HOW VEGI WORKS

VT Economic Progress Council

VEPC Authorizes Company to Earn VEGI Incentive $885,000

Company Meets Statutory Requirements

- Activity will not occur, or will occur in a materially different way, except for the incentives
- Company/ Project meets guidelines.
- Net Revenue Benefit

No tax Dollars go to company when authorized

Company Does Project Because of Incentives

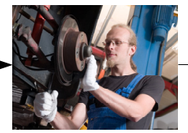
5 YEAR EARNING PERIOD:

NOTE: All dollar estimates are present value and represent a single application example.

NEW EMPLOYEES: Net Incremental Payroll $3.4 Million

Sales	Engineers	Executives	Production	Administration	TOTAL JOBS
$85,000	$70,000	$56,000	$44,000	$34,000	
X 2	X 18	X10	X32	X8	70

MACHINERY & EQUIPMENT INVESTMENTS: $3 Million



FACILITY CONSTRUCTION & IMPROVEMENT INVESTMENTS: $7.5 Million

NEW BUSINESS TO BUSINESS RELATIONSHIPS

New Machinery & Equipment

New Employees

Incremental Tax Revenues

Revenue Benefits and Costs to the State

Incremental Tax Revenues from Project:
- Payroll
- Sales & Use
- Rooms & Meals
- Transportation & Fees
- Health Care
- Unemployment Insurance
- Corporate and Individual
- Property

Total New Revenue to SOV:
$2.2 Million over 5 years

Incremental Revenue Costs Due to Project:
- Per Person General Fund Costs
- Per Pupil Education Fund Costs
- Per Person Transportation Fund Costs

Revenue Costs to SOV:
$675,000 over 5 years

NEW NET TAX REVENUES
$1.5 M over 5 Years

NET REVENUE BENEFIT TO SOV: $650,000 (after 5 years)

INCENTIVE
$885,000

Incentive earned only if base payroll and employment is maintained and targets are met and maintained. Earned over 5 years, paid out over 9 years.

Annual Claim Reviews by Tax Department
Targets must be met to earn incentive. If earned, each annual incentive pays out over 5 years.

Targets not met or maintained or project does not occur.
No incentives are paid or incentive installments are stopped.

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