

1 H.87

2 Introduced by Representative Wilson of Manchester

3 Referred to Committee on

4 Date:

5 Subject: Taxation; education property tax; income sensitivity; cap on amount

6 Statement of purpose: This bill proposes to set a cap for the size of an income  
7 sensitivity adjustment at \$5,000.00, to repeal the double counting of income  
8 and dividend income over \$10,000.00 for the purposes of calculating  
9 household income, to repeal the adjustment for property valued over  
10 \$500,000.00, and to reinstate the adjustment for \$10.00 per acre of up to five  
11 acres.

12 An act relating to capping income sensitivity adjustments, altering the way  
13 household income is defined, removing the adjustment for properties valued  
14 at over \$500,000.00, and reinstating the adjustment of \$10.00 per acre for  
15 up to five acres

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

17 Sec. 1. 32 V.S.A. § 6066 is amended to read:

18 § 6066. COMPUTATION OF ADJUSTMENT

19 (a) An eligible claimant who owned the homestead on April 1 of the year in  
20 which the claim is filed shall be entitled to an adjustment amount determined  
21 as follows:

1 (1)(A) For a claimant with household income of \$90,000.00 or more:

2 (i) the statewide education tax rate, multiplied by the equalized  
3 value of the housesite in the taxable year;

4 (ii) minus (if less) the sum of:

5 (I) the applicable percentage of household income for the  
6 taxable year; plus

7 (II) the statewide education tax rate, multiplied by the  
8 equalized value of the housesite in the taxable year in excess of \$200,000.00.

9 (B) For a claimant with household income of less than \$90,000.00  
10 but more than \$47,000.00, the statewide education tax rate, multiplied by the  
11 equalized value of the housesite in the taxable year, minus ~~(if less) the sum of:~~

12 ~~(i) the applicable percentage of household income for the taxable~~  
13 ~~year; plus~~

14 ~~(ii) the statewide education tax rate, multiplied by the equalized~~  
15 ~~value of the housesite in the taxable year in excess of \$500,000.00 the~~  
16 ~~applicable percentage of household income.~~

17 (C) For a claimant whose household income does not exceed  
18 \$47,000.00, the statewide education tax rate, multiplied by the equalized value  
19 of the housesite in the taxable year, minus the lesser of:

20 (i) ~~the sum of~~ the applicable percentage of household income for  
21 the taxable year ~~plus the statewide education tax rate, multiplied by the~~

1 ~~equalized value of the housesite in the taxable year in excess of \$500,000.00;~~

2 or

3 (ii) the statewide education tax rate, multiplied by the equalized  
4 value of the housesite in the taxable year reduced by \$15,000.00.

5 (D) A claimant whose household income does not exceed \$90,000.00  
6 shall also be entitled to an additional adjustment amount under this section of  
7 \$10.00 per acre, up to a maximum of five acres, for each additional acre of  
8 homestead property in excess of the two-acre housesite. The adjustment  
9 amount under this section shall be shown separately on the notice of property  
10 tax adjustment to the claimant.

11 \* \* \*

12 Sec. 2. 32 V.S.A. § 6067 is amended to read:

13 § 6067. CREDIT LIMITATIONS

14 Only one individual per household per taxable year shall be entitled to a  
15 benefit under this chapter. An individual who received a homestead exemption  
16 or adjustment with respect to property taxes assessed by another state for the  
17 taxable year shall not be entitled to receive an adjustment under this chapter.

18 No taxpayer shall receive total adjustments under this chapter in excess of

19 ~~\$8,000.00~~ \$5,000.00 related to any one property tax year.

1       Sec. 3. 32 V.S.A. § 6061(5)(E) is amended to read:

2               (E) ~~with the addition of an asset adjustment of 1 x the sum of interest~~  
3       ~~and dividend income included in household income above \$10,000.00,~~  
4       ~~regardless of whether that dividend or interest income is included in federal~~  
5       ~~adjusted gross income.~~

6       Sec. 4. EFFECTIVE DATE

7               This act shall apply to claims filed in 2012 and after.