	\$2,555		\$6,428	\$126,186		\$896,350
2011							\$125,670		\$125,670
2012							\$99,163		\$99,163
2013							\$45,754		\$45,754
2014							\$20,000		\$20,000
2015									
2016									
Totals	\$18,320,402	\$41,827,147	\$11,853,948	\$203,119	\$5,520,433	\$1,325,822	\$8,646,218	\$8,688,772	\$96,385,861

TABLE 1-D
EMPLOYMENT, WAGES, & INVESTMENT DETAIL¹ (1998-2006)

	1998		1999	
Employees Retained²	3853		1936	
Net New Employees Added	314		473	
Average Annual Wage of All Employees	\$33,245		\$34,937	
Average Annual Benefits as % of Payroll	23.21%		21.36%	
Average Annual Compensation Level	\$40,961		\$42,400	
Type of Investment	Projected	Actual	Projected	Actual
Payroll	\$25,063,955	\$33,679,648	\$47,545,076	\$36,042,973
Capital Investment	\$97,648,944	\$85,001,891	\$112,374,037	\$63,078,675
Research & Development	\$16,893,732	\$13,035,856	\$25,545,962	\$14,207,814
Workforce Development	\$0	\$151,928	\$2,901,634	\$99,231
High Tech (started in 2003)	\$0	\$0	\$0	\$0
TOTALS:	\$139,606,631	\$131,869,323	\$188,366,709	\$113,428,693
	2000		2001	
Employees Retained	120		893	
Net New Employees Added	454		-101	
Average Annual Wage of All Employees	\$34,647		\$36,235	
Average Annual Benefits as % of Payroll	21.05%		20.45%	
Average Annual Compensation Level	\$41,940		\$43,645	
Type of Investment	Projected	Actual	Projected	Actual
Payroll	\$51,903,499	\$26,882,022	\$57,292,100	\$7,376,066
Capital Investment	\$140,014,785	\$52,782,954	\$122,485,601	\$22,898,240
Research & Development	\$31,274,095	\$14,745,934	\$44,638,600	\$16,412,607
Workforce Development	\$3,228,542	\$71,935	\$3,289,394	\$30,325
High Tech (started in 2003)	\$0	\$0	\$0	\$0
TOTALS:	\$226,420,921	\$94,482,845	\$227,705,695	\$46,717,238
	2002		2003	
Employees Retained	1025		290	
Net New Employees Added	-632		425	
Average Annual Wage of All Employees	\$36,059		\$38,292	
Average Annual Benefits as % of Payroll	23.87%		24.90%	
Average Annual Compensation Level	\$44,666		\$47,827	
Type of Investment	Projected	Actual	Projected	Actual
Payroll	\$65,104,296	\$11,678,702	\$97,188,817	\$23,982,732
Capital Investment	\$123,743,233	\$49,765,816	\$153,551,533	\$53,053,563
Research & Development	\$55,742,315	\$7,067,716	\$73,489,601	\$7,603,733
Workforce Development	\$3,508,807	\$586,762	\$3,591,016	\$14,568
High Tech	\$0	\$0	\$5,260,000	\$2,524,092
TOTALS:	\$248,098,651	\$69,098,996	\$333,080,967	\$87,178,688
	2004		2005	
Employees Retained	667		227	
Net New Employees Added	201		639	
Average Annual Wage of All Employees	\$40,271		\$41,264	
Average Annual Benefits as % of Payroll	23.88%		23.05%	
Average Annual Compensation Level	\$49,888		\$50,775	
Type of Investment	Projected	Actual	Projected	Actual
Payroll	\$115,448,355	\$14,791,695	65,605,316	\$15,753,100
Capital Investment	\$183,125,661	\$46,224,806	122,291,806	\$46,359,383
Research & Development	\$71,408,960	\$4,841,538	65,605,316	\$1,332,807
Workforce Development	\$4,055,426	\$0	4,055,232	\$0
High Tech	\$14,259,000	\$7,385,135	12,020,000	\$0
TOTALS:	\$388,297,402	\$73,243,174	\$269,577,670	\$63,445,290

¹ The data on this page represents the employment and investment levels of companies that claimed credits for these years. ²Based on the number of employees at the time of application still employed December 31, 2006. ³ Not all 2006 returns have been examined to determine incentives claimed and actual investments made.

Table 1-D provides information on the economic activity and actual investments made and jobs created that actually occurred as a result of the incentives actually utilized through 2006, the latest year for which activity information is available.

TABLE 1-D (Cont)				
INVESTMENTS & JOBS SUMMARY (1998 - 2006)				
	2006		Totals	
Employees Retained	271		9,220	
Net New Employees Added	301		1,773	
Average Annual Wage of All Employees	\$46,850		\$39,345	
Average Annual Benefits as % of Payroll	23.08%		22.11%	
Average Annual Compensation Level	\$57,662		\$48,044	
Type of Investment	<u>Projected</u>	<u>Actual</u>	<u>Projected</u>	<u>Actual</u>
Net New Jobs Created			7138	1773
New Payroll	\$27,273,558	\$2,203,683	\$510,443,810	\$172,390,621
Capital Investment	\$81,318,116	\$7,319,983	\$1,065,415,920	\$426,485,311
Research & Development	\$16,390,900	\$0	\$336,800,917	\$79,248,005
Workforce Development	\$420,320	\$0	\$24,870,341	\$954,749
High Tech Investment	\$8,944,000	\$0	\$35,201,000	\$9,909,227
TOTAL NEW INVESTMENT	\$134,346,894	\$9,523,666	\$1,972,731,988	\$688,987,913

Table 1-D breaks down by year, for only the companies that earned credits during the period 1998 to 2006, the net number of jobs created and the investments made in new payroll, research and development, workforce training and education, capital expenditures, including new and renovated facilities and machinery and equipment and high-tech investments.

The jobs at companies utilizing EATI credits have an average wage of \$39,345, well above the state average of \$35,557 (2006) and also above the national average of \$38,651 (2006). All applicants to the program offer standard benefits packages that include medical insurance, life insurance, short and long-term disability insurance, a retirement package and paid holidays, sick days and vacation days.

Many offer bonuses, dental and eye care, and profit sharing. The level of medical insurance premiums covered by the employer varies widely, but in most cases is above 50%. Overall, the benefits packages at these companies averaged 22% of payroll. Therefore, the jobs at the companies that earned credits have an average compensation level of \$48,044.

The creation of 1773 net new full-time jobs brought \$172 million in new payroll to Vermont. Also, the projects that occurred because of the incentives invested \$426 million in new facilities, renovations to their own existing facilities or acquired idle facilities, and machinery and equipment that strengthen the competitive positions of the companies involved and the Vermonters they employ. The companies also invested \$79.2 million in research and development, \$10 million in high-tech investments, and \$955,000 in workforce training and education. Most companies made further investments, but these figures represent only the investments made that are directly tied to the credits earned. Also, some companies made investments and created jobs but did not claim any credits.

