



STATE OF VERMONT

MEMORANDUM

To: Representative Kornheiser, Chair, House Committee on Ways and Means
From: Kirby Keeton
Date: January 4, 2024
Subject: H.541; Abatement Requests

Issue

You asked for a description of deadlines relating to property tax abatement requests resulting from severe storms and flooding in 2023. Specifically, you asked whether taxpayers who paid property taxes without requesting abatement would have an opportunity to seek abatement under H.541.

Background

A municipality's board of abatement may partially or completely abate taxes, water charges, sewer charges, interest, and collection fees for real and personal property lost or destroyed *during the tax year*. 24 V.S.A. § 1535(a)(6) (emphasis added). The fiscal year for education property taxes runs from July 1 to June 30.¹ See, 24 V.S.A. § 5402(c)(1). A board of abatement may order abatement for amounts already paid, and when it does, it can either issue a refund or allow a credit for future taxes. 32 V.S.A. § 1535(d)(1). For a municipality that charges interest on overdue taxes, it is required to also pay interest when it abates taxes that were already paid. 24 V.S.A. § 1535(d)(2)–(3).

H.541 allows reimbursement of education property tax abatement done prior to April 15, 2024.

Answer

Under H.541, a taxpayer who has paid education property taxes without seeking abatement would have until April 14, 2024, to apply for and receive abatement due to property lost or destroyed due to severe storms and flooding in a federal disaster area. The taxpayer would not be precluded from requesting abatement because it would still be within the education property tax fiscal year and abatement can be ordered for taxpayers who have already paid tax.

¹ In contrast, the fiscal year for municipalities varies, with some starting on January 1 and others starting on July 1.

There may be some complications for properties in municipalities with fiscal years that ended on December 31. This would likely relate to the requirement in H.541 that municipal taxes must be abated proportionately to education taxes for a municipality to qualify for reimbursement. In that case, a municipality may consider it too late to request abatement for municipal taxes because the municipal tax year had ended. If education taxes are abated at that point, but municipal taxes are not abated, the municipality would not qualify for reimbursement under Sec. 1(a) of H.541.