

House Appropriations Committee Testimony

Vermont Department of Taxes

12/16/2015

FY16-17 Hold Harmless Calculations

Property Valuation & Review

Line	Type	FY16 Final Estimate	FY17 Estimate
1	Previous FINAL estimate	\$ 14,000,000.00	\$ 14,978,851.00
2	ACTUAL previous payment	\$ 14,104,422.00	\$ 14,647,867.00
		0.70%	-2.20%
		\$ 104,422.00	\$ (330,984.00)
3	Parcel Count	18,034	18,183
4	Current average \$ per parcel	799	812
5	Previous average \$ per parcel	782	806
6	Zero Parcel Count	62	394
7	Zero Parcel Exempt Reduction	\$ 9,911,864.00	\$ 64,004,210.00
8	Zero Parcel Avg Exempt Reducton	\$ 159,869.00	\$ 162,447.00
9	Payment for Zero Parcels	\$ 49,559.00	\$ 320,021.00
10	Payment for Villages/Districts	\$ 25,000.00	\$ 25,000.00
11	Missing Mun Tax Rates	25	7
12	Payment for Missing Tax	\$ 649,093.00	\$ 297,621.00
13	Total Additional Payments	\$ 723,652.00	\$ 642,642.00
14	Known Mun Tax Savings		\$ 14,452,704.00
15	SubTOTAL Mun Tax Savings		\$ 15,095,346.00
16	Payment for Uncertainty (1.5%)	\$ 220,085.00	\$ 226,430.00
17	TOTAL est HH Payment	\$ 14,978,851.00	\$ 15,321,776.00
18	ACTUAL previous payment	\$ 14,104,422.00	\$ 14,647,867.00
19	Change from previous	\$ 874,429.00	\$ 673,909.00
20	Percent Change	6.20%	4.60%
21	Exempt Red Current Year	\$ 3,048,172,113.00	\$ 3,029,165,092.00
22	Exempt Red Prior Year	\$ 3,030,409,522.00	\$ 3,040,215,225.00
23	Ag Land Value/Acre	279	289

Methodology: Detailed parcel data from the most recent version of the current use database at the Tax Department. Data includes the total parcel value and exempt reduction for every current use parcel. Municipal tax rates are then applied to the exempt reduction amounts to generate the municipal tax savings amount - which is replaced on a 1:1 basis. After the known amount is generated (Line 14) the amount for parcels with incomplete data and missing tax rates is added in (Line 13) and a payment for uncertainty (Line 16) is added to reflect the potential for change due to unprocessed applications which represent new enrollments or changes to existing enrollment. This year's payment for uncertainty was high (1.5%) due to over 400 applications remaining to be processed - plans have been made to prevent this situation from occurring next year.

Definitions:	
Zero parcels	Current Use Parcels which are blank until Lister assigns a value. Line 7 amount is applied to these parcels.
Payment for Villages/Districts	This represents liability created by special village/fire district tax rates.
Payment for Missing Tax	Towns which have not yet transmitted their municipal tax rates to PVR; under this circumstance the prior year tax rate is substituted so this value is subject to change.
Payment for Uncertainty	Some current applications are still in process at the time of producing an estimate; errors and omissions can also impact the payment amount.

**FY16 BAA and FY17 Budgets from Tax
Policy, Outreach, and Legislative Affairs**

Renter Rebate	FY16	FY17
Appropriation - base	\$9,700,000	\$10,400,000
BAA	(\$450,000)	
Revised Appropriation	\$9,250,000	

Current Use	FY16	FY17
Appropriation - base	\$14,978,851	\$15,321,776
BAA	(\$330,984)	
Revised Appropriation	\$14,647,867	

Homeowner Rebate (GF)	FY16	FY17
Appropriation - base	\$18,200,000	\$16,200,000
Carryforward from FY15	\$527,000	
BAA	(\$2,927,000)	
Revised Appropriation	\$15,800,000	