PART II: Economic Advancement Tax Incentive Earning & Application Activity

The following data is the most recent summary of financial information about the Economic Advancement Tax Incentive program. It is based on Tax Department administration of the EATI program through April 1, 2008. At that point in time, review of the 2005 tax year (fiscal years beginning anytime in 2005) was mostly complete, and review of the 2006 year was underway, with about one quarter of company filings completed, and many more underway.

All references to the Sustainable Technology Research & Development Credit and the Sustainable Technology Export Credit have been removed from the report this year because no company ever applied for or was authorized to earn them.

Credits Earned and Applied

Table 2-A summarizes all credits that have been earned by companies and applied to offset income tax liability over the life of the program.

	Payroll		R & D		Capital Investment		Export		Workforce Development		High-Tech		Total	
	Earned	Applied	Earned	Applied	Earned	Applied	Earned	Applied	Earned	Applied	Earned	Applied	Earned	Applied
1998	\$1,880,164	\$748,079	\$1,299,956	\$359,599	\$4,916,097	\$1,485,096	\$253,128	\$135,232	\$15,193	\$10,843	\$0	\$0	\$8,364,538	\$2,738,849
1999	\$1,996,433	\$663,914	\$1,413,090	\$993,296	\$3,759,386	\$1,515,629	\$105,143	\$48,295	\$9,923	\$8,215	\$0	\$0	\$7,283,975	\$3,229,349
2000	\$1,486,335	\$968,072	\$1,474,593	\$577,451	\$3,132,783	\$1,734,850	\$96,976	\$65,903	\$7,194	\$7	\$0	\$0	\$6,197,881	\$3,346,283
2001	\$509,740	\$553,982	\$1,632,717	\$457,041	\$1,366,634	\$1,538,491	\$81,841	\$59,064	\$3,033	\$0	\$0	\$0	\$3,593,965	\$2,608,578
2002	\$757,208	\$412,786	\$679,477	\$455,277	\$2,828,240	\$1,044,462	\$118,105	\$86,688	\$57,499	\$54,652	\$0	\$0	\$4,440,529	\$2,053,865
2003	\$1,182,154	\$695,813	\$661,813	\$134,241	\$2,458,494	\$856,192	\$286,435	\$310,222	\$360	\$8	\$251,458	\$251,458	\$4,840,714	\$2,247,934
2004	\$892,983	\$576,789	\$484,154	\$636,561	\$3,047,023	\$2,004,426	\$288,076	\$256,867	\$0	\$0	\$300,636	\$300,636	\$5,012,872	\$3,775,279
2005	\$759,576	\$616,211	\$83,091	\$247,058	\$3,078,368	\$2,665,684	\$252,771	\$159,970	\$0	\$0	\$0	\$0	\$4,173,806	\$3,688,923
2006	\$113,530	\$105,424	\$0	\$17,005	\$489,256	\$324,807	\$0	\$14,434	\$0	\$0	\$0	\$0	\$602,786	\$461,670
Total	\$9,578,123	\$5,341,070	\$7,728,891	\$3,877,529	\$25,076,281	\$13,169,637	\$1,482,475	\$1,136,675	\$93,202	\$73,725	\$552,094	\$552,094	\$44,511,066	\$24,150,730

Note that the total amount of tax credits applied to offset income tax over the eight-plus years of the program that have been accounted for is \$24,150,730. This is the total confirmed income tax expenditure to date. The annual average is approximately three million dollars. The average in recent years has been higher due to strong company profits and resulting tax liability against which the credits are taken.

For tax years 2005 and 2006, the amount of credits applied to offset income tax for corporate income and individual income tax types are as follows. (As indicated above, statistics for 2006 are partial):

	2005	2006
Corporate Income Tax	\$2,433,960	\$39,687
Individual Income Tax	\$1,254,963	\$421,983

A breakdown of EATI credits applied by business type in prior years is available in previous versions of this report.

Basis Expenditures

With the exception of the Export Credit, all credits are based on a percentage of investments in the Vermont economy. Examples include additional payroll, capital investments, or investments in research and development. The following table summarizes all basis expenditures for the income tax credits.

	Total	1998	1999	2000	2001	2002	2003	2004	2005	2006
Payroll	\$172,390,621	\$33,679,648	\$36,042,973	\$26,882,022	\$7,376,066	\$11,678,702	\$23,982,732	\$14,791,695	\$15,753,100	\$2,203,683
R & D	\$79,248,005	\$13,035,856	\$14,207,814	\$14,745,934	\$16,412,607	\$7,067,716	\$7,603,733	\$4,841,538	\$1,332,807	\$0
Capital Investment Total	\$426,485,311	\$85,001,891	\$63,078,675	\$52,782,954	\$22,898,240	\$49,765,816	\$53,053,563	\$46,224,806	\$46,359,383	\$7,319,983
Machinery & Equipment	\$116,190,785						\$46,159,026	\$34,774,834	\$33,450,678	\$1,806,247
Plant & Facilities	\$35,656,950						\$6,894,537	\$10,339,972	\$12,908,705	\$5,513,736
Land	\$110,000						\$0	\$110,000	\$0	\$0
Export							\$53,053,563	\$45,224,806	\$46,359,383	\$7,319,983
Workforce Development	\$954,749	\$151,928	\$99,231	\$71,935	\$30,325	\$586,762	\$14,568	\$0	\$0	\$0
High Tech	\$9,909,227						\$2,524,092	\$7,385,135	\$0	\$0
Totals	\$688,987,913	\$131,869,323	\$113,428,693	\$94,482,845	\$46,717,238	\$69,098,996	\$87,178,688	\$73,243,174	\$63,445,290	\$9,523,666

Credits available to Carry-Forward

Credits that have been earned but not applied to offset tax in a given year are available for a company to carry forward for up to five years. The confirmed amount of income tax credits available for carry-forward at present is \$14,588,575, held by about 50 companies. This amount is net of credits that have been earned but subsequently disallowed.

Some of the carry-forward credits have already expired before they could be applied and others will expire in future years. Expiration results from a company not incurring sufficient tax liability to apply the credits within the five-year carry-forward period. It is also reasonable to assume, based on experience, that some credits will be disallowed due to failure to maintain required employment levels. It is possible that half or more of the credits currently held in carry-forward status (about seven million dollars) will never be applied to offset tax liability.

Credits Available to Earn

Though no new EATI authorizations will be issued (due to the program sunset at the end of 2006), all existing authorizations will be honored, within the bounds of current laws and policies. The total amount of credits that remain available to be earned through 2011 is \$15,415,372, held by approximately 50 companies.

Similar to carry-forward credits, it is unlikely that all available credits will be earned. Based on an itemized review, the Department estimates that at least three million dollars of available credits will not be earned in the program's remaining years.

Potential Expenditures

The sum of the amounts of credits currently available to carry forward and credits that remain available to earn represents the total potential income tax expenditure to the state. This expenditure would be incurred between now and 2016, when the last possible carry-forwards would expire.

The maximum possible remaining income tax expenditure is \$30,003,497. As described above, a conservative estimate indicates that this expenditure will not exceed \$25 million. It is very likely that the actual expenditure will be substantially less than that amount.

