

Basic Homestead Tax Rate Derivation

		FY2015		
1.	Expenditures		2,800,000	
2.	- Local Revenues		200,000	
3.	Education Spending		2,600,000	
4.	÷ Equalized Pupils		200.00	
5.	Ed Spend / EqPup		13,000.00	
6.	÷ Base amount		9,382	statutory calculation, 16 V.S.A. § 4011(b)
7.	District Spending Adjustment		138.563%	
8.	x Base Homestead Rate		1.01	as per Tax Commissioner recommendation
9.	Equalized Homestead Rate		1.3995	
10.	÷ CLA		90.00%	
11.	Actual Homestead Rate		1.5550	

Line notes:

1. Expenditures are all dollars a school district plans to spend.
2. Local revenues are money the school district already has or is owed: federal dollars, state aid for special education, transportation, small schools, tuitions, surplus, interest bearing accounts, private donations, etc.
3. Education spending is the amount that needs to be raised by education property taxes, augmented by other Education Fund revenues.
4. Equalized pupils are a two-year weighted average.
5. Education spending per equalized pupil determines the education homestead tax rate.
6. Base amount is statutorily set by a CPI index and is used as a comparison to a district's education spending per equalized pupil.
7. District spending adjustment is the percentage the district spends over the base amount.
8. Base homestead tax rate is set annually by the Legislature and approved by the Governor.
9. Equalized homestead tax rate is the rate a district would have if all properties were assessed at fair market value.
10. Common level of appraisal (CLA) is the ratio of the town's listed values versus the State's listed value. The State's listed value is comprised of actual sales, generally averaged over three years. The State's fair market value is the equalized education grand list.
11. Actual homestead rate is the education tax rate seen on a property tax bill of a resident homeowner.