

VERMONT EMPLOYMENT GROWTH INCENTIVE GOOD STANDING REQUIREMENT

For a VEGI application to be considered complete and be considered by the Vermont Economic Progress Council, an Initial or Final application for VEGI incentives must include a certification by the Vermont Department of Taxes that the applicant entity is in good standing regarding tax obligations to the State of Vermont. In addition to the letter of good standing that is required to complete a VEGI application, the persons signing the application will certify that the company is in good standing with respect to taxes.

Note that this requirement is for a Letter of Good Standing from the **Vermont Department of Taxes**, not a Certificate of Good Standing from the Vermont Secretary of State.

For the purposes of the VEGI program, state tax liability good standing is defined by 32 VSA §3113(g), which states:

“(g) For the purposes of this section, a person is in good standing with respect to any and all taxes payable if:

- (1) no taxes are due and payable and all returns have been filed;*
- (2) the liability for any taxes due and payable is on appeal;*
- (3) the person is in compliance with a payment plan approved by the commissioner; or*
- (4) in the case of a licensee, the agency finds that requiring immediate payment of taxes due and payable would impose an unreasonable hardship. If the agency finds an unreasonable hardship, it may condition renewal on terms which will place the person in good standing with respect to any and all taxes as soon as reasonably possible.”*

To request a letter of good standing from the Vermont Department of Taxes, mail or fax the Vermont Department of Taxes Compliance Division a request that a letter of good standing be faxed or emailed to you. This letter must be uploaded to the “Applicant and Project Information” form of your VEGI application *regardless of the type of company or whether or not the company has operated in Vermont before.*

If there are more than one entity involved in the project (i.e. operating company and holding company), you must obtain and upload Letters of Good Standing for each entity.

Do not contact VEPC to resolve this requirement. The applicant must contact the Vermont Department of Taxes.

Department of Taxes Compliance Division contact information:

Tax.ComplianceSupport@vermont.gov

Vermont Department of Taxes, Compliance Division: (802)828-6870

Fax number is: (802)828-5282

The request to the Department of Taxes must include (for all entities involved in the project):

- Company Legal Name;
- Federal Employer Identification Number;
- Company contact person information (name, mailing address, phone, fax);
- Name and address of the company person to whom the letter should be sent.
- Reference to the VEGI program.

The good standing verification by the Vermont Department of Taxes can take up to a week, so begin this process as soon as you know you will apply to the VEGI program.

The letter of good standing will be faxed to the number provided by the company and/or the email address provided. Applicant must upload the letter to the VEGI application on the "Applicant and Project Information" form at Line 9a, for each entity involved in the project.

If a company has debt to the State of Vermont, Department of Taxes, but is in compliance with a payment plan approved by the Compliance Division, the company is considered to be in good standing provided all returns have been filed.

If a company is not in good standing, the debt must be satisfied and a letter of good standing obtained and filed before a VEGI application will be considered complete. The applicant must pay the debt or enter into a payment plan approved by the Compliance Division and then request the letter of good standing. The length of time it takes the Department of Taxes to process a payment can vary depending on the time of year. During peak filing seasons, the delay could be up to a month. However, if the applicant addresses this requirement early on and is proactive in communicating with the Department of Taxes, the payment can get processed and a letter issued in sufficient time for the applicant to file a complete application.

If an applicant company has never operated in Vermont, they must still request the certification from the Department of Taxes. If the department finds no record of operation in Vermont or outstanding tax liability to the State of Vermont, the Department will provide a letter to the applicant company stating this fact. That letter must be uploaded to the VEGI application.