Recaptures

The Tax Department and VEPC has diligently upheld statutes 32 V.S.A. §§5930a(m) and 5930h(c), which guide disallowance and recapture of credits due to failure to meet performance expectations or substantial curtailment of employment, respectively.

Since the last annual report to the legislature was issued, the Department has assessed seven authorized companies for the recapture of a total \$1,181,524 in credits. The majority of recaptures have resulted from a statutory “substantial curtailment” of employment.

The Department also assesses companies and individuals that have improperly applied credits to a current tax return. These assessments are classified as “disallowances” rather than recaptures. The disallowances most often result from Department and VEPC review of a current year claim pursuant to 32 V.S.A. §5930a(l) &(m). Statistics on disallowances are not readily available.

Sales & Use Tax Exemptions

At the inception of the EATI program, VEPC was given the authority to authorize four different exemptions from Sales and Use tax (2 exemptions have been repealed). The fiscal impact of these exemptions is detailed in Table 2-C. This information is required to be reported in the Annual Activity Reports filed by the applicants.

Please note that the exemption for building materials is available to all companies for purchases greater than \$1,000,000. A VEPC authorization reduces that threshold to \$250,000. Only the additional impact created by the VEPC authorization is included in the total.

TABLE 2-C
PROGRAM OVERVIEW - SALES & USE EXEMPTIONS

Exemption and Statute	# Entities Authorized	Estimated Value at Authorization	# Entities that Utilized the Exemption	Actual Revenue Impact to Date	Remaining Exemptions to be Exercised
High Tech Exemption for Personal Computers Sec. 9741(47) - enacted in 2001	3	\$248,660	1	\$1,935	\$246,725
Electricity and Fuels Sec. 9741(34) - repealed in 1999	5	\$26,519	2	\$395	\$0
Machinery and Equipment Sec. 9741(40) - repealed in 1999	7	\$7,883,900	6	\$2,240,685	\$0
Building Materials (threshold Reduction) Sec. 9741(39)	19	\$529,693	11	\$323,639	\$54,000
Totals		\$8,688,772		\$2,566,654	\$300,725

**TABLE 2-D
PROGRAM OVERVIEW
PROPERTY TAX EXEMPTIONS**

Type of Credit	Actual Utilization		Type of Credit	Actual Utilization
FY 2000			FY 2005	
Property Tax Stabilization	\$34,607		Property Tax Stabilization	\$159,714
Tax Increment Financing	\$276,004		Tax Increment Financing	\$609,654
Property Tax Allocation	\$0		Property Tax Allocation	\$0
Construction-in-Progress Exemption	\$0		Construction-in-Progress Exemption	\$0
Brownfields Exemption	\$0		Brownfields Exemption	\$0
Total	\$310,611		Total	\$769,368
FY 2001			FY 2006	
Property Tax Stabilization	\$46,319		Property Tax Stabilization	\$206,467
Tax Increment Financing	\$659,668		Tax Increment Financing	\$641,377
Property Tax Allocation	\$0		Property Tax Allocation	\$0
Construction-in-Progress Exemption	\$0		Construction-in-Progress Exemption	\$0
Brownfields Exemption	\$0		Brownfields Exemption	\$0
Total	\$705,987		Total	\$847,844
FY 2002			FY 2007	
Property Tax Stabilization	\$76,376		Property Tax Stabilization	\$132,512
Tax Increment Financing	\$409,650		Tax Increment Financing	\$342,753
Property Tax Allocation	\$0		Property Tax Allocation	\$0
Construction-in-Progress Exemption	\$0		Construction-in-Progress Exemption	\$0
Brownfields Exemption	\$0		Brownfields Exemption	\$0
Total	\$486,026		Total	\$475,265
FY 2003			FY 2008	
Property Tax Stabilization	\$71,801		Property Tax Stabilization	\$126,730
Tax Increment Financing	\$406,867		Tax Increment Financing	\$462,347
Property Tax Allocation	\$0		Property Tax Allocation	\$0
Construction-in-Progress Exemption	\$0		Construction-in-Progress Exemption	\$0
Brownfields Exemption	\$0		Brownfields Exemption	\$0
Total	\$478,668		Grand Total	\$589,077
FY 2004			Cumulative Amounts	
Property Tax Stabilization	\$65,757		Property Tax Stabilization	\$920,283
Tax Increment Financing	\$562,002		Tax Increment Financing	\$4,370,322
Property Tax Allocation	\$0		Property Tax Allocation	\$0
Construction-in-Progress Exemption	\$0		Construction-in-Progress Exemption	\$0
Brownfields Exemption	\$0		Brownfields Exemption	\$0
Grand Total	\$627,759		Subtotal	\$5,290,605
			Recaptured Education Tax Revenue	\$163,178
			Grand Total	\$5,127,427

TABLE 2-D (Cont) PROGRAM OVERVIEW PROPERTY TAX EXEMPTIONS	
Cumulative Amounts	
Type of Credit	Actual Utilization
Property Tax Stabilization	\$885,676
Tax Increment Financing	\$4,119,927
Property Tax Allocation	\$0
Construction-in-Progress Exemption	\$0
Brownfields Exemption	\$0
Grand Total	\$5,005,603

Property Tax Incentives

Table 2-D shows actual forgone Education Fund revenues resulting from stabilization agreements, brownfield exemptions, construction-in-progress exemptions, TIFs and allocations. The report calculates actual forgone revenues on grand list values immediately preceding the fiscal year in question.

