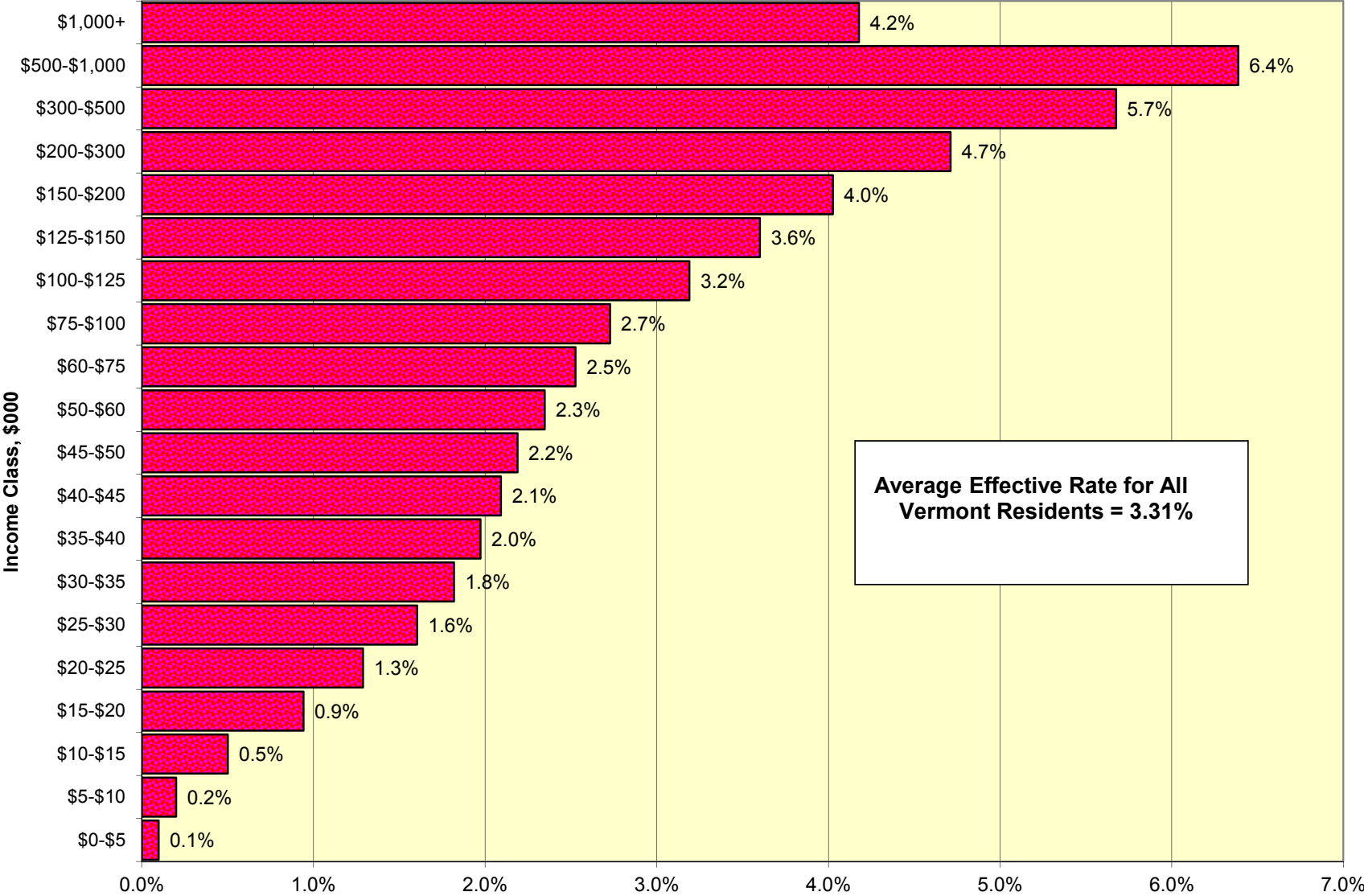


# H.656 OVERVIEW

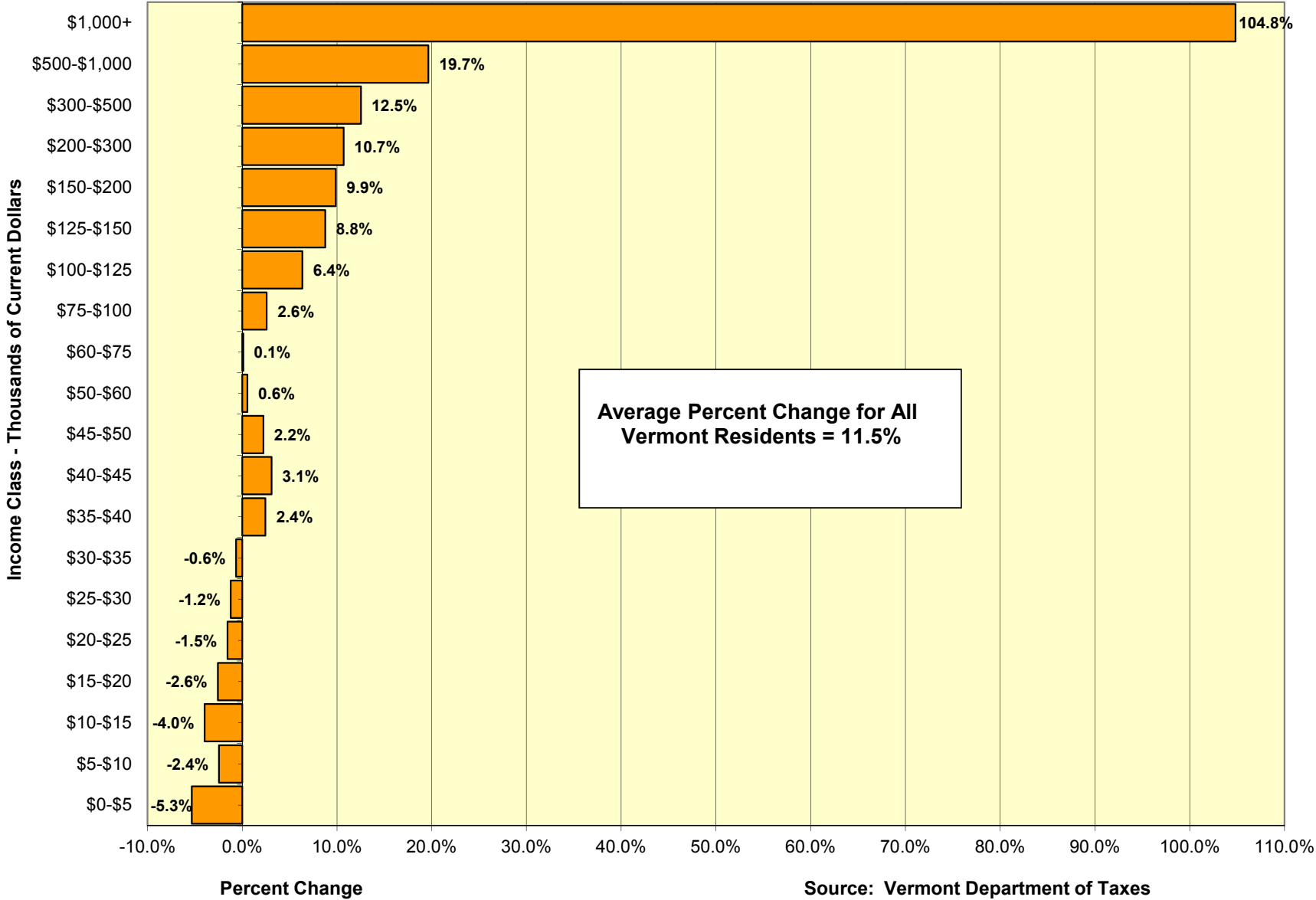
