

Tax Proposals in H.687 – Senate  
 Ted Barnett, Joint Fiscal Office  
 House Ways and Means, 5/6/2024

**Sec. 73-74: PTT Changes**

Type of Property	Value Taxed	0.5% Property Transfer Tax	1.25% Property Transfer Tax	2.5% Property Transfer Tax	0.2% Clean Water Surcharge
Not Principal or Secondary Residences	All Value		X		X
Principal Residence	\$0-\$100,000	X			
	Marginal Value > \$100,000		X		X
Principal Residence Purchased w/ VHFA, VCTF, or USDA Assistance	\$0 - \$150,000				
	\$150,000-\$200,000		X		
	Marginal Value > \$200,000		X		X
Secondary Residences, Excluding Camps	All Value			X	X

Estimated additional revenues in FY25: \$10.76 million. The Natural Resources Board would receive \$0.9 million in annual PTT revenue before statutory percentage allocations. The remainder would be allocated to the General Fund (\$3.47 million), Vermont Housing and Conservation Trust Fund (\$5.11 million), and Municipal and Regional Planning Fund (\$1.28 million) in FY 2025.

Forecasted FY 2025 Base Revenues: \$58.1 million PTT, \$8.2 million for the Clean Water Surcharge

**Sec. 80-83: Property Tax Freeze, as Recommended by Senate Appropriations**

These sections would exempt certain qualifying improvements from education property tax in a designated downtown district, village center, neighborhood development area, or new market tax credit area for a period of three years.

	FY 2026	FY 2027	FY 2028
<b>Education Fund Forgone Revenue</b>	\$850,000	\$1.6 million	\$2.5 million

Note: An amendment on the Senate floor increased eligible areas to with ½ mile of qualifying zones and excluded properties in TIF districts unless a municipality voted to allow the exemption. This change will increase the cost to the Education Fund, however JFO does not have an updated number at this time.