APPENDIX I

ALL APPLICATIONS AS OF December 31, 2007 - IN CHRONOLOGICAL ORDER

Entity ¹	Month Year	Total Authorized ² or Denied	Income Tax Credits	Sales & Use Exemption (Est. value)	Property Tax Incentives (Est. Value)	Years Authorization Expected to be Exercised ³	Status	County
Glenbrook Manufacturing Company/Glenbrook Realty Partnership dba Hubbardton Forge	Oct-98	\$243,150	\$232,000	\$11,150		1998-2002	Completed	Rutland
Town of Castleton - Hubbardton Forge	Oct-98	\$47,400			\$47,400	1999-2003	Completed	Rutland
City of South Burlington - IDX	Nov-98	\$2,693,000			\$2,693,000	1998-2008	Replaced	Chittenden
IDX Systems Corporation and Subsidiaries	Nov-98	\$7,587,670	\$7,200,170	\$387,500		1998-2002	Completed	Chittenden
Stratton Corporation	Nov-98	\$0	\$0			N/A	Rescinded	Windham
Town of Milton - Husky	Nov-98	\$6,808,500			\$6,808,500	2000-2009	Active	Chittenden
Town of Randolph - Quickpull	Nov-98	\$25,600			\$25,600	1999-2004	Completed	Orange
Business Air, Inc.	Dec-98	\$585,700	\$375,700	\$210,000		1998-2002	Completed	Bennington
Husky Injection Molding Systems, Inc.	Dec-98	\$17,919,950	\$10,598,100	\$7,321,850		August 1998-July 2003	Completed	Chittenden
Mack Molding Company, Inc.	Dec-98	\$6,455,600	\$6,418,100	\$37,500		July 1998 - June 2003	Completed	Bennington
Plastic Technologies of Vermont, Inc./Tab Realty	Dec-98	\$168,000	\$168,000			1998-2001	Completed	Chittenden
Speciality Filaments, Inc.	Dec-98	\$518,200	\$518,200			1998-2002	Rescinded	Addison
Tri-Tech USA, Inc.	Dec-98	\$301,400	\$263,900	\$37,500		1998-2002	Completed	Chittenden
Vermont Furniture Designs/AW Rental Properties, LLC	Dec-98	\$119,390	\$119,390			1998-2002	Completed	Chittenden
Vertek Corporation	Dec-98	\$949,200	\$949,200			1998-2002	Completed	Chittenden
Subtotal 1998 Authorizations		\$44,422,760	\$26,842,760	\$8,005,500	\$9,574,500			
Clifford of Vermont, Inc. / Quickpull	Jan-99	\$259,200	\$259,200			1998-2002	Completed	Windsor
Earth Brothers Ltd. dba Black River Produce	Jan-99	\$194,100	\$194,100			1998-2002	Completed	Windsor
G.W. Plastics, Inc.	Jan-99	\$627,800	\$627,800			1998-2002	Completed	Windsor
Kalow Technologies, Inc.	Jan-99	\$187,800	\$187,700	\$100		1998-2002	Completed	Rutland
Leahy Press, Inc.	Jan-99	\$139,400	\$139,400			1998-2002	Completed	Washington
MacDermid Equipment Inc	Jan-99	\$121,000	\$121,000			N/A	Rescinded	Windsor
New England Precision, Inc.	Jan-99	\$196,700	\$196,700			1998-2002	Completed	Orange
Town of Cavendish - Black River Produce	Jan-99	\$120,000			\$120,000	2000-2009	Rescinded	Windsor
Twincraft, Inc.	Jan-99	\$544,300	\$544,300			1998-2002	Completed	Chittenden
Abacus Automation/DADZ Realty	Feb-99	\$192,679	\$155,679	\$37,000		1998-2002	Completed	Bennington
Champlain Chocolate Company	Feb-99	\$65,952	\$65,952			July 1998 - June 2003	Completed	Chittenden
Concepts ETL, Inc.	Feb-99	\$507,758	\$507,183	\$575		1998-2002	Completed	Windsor
Controlled Energy Corporation	Feb-99	\$135,285	\$135,285			1999-2003	Completed	Washington
K-2 Construction dba North Woods Joinery/Little Grey Rabbit, LLC	Feb-99	\$129,928	\$129,928			July 1998 - June 2003	Completed	Lamoille
Oak Knoll Assisted Living, LLP	Feb-99	\$355,406	\$355,406			N/A	Rescinded	Bennington
Town of Bennington - Abacus Automation	Feb-99	\$77,963			\$77,963	1999-2003	Completed	Bennington
Town of West Rutland - Juvenile Furniture	Feb-99	\$23,000			\$23,000	N/A	Denied	Rutland
Vermont Precision Woodworks dba MJ Wood Products, Inc.	Feb-99	\$186,389	\$186,389			1998-2002	Completed	Lamoille
WICOR Americas dba EHV Weidmann	Feb-99	\$233,173	\$233,173			1999-2003	Completed	Caledonia
CHEMFAB Corporation	Mar-99	\$239,021	\$239,021			N/A	Rescinded	Bennington
Country Home Products, Inc.	Mar-99	\$700,512	\$629,624	\$70,888		1998-2002	Completed	Addison
IVEK Corporation/Marko Enterprises, LLC	Mar-99	\$245,988	\$194,075	\$51,913		July 1998 - June 2003	Completed	Windsor
Precision Valley Communications Corporation/Sub River Holdings, Inc.	Mar-99	\$271,009	\$256,503	\$14,506		1998-2002	Completed	Windsor
Rhino Foods, Inc.	Mar-99	\$92,067	\$92,067			1998-2002	Completed	Chittenden
Vermont Fastener Sales Corporation	Mar-99	\$157,009	\$157,009			1998-2002	Rescinded	Franklin
StoweLake	Mar-99	\$619,600	\$619,600			N/A	Denied	Lamoille
Advanced Illumination, Inc.	Apr-99	\$49,362	\$49,362			1999-2003	Completed	Windsor
Burton Corporation dba Burton Snowboards	Apr-99	\$1,870,742	\$1,870,742			1999-2003	Completed	Chittenden
Charles E Tuttle Company, Inc.	Apr-99	\$208,651	\$208,651			1999-2003	Completed	Rutland
Competitive Computing, Inc.	Apr-99	\$576,428	\$576,428			1998-2002	Completed	Chittenden
H.A. Manosh, Inc.	Apr-99	\$190,251	\$190,251			1999-2003	Completed	Lamoille

