

1 Introduced by Senator Williams

2 Referred to Committee on

3 Date:

4 Subject: Taxation; education funding

5 Statement of purpose of bill as introduced: This bill proposes to require the  
6 Department of Taxes to submit a written report to the General Assembly  
7 analyzing and proposing new revenue sources to replace the education  
8 property tax and to fund education in the State.

9 An act relating to funding education

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. REPORT; DEPARTMENT OF TAXES; REVENUE SOURCES TO  
12 FUND EDUCATION

13 (a) On or before January 15, 2024, the Department of Taxes shall submit a  
14 written report to the House Committees on Education and on Ways and Means  
15 and the Senate Committees on Education and on Finance regarding new or  
16 alternative revenue sources for the Education Fund to replace the revenues  
17 generated by the education property tax, in the event of its repeal. The  
18 Department shall analyze and propose options to replace education property  
19 tax revenue, including:

1           (1) Expanding the tax structures of existing Education Fund revenue  
2           sources. The recommendation required under this subdivision shall include an  
3           analysis of the sales and use tax and the meals and rooms tax, including  
4           imposing sales and use tax on services and repealing, to the extent permitted  
5           under federal and constitutional law, exemptions and expenditures under any  
6           of the tax types that are currently Education Fund revenue sources.

7           (2) Creating a new, broad-based tax type.

8           (b) In conducting its analysis for the report required under this section, the  
9           Department shall incorporate the relevant studies as follows:

10           (1) Vermont Tax Structure Commission created by 2018 (Sp. Sess.)  
11           Acts and Resolves No. 11;

12           (2) Blue Ribbon Tax Structure Commission created by 2009 (Sp. Sess.)  
13           Acts and Resolves No. 1; and

14           (3) any other studies of Vermont’s education finance system since the  
15           enactment of 1998 Acts and Resolves No. 60 and 2004 Acts and Resolves No.  
16           68.

17           Sec. 2. EFFECTIVE DATE

18           This act shall take effect on passage.