ALL APPLICATIONS AS OF December 31, 2007 - IN CHRONOLOGICAL ORDER

Entity ¹	Month Year	Total Authorized ² or Denied	Income Tax Credits	Sales & Use Exemption (Est. value)	Property Tax Incentives (Est. Value)	Years Authorization Expected to be Exercised ³	Status	County
Sands, Taylor & Wood dba King Arthur Flour Company/Sandsland Holding Ltd.	Apr-99	\$481,500	\$481,500			1998-2002	Completed	Windsor
Northeast Cooperatives	Apr-99	\$848,412	\$804,135	\$44,277		1999-2003	Terminated	Windham
Northern Lights Cable, Inc.	Apr-99	\$94,118	\$94,118			1998-2002	Rescinded	Bennington
PKC Corporation	Apr-99	\$440,938	\$440,938			1999-2003	Completed	Chittenden
Village of Essex Junction - Stewart Construction	Apr-99	\$16,926			\$16,926	N/A	Rescinded	Chittenden
Knight Industries	May-99	\$238,852	\$238,852			N/A	Rescinded	Rutland
Mylan Technologies, Inc.	May-99	\$576,729	\$539,229	\$37,500		1999-2003	Completed	Franklin
RSD Transportation, Inc.	May-99	\$124,940	\$124,940			1998-2002	Rescinded	Windsor
Wild Apple Graphics, Ltd.	May-99	\$74,308	\$74,308			1999-2003	Completed	Windsor
Sugarbush Resort	May-99	\$0	\$0			N/A	Denied	Washington
Killington Resort	May-99	\$0	\$0			N/A	Denied	Rutland
Mount Snow Resort	May-99	\$0	\$0			N/A	Denied	Windham
Okemo Mountain Resort	May-99	\$1,282,600	\$1,282,600			N/A	Denied	Windsor
Town of Arlington - Keelan Company	May-99	\$58,700			\$58,700	N/A	Denied	Bennington
Agri-Mark, Inc.	Jun-99	\$213,915	\$213,915			1999-2003	Completed	Addison
Barry Callebaut USA, Inc.	Jun-99	\$180,251	\$180,251			1999-2003	Terminated	Franklin
C & S Wholesale Grocers, Inc.	Jun-99	\$1,945,642	\$1,863,142		\$82,500	1999-2003	Completed	Windham
Eveready Battery Company, Inc.	Jun-99	\$542,718	\$542,718			1999-2003	Completed	Franklin
WCFR Polaris	Jun-99	\$72,200	\$72,200			N/A	Denied	Windsor
Fab-Tech, Inc.	Jul-99	\$311,558	\$311,558			1999-2003	Completed	Chittenden
Simonds Precision Products, Inc. dba B.F. Goodrich Aerospace	Aug-99	\$2,006,991	\$2,006,991			1999-2003	Rescinded	Addison
Bennington Iron Works, Inc.	Aug-99	\$58,251	\$53,921	\$4,330		1999-2003	Completed	Bennington
CRMI, Inc.	Aug-99	\$485,810	\$485,810			1999-2003	Rescinded	Orleans
Lydall Westex	Aug-99	\$119,251	\$119,251			1999-2003	Completed	Caledonia
Resolution, Inc.	Aug-99	\$1,325,177	\$1,325,177			1999-2003	Completed	Chittenden
Town of Bennington - Bennington Iron Works	Aug-99	\$15,657			\$15,657	2000-2004	Completed	Bennington
Town of St. Johnsbury - Lydall Westex	Aug-99	\$301,490			\$301,490	2000-2009	Active	Caledonia
Bond Auto Parts, Inc.	Sep-99	\$185,364	\$185,364			N/A	Denied	Washington
City of Barre-Bond Auto Parts	Sep-99	\$0	\$0			N/A	Denied	Washington
First Fiber Corporation	Sep-99	\$1,604,248	\$1,604,248			N/A	Rescinded	Essex
Madhouse Munchies	Sep-99	\$93,675	\$93,675			N/A	Rescinded	Windsor
MED Associates, Inc.	Sep-99	\$158,524	\$121,024	\$37,500		1999-2003	Rescinded	Franklin
Town of Randolph - Vermont Pure	Sep-99	\$54,400			\$54,400	2000-2006	Completed	Orange
Vermont Pure Holdings, Ltd.	Sep-99	\$99,199	\$99,199			1999-2003	Terminated	Orange
Barry T. Chouinard, Inc.	Oct-99	\$107,853	\$107,853			1999-2000	Completed	Washington
America's Gardening Resource, Inc. fka Gardener's Supply Company/Gardener's Intervale Partnership	Oct-99	\$1,268,818	\$1,268,818			1999-2003	Completed	Chittenden
Murphy Realty	Oct-99	\$0	\$0			N/A	Denied	Caledonia
Northern Power Systems, Inc.	Oct-99	\$623,003	\$623,003			1999-2003	Terminated	Washington
Superior Technical Ceramics, Inc.	Oct-99	\$55,228	\$55,228			N/A	Rescinded	Franklin
Food Science Corporation	Nov-99	\$553,100	\$553,100			N/A	Denied	Chittenden
Sam's Department Store	Nov-99	\$0	\$0			N/A	Denied	Windham
American Tissue	Dec-99	\$1,730,483	\$1,730,483			N/A	Rescinded	Essex
Autumn Harp, Inc.	Dec-99	\$336,480	\$336,480			2000-2004	Completed	Addison
Blodgett Corporation	Dec-99	\$3,066,923	\$3,066,923			N/A	Replaced	Chittenden
Select Design/Two Wills, LLC	Dec-99	\$424,996	\$387,496	\$37,500		2000-2004	Completed	Chittenden
Subtotal 1999 Authorizations		\$31,697,701	\$30,610,976	\$336,089	\$750,636			
Asten Johnson Filaments	Jan-00	\$362,189	\$362,189			2000-2004	Completed	Chittenden
Cornell Trading, Inc.	Jan-00	\$581,642	\$581,642			2000-2004	Terminated	Chittenden

APPENDIX I

ALL APPLICATIONS AS OF December 31, 2007 - IN CHRONOLOGICAL ORDER

Entity¹	Month	Total	Income	Sales & Use	Property	Years Authorization	Status	County
	Year	Authorized²	Tax	Exemption	Tax	Expected		
	Authorized	or Denied	Credits	(Est. value)	Incentives	to be Exercised³		
					(Est. Value)			
Sheftex U.S.A., Inc.	Jan-00	\$275,336	\$275,336			N/A	Terminated	Caledonia
Tansitor Electronics, Inc.	Jan-00	\$679,515	\$679,515			2000-2004	Completed	Bennington
Town of St. Johnsbury - Sheftex	Jan-00	\$0			\$0	N/A	Denied	Caledonia
U.S. Tsubaki, Inc.	Jan-00	\$146,815	\$146,815			1999-2003	Terminated	Bennington
Vermont Fasteners Manufacturing Corporation	Feb-00	\$364,128	\$364,128			2000-2004	Rescinded	Franklin
Tuttle Law Print, Inc.	Mar-00	\$157,721	\$157,071	\$650		2000-2004	Completed	Rutland
City of Montpelier - Cabot Creamery, Inc.(Admin Bldg.)	Apr-00	\$43,700			\$43,700	2001-2006	Completed	Washington
City of Newport - Newport Pediatrics and Adolescent Medicine	Apr-00	\$15,158			\$15,158	2001-2007	Active	Orleans
Vermont Precision Tools, Inc.	Apr-00	\$471,500	\$434,000	\$37,500		2000-2004	Completed	Franklin
National Hanger Company	May-00	\$271,215	\$271,215			2000-2004	Completed	Bennington
Town of Hartford - Madhouse Munchies	May-00	\$0			\$0	N/A	Denied	Windsor
Mass Bay Brewing Company dba Harpoon Brewery/Windsor Vermont Properties, LLC	Jun-00	\$170,942	\$170,942			2000-2004	Completed	Windsor
Riser Management Systems, LLP	Jun-00	\$1,293,490	\$1,293,490			2000-2004	Rescinded	Chittenden
Northeast Cooperatives	Jul-00	\$353,652	\$311,602	\$42,050		2000-2004	Rescinded	Windham
Allan's Vending Company	Aug-00	\$14,906	\$14,906			N/A	Denied	Windsor
Huber & Suhner Corporation	Aug-00	\$2,479,102	\$2,441,602	\$37,500		2000-2004	Rescinded	Chittenden
T. Copeland & Sons/Copeland Properties, LLC	Aug-00	\$372,453	\$372,453			2000-2004	Completed	Orange
Town of Hartford - Allan's Vending	Aug-00	\$14,906			\$14,906	2001-2005	Completed	Windsor
Hanover Capital Management/Aldrich House Associates, LLC	Sep-00	\$1,339,220	\$1,339,220			2000-2004	Completed	Windsor
North East Precision	Sep-00	\$324,345	\$324,345			2000-2004	Rescinded	Caledonia
Town of Hartford - Hanover Capital Management	Sep-00	\$91,700			\$91,700	2001-2005	Completed	Windsor
Northern Lights Cable, Inc.	Oct-00	\$1,820,243	\$1,820,243			2000-2004	Completed	Bennington
H. Hirschmann, LTD	Nov-00	\$83,774	\$83,774			2001-2005	Completed	Rutland
Preci Manufacturing, Inc.	Nov-00	\$1,420,500	\$1,420,500			N/A	Denied	Chittenden
City of Burlington - Gilbane	Dec-00	\$1,461,700		\$0	\$1,461,700	N/A	Replaced	Chittenden
Stratford Publishing, Inc.	Dec-00	\$336,601	\$314,101	\$22,500		2001-2005	Rescinded	Windham
Subtotal 2000 Authorizations		\$14,946,453	\$13,179,089	\$140,200	\$1,627,164			
Town of Stowe - Stoweflake	Jan-01	\$0			\$0	N/A	Denied	Lamoille
Blodgett Corporation	Apr-01	\$1,069,093	\$1,069,093			N/A	Rescinded	Chittenden
City of Burlington - Gilbane	Apr-01	\$1,551,709			\$1,551,709	2002-2011	Rescinded	Chittenden
Global Z International, Inc.	Apr-01	\$50,266	\$50,266			2001-2005	Completed	Bennington
Integrated Vision, Inc.	Apr-01	\$973,411	\$973,411			2001-2005	Rescinded	Caledonia
Town of Bennington - Global Z Intl	Apr-01	\$19,520			\$19,520	2002-2005	Completed	Bennington
Vermont Slate and Copper Services, Inc.	Apr-01	\$28,900	\$28,900			2001-2005	Completed	Lamoille
American Flatbread Company	Jun-01	\$67,367	\$67,367			N/A	Rescinded	Washington
Mobile Medical International Corporation	Jun-01	\$1,103,466	\$1,103,466			2001-2005	Completed	Caledonia
New England Precision, Inc.	Jun-01	\$82,148	\$82,148			2001-2005	Completed	Orange
Town of Northfield - Paine Consulting	Jun-01	\$1,900			\$1,900	N/A	Denied	Washington
Hancor, Inc.	Nov-01	\$44,354	\$44,354			2002-2006	Completed	Windsor
Subtotal 2001 Authorizations		\$4,992,134	\$3,419,005	\$0	\$1,573,129			

ALL APPLICATIONS AS OF December 31, 2007 - IN CHRONOLOGICAL ORDER

Entity ¹	Month Year	Total Authorized ² or Denied	Income Tax Credits	Sales & Use Exemption (Est. value)	Property Tax Incentives (Est. Value)	Years Authorization Expected to be Exercised ³	Status	County
Ascension Technology Corporation	Jan-02	\$367,848	\$367,848			2002-2006	Terminated	Chittenden
Homebound Mortgage, Inc.	Jan-02	\$1,860,261	\$1,860,261			2002-2006	Terminated	Chittenden
Vermont Composites, Inc.	Mar-02	\$457,970	\$452,320	\$5,650		2002-2006	Completed	Bennington
GSP Coatings, Inc.	Mar-02	\$96,600	\$96,600			N/A	Denied	Windham
GSP Coatings, Inc.	Apr-02	\$108,435	\$108,435			2002-2006	Completed	Windham
Town of Berlin - Connor Group	Apr-02	\$93,300			\$93,300	2003-2012	Replaced	Washington
BF Acquisitions, LLC	May-02	\$967,427	\$967,427			2002-2006	Rescinded	Windsor
Dubois & King, Inc.	May-02	\$268,046	\$268,046			2002-2006	Replaced	Orange
Town of Randolph - Dubois & King	May-02	\$108,700			\$108,700	2004-2013	Replaced	Orange
Vermont Machine Tool Corporation	May-02	\$1,461,282	\$1,461,282			N/A	Rescinded	Windsor
NASTECH, Inc.	Jun-02	\$811,588	\$811,588			2002-2006	Completed	Bennington
Vermont Machine Tool Corporation	Jun-02	\$316,408	\$316,408			2002-2006	Terminated	Windsor
Bourne & Koch, Inc.	Jul-02	\$118,643	\$118,643			2002-2006	Completed	Windsor
Mary Meyer Corporation/ Mary Grace, LLC	Jul-02	\$73,857	\$73,857			2002-2006	Terminated	Windham
Preci Manufacturing, Inc.	Jul-02	\$223,080	\$223,080			2002-2006	Completed	Windsor
Speciality Filaments, Inc.	Jul-02	\$806,956	\$752,956	\$37,500	\$16,500	2002-2006	Rescinded	Addison
Tivoly, Inc.	Aug-02	\$465,918	\$465,918			2002-2006	Terminated	Orleans
Town of Waterbury - Green Mountain Coffee Roasters	Sep-02	\$200,127			\$200,127	2003-2012	Rescinded	Washington
Town of Waitsfield - Northern Power Systems, Inc.	Sep-02	\$151,876			\$151,876	2003-2012	Completed	Washington
North Hartland LLC	Nov-02	\$192,177	\$192,177			N/A	Denied	Windsor
Sonnax Industries, Inc./Neil Joseph, LLC	Nov-02	\$725,332	\$725,332			2002-2006	Completed	Windham
Ellsworth Ice Cream, Inc./Ellsworth Ice Cream of Vermont, LLC	Dec-02	\$408,550	\$408,550			2003-2007	Terminated	Windsor
Hampton Direct, Inc.	Dec-02	\$365,508	\$365,508			2003-2007	Completed	Chittenden
Subtotal 2002 Authorizations		\$10,649,899	\$10,036,236	\$43,150	\$570,503			
Cornell Trading, Inc./Pike River, Inc./Cornell Campus, LLC	Jan-03	\$1,786,498	\$1,786,498			2003-2007	Replaced	Chittenden
Energizer Battery Manufacturing, Inc.	Jan-03	\$526,232	\$526,232			2003-2005	Completed	Franklin
MicroData GIS, Inc.	Feb-03	\$374,587	\$374,587			2003-2007	Completed	Caledonia
Vermont Quality Wood Products, Inc.	Feb-03	\$712,680	\$712,680			2003-2007	Replaced	Rutland
Dirigo Paper Company	Mar-03	\$517,835	\$517,835			2003-2007	Replaced	Essex
Evergreen Paper Company/Phoenix Paper Company	Mar-03	\$592,452	\$592,452			2003-2007	Rescinded	Caledonia
Town of Berlin - Connor Group	Mar-03	\$142,428			\$142,428	2004-2012	Active	Washington
Hubbardton Forge Corporation/Glenbrook Realty Partnership	May-03	\$579,621	\$579,621			2003-2007	Completed	Rutland
Mylan Technologies, Inc.	May-03	\$2,426,152	\$2,388,652	\$37,500		April 2003 - March 2008	Active	Franklin
Moore Wallace, Inc.	May-03	\$162,167	\$162,167			2003-2007	Replaced	Bennington
Vermont Quality Wood Products, Inc.	May-03	\$687,455	\$687,455			2003-2007	Completed	Rutland
Town of St. Johnsbury - Caledonia Kiln	May-03	\$9,308			\$9,308	N/A	Denied	Caledonia
R.J. Wright Dolls, Inc./Nisus, LLC	May-03	\$284,614	\$284,614			2003-2007	Completed	Bennington
Husky Injection Molding Systems, Inc.	Jun-03	\$505,556	\$505,556			Aug 2003 - July 2008	Terminated	Chittenden
Verilux, Inc.	Jun-03	\$293,879	\$293,879			2003-2007	Completed	Washington
General Dynamics Armaments and Technical Products, Inc.	Jul-03	\$3,634,587	\$3,418,087	\$216,500		2003 - 2007	Completed	Chittenden
Hummel America, Inc.	Jul-03	\$163,488	\$163,488			2003 - 2007	Rescinded	Chittenden
Vermont Plywood, LLC	Jul-03	\$150,775	\$150,775			2003 - 2007	Terminated	Addison
Vermont Soapstone, LLC	Jul-03	\$41,391	\$41,391			2003 - 2007	Completed	Windham
Bromley Brook School, Inc.	Aug-03	\$567,230	\$567,230			2003-2007	Completed	Bennington
New England Dairy Processing Coop	Aug-03	\$87,218	\$87,218			2003-2007	Rescinded	Windsor
Twincraft, Inc./Asch Enterprises, LLC	Aug-03	\$884,573	\$884,573			2003-2007	Completed	Chittenden

APPENDIX I

ALL APPLICATIONS AS OF December 31, 2007 - IN CHRONOLOGICAL ORDER

Entity ¹	Month Year	Total Authorized ² or Denied	Income Tax Credits	Sales & Use Exemption (Est. value)	Property Tax Incentives (Est. Value)	Years Authorization Expected to be Exercised ³	Status	County
Vermont Telephone Company	Sep-03	\$182,940	\$182,940			N/A	Denied	Windsor
EHM Production, Inc.	Nov-03	\$166,756	\$166,756			2004-2007	Completed	Orleans
City of Montpelier - Cabot Creamery (Dist Ctr)	Nov-03	\$259,760			\$259,760	2004-2013	Active	Washington
Subtotal 2003 Authorizations		\$15,740,182	\$15,074,686	\$254,000	\$411,496			
Cornel Trading, Inc./Pike River, Inc./Cornel Main Street, LLP	Jan-04	\$1,272,420	\$1,272,420			2004-2008	Rescinded	Chittenden
Dubois & King, Inc.	Jan-04	\$36,300	\$36,300			Nov 2003-Oct 2008	Active	Orange
Green Mountain Coffee Roasters, Inc.	Jan-04	\$2,090,500	\$2,090,500			Jan 2004 - Sept 2008	Active	Washington
High Pond Woodworking, LLC	Jan-04	\$127,827	\$127,827			2004-2008	Terminated	Rutland
Town of Randolph - Dubois & King	Jan-04	\$190,203			\$190,203	April 2004 - April 2013	Active	Orange
Dirigo Paper Company, Inc.	Feb-04	\$517,835	\$517,835			Feb 2004-Dec 2008	Terminated	Essex
Moore/Wallace Computers, Inc.	Feb-04	\$162,167	\$162,167			May 2003-Dec 2007	Terminated	Bennington
Stedfast, Inc.	Feb-04	\$330,035	\$330,035			Feb 2004-Dec 2008	Replaced	Franklin
IDX Systems Corporation and Subsidiaries	Mar-04	\$3,759,522	\$3,434,622	\$324,900		Mar 2004-Dec 2008	Rescinded	Chittenden
City of South Burlington - IDX	Mar-04	\$1,241,661			\$1,241,661	Mar 2004-Dec 2013	Rescinded	Chittenden
CIC Corporation	Apr-04	\$19,915	\$19,915			April 2004-Dec 2008	Rescinded	Windham
Lydall Thermal Acoustical, Inc.	Apr-04	\$243,329	\$243,329			April 2004-Dec 2008	Active	Caledonia
Town of St. Johnsbury - Lydall	Apr-04	\$140,000			\$140,000	April 2005 - April 2015	Active	Caledonia
Vermont Cheesecake Company	Apr-04	\$194,085	\$194,085			April 2004-Dec 2008	Rescinded	Windsor
General Abrasives, Inc.	May-04	\$110,256	\$110,256			May 2004-Jun 2008	Active	Windsor
Nexus Customs Electronics, Inc.	May-04	\$258,231	\$258,231			May 2004-Jun 2008	Rescinded	Rutland
Ringmaster Software Corporation	May-04	\$418,568	\$418,568			May 2004-Dec 2008	Active	Chittenden
Visual Learning Company	Jun-04	\$85,205	\$85,205			June 2004-Dec 2008	Active	Rutland
Town of Randolph - Micropack	Jun-04	\$46,900			\$46,900	Apr 2004-Mar 2008	Active	Orange
Autumn Harp Inc.	Jul-04	\$768,061	\$768,061			July 2004-Dec 2008	Active	Addison
Barry Callebaut USA, LLC	Jul-04	\$801,306	\$801,306			July 2004-Aug 2008	Rescinded	Franklin
Sunhill Foods of Vermont, Inc.	Jul-04	\$365,388	\$365,388			N/A	Denied	Franklin
96 degrees, Inc. dba Drew's All Natural	Aug-04	\$99,209	\$99,209			Aug 2004-Dec 2008	Rescinded	Windsor
Elison Surface Technologies, Inc.	Aug-04	\$440,029	\$440,029			Aug 2004-Dec 2008	Terminated	Rutland
TCC, LCC dba American Traders	Sep-04	\$73,981	\$73,981			Sep 2004-Dec 2008	Terminated	Windham
Leo D. Bernstein and Sons, Inc. dba Bernstein Display/IFB Realty	Sep-04	\$400,707	\$400,707			Sep 2004-Dec 2008	Replaced	Bennington
VERMED, Inc.	Sep-04	\$543,012	\$543,012			Sep 2004-Nov 2008	Active	Windham
Leo D. Bernstein and Sons, Inc. dba Bernstein Display/IFB Realty	Oct-04	\$517,982	\$517,982			Oct 2004-Dec 2008	Active	Bennington
FiberTip, LLC	Oct-04	\$93,252	\$93,252			Oct 2004-Dec 2008	Active	Bennington
PBM Nutritionals, LLC	Oct-04	\$2,755,595	\$2,755,595			Oct 2004-Dec 2008	Active	Franklin
Mass Bay Brewing Company, LLC dba Harpoon Brewery	Nov-04	\$83,395	\$83,395			Jan 2005-Dec 2009	Rescinded	Windsor
Pratt & Whitney Engine Services, Inc.	Nov-04	\$548,022	\$548,022			Jan 2005-Dec 2009	Rescinded	Chittenden
City of South Burlington - Pratt & Whitney	Nov-04	\$549,000			\$549,000	Jan 2005-Dec 2014	Rescinded	Chittenden
Simport Plastics, LTD	Dec-04	\$1,286,407	\$1,286,407			Jan 2005-Dec 2009	Rescinded	Franklin
Stedfast, Inc.	Dec-04	\$540,006	\$540,006			Jan 2005-Dec 2009	Rescinded	Franklin
Subtotal 2004 Authorizations		\$21,110,311	\$18,617,647	\$324,900	\$2,167,764			

ALL APPLICATIONS AS OF December 31, 2007 - IN CHRONOLOGICAL ORDER

Entity ¹	Month	Total	Income	Sales & Use	Property	Years Authorization	Status	County
	Year	Authorized ²	Tax	Exemption	Tax	Expected		
	Authorized	or Denied	Credits	(Est. value)	Incentives	to be Exercised ³		
					(Est. Value)			
Clinical Neuroscience Research Associates, Inc.	Jan-05	\$98,446	\$98,446			Jan 2005 - Dec 2009	Active	Bennington
Energizer Battery Manufacturing, Inc.	Jan-05	\$2,523,192	\$2,523,192			Jan 2005 - Dec 2009	Active	Franklin
Vermont Tissue, LLC	Mar-05	\$548,643	\$548,643			March 2005 - Dec 2009	Rescinded	Bennington
Sonic Circus, Inc.	Apr-05	\$67,373	\$67,373			April 2005 - Dec 2009	Active	Windham
Flex-A-Seal, Inc.	Sep-05	\$163,437	\$163,437			Sept 2005 - Dec 2009	Active	Chittenden
Acrylic Designs, Inc.	Oct-05	\$84,749	\$84,749			Jan 2006 - Dec 2010	Active	Windsor
ISL USA, LLC	Oct-05	\$214,925	\$214,925			Jan 2006 - Dec 2010	Active	Chittenden
Vermont Culinary Islands, Inc.	Dec-05	\$87,461	\$87,461			Jan 2006 - Dec 2010	Active	Windham
Rhino Foods, Inc./Zoo Holdings, LLC	Dec-05	\$1,140,132	\$1,095,132	\$45,000		Jan 2006 - Dec 2010	Active	Chittenden
Champlain Chocolate Company dba Lake Champlain Chocolates/James Edward Company, LLC	Dec-05	\$980,824	\$935,824	\$45,000		Jan 2006 - Dec 2010	Active	Chittenden
Subtotal 2005 Authorizations		\$5,909,182	\$5,819,182	\$90,000	\$0			
Champlain Cable Corporation	Feb-06	\$972,296	\$927,296	\$45,000		Feb 2006 - Dec 2010	Rescinded	Chittenden
Town of Colchester - Champlain Cable Corporation	Feb-06	\$41,047			\$41,047	April 2007 - March 2011	Rescinded	Chittenden
Dealer Dot Com, Inc.	Feb-06	\$208,489	\$197,329	\$11,160		Feb 2006 - Dec 2010	Active	Chittenden
West Mountain Animal Hospital, Inc./Fauna Development, LLC	Mar-06	\$151,744	\$151,744			N/A	Denied	Bennington
Sentient Corporation	Mar-06	\$182,475	\$161,475	\$21,000		March 2006 - Dec 2010	Active	Chittenden
Via Cheese, LLC fka L.F. Acquisition, LLC	May-06	\$772,862	\$763,862	\$9,000		May 2006 - Dec 2010	Active	Franklin
Town of Swanton - via Cheese, LLC fka L.F. Acquisition, LLC	May-06	\$116,557			\$116,557	April 2007 - March 2011	Active	Franklin
J.S. Burgess, Inc. dba Lucas Industries/ABW Partnership	May-06	\$184,509	\$184,509			May 2006 - Dec 2010	Active	Windsor
Dale of Norway, Inc.	May-06	\$56,748	\$56,748			May 2006 - Dec 2010	Active	Chittenden
Plasan USA, Inc.	Jul-06	\$1,064,461	\$1,064,461			July 2006 - Dec 2010	Active	Bennington
Biocardel Vermont, LLC.	Sep-06	\$534,522	\$534,522			Sept 2006 - Dec 2010	Active	Franklin
Autumn Harp, Inc.	Sep-06	\$627,534	\$627,534			Sept 2006 - Dec 2010	Active	Chittenden
Jeld-Wen, Inc.	Dec-06	\$488,737	\$488,737			Dec 2006 - Dec 2010	Active	Windsor
Subtotal 2006 Authorizations (to date)		\$5,401,981	\$5,158,217	\$86,160	\$157,604			

APPENDIX I

GRAND TOTAL ALL APPLICATIONS CONSIDERED	Total Authorized or Denied	Income Tax Credits	Sales & Use Exemption (Est. value)	Property Tax Incentives (Est. value)		Number of Applications
OCTOBER 1998 - December, 2006	\$154,870,593	\$128,757,798	\$9,279,999	\$16,832,796	\$154,870,593	237
LESS - TOTAL DENIED, through December 2006	\$5,230,027	\$5,137,119	\$0	\$92,908	\$5,230,027	25
LESS - TOTAL REPLACED, through December 2006	\$11,601,591	\$7,244,891	\$0	\$4,356,700	\$11,601,591	12
Subtotal	\$16,831,618	\$12,382,010	\$0	\$4,449,608	\$16,831,618	37
EQUALS = TOTAL AUTHORIZED AS OF December 31,	\$138,038,975	\$116,375,788	\$9,279,999	\$12,383,188	\$138,038,975	180
LESS- TOTAL RESCINDED, through December 31, 2007	\$33,427,444	\$29,143,524	\$546,950	\$3,736,970	\$33,427,444	51
LESS - TOTAL TERMINATED, through December 31, 2007	\$8,225,670	\$8,181,393	\$44,277	\$0	\$8,225,670	20
EQUALS =TOTAL INCENTIVES AVAILABLE Oct 1998 through Dec 2016	\$96,385,861	\$79,050,871	\$8,688,772	\$8,646,218	\$96,385,861	129
(TOTAL COMPLETED INCENTIVES AS OF December 2007	\$68,795,777	\$59,650,443	\$8,520,112	\$625,222	\$68,795,777	90
(TOTAL ACTIVE INCENTIVES AS OF December 2007)	\$27,590,084	\$19,400,428	\$168,660	\$8,020,996	\$27,590,084	39

(1) Entity name at time of authorization

(2) Property tax stabilization, Allocation and TIF awards are estimates

(3) Unless otherwise noted, award period begins the first day of the month incentives are authorized and expires December 31 of the fifth year.

Active = Application was approved. Project activity is ongoing and still within authorization period.
credits were utilized.

Denied = VEPC did not approve application for reason given in "Explanation" column.

Replaced = Company filed and VEPC approved an application that replaced the original application. The original authorization is null and void.

Rescinded = Application was approved, but subsequently rescinded after economic activity had begun but before any credits were claimed.

Terminated = Application was approved, but subsequently terminated and credits were disallowed and/or recaptured. No credits were utilized.

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