*Rep. Christopher Pearson*

### Tax Progressivity: Effective Vermont Income Tax Rates in 2014 by Income Class

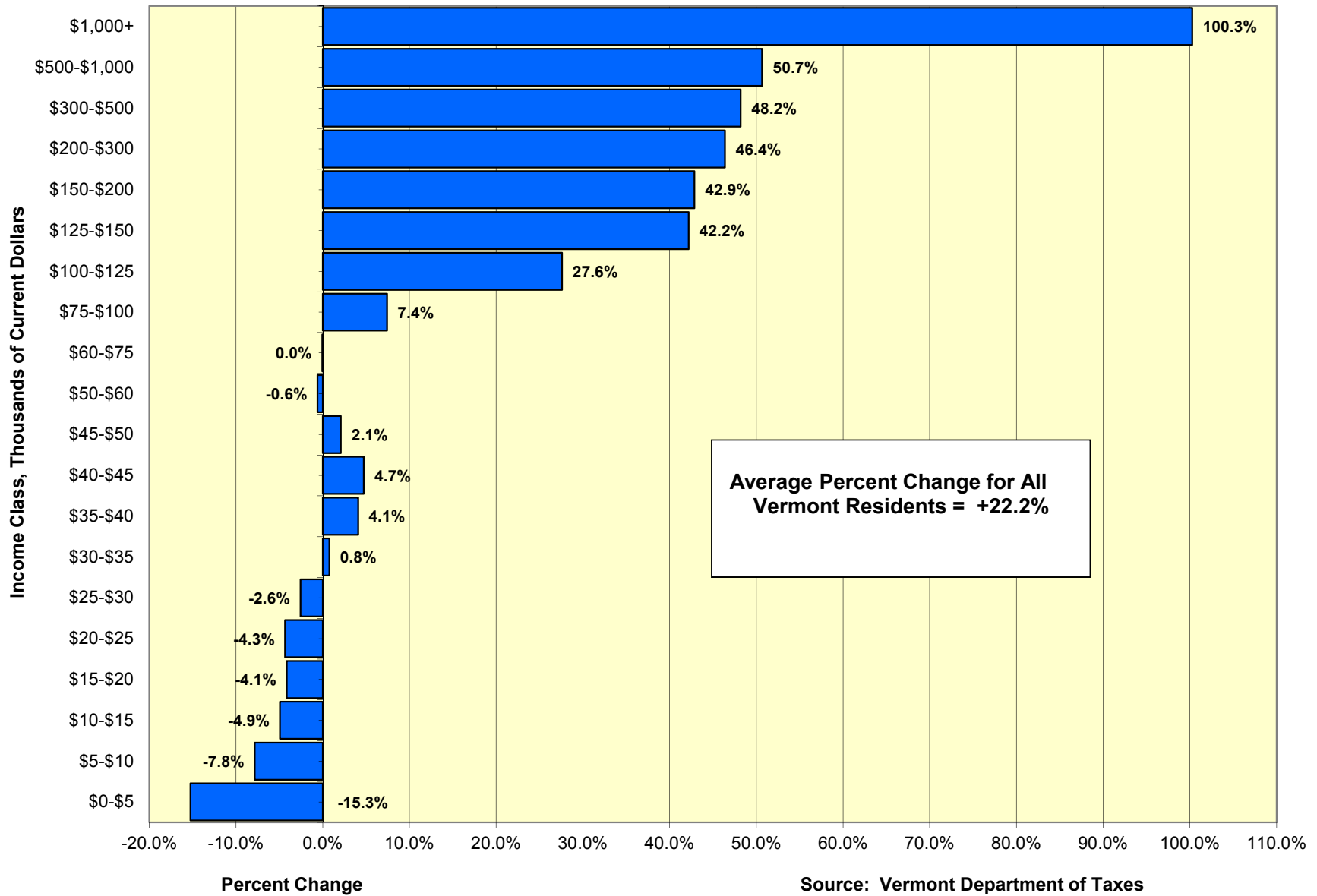


**Average Effective Rate for All Vermont Residents = 3.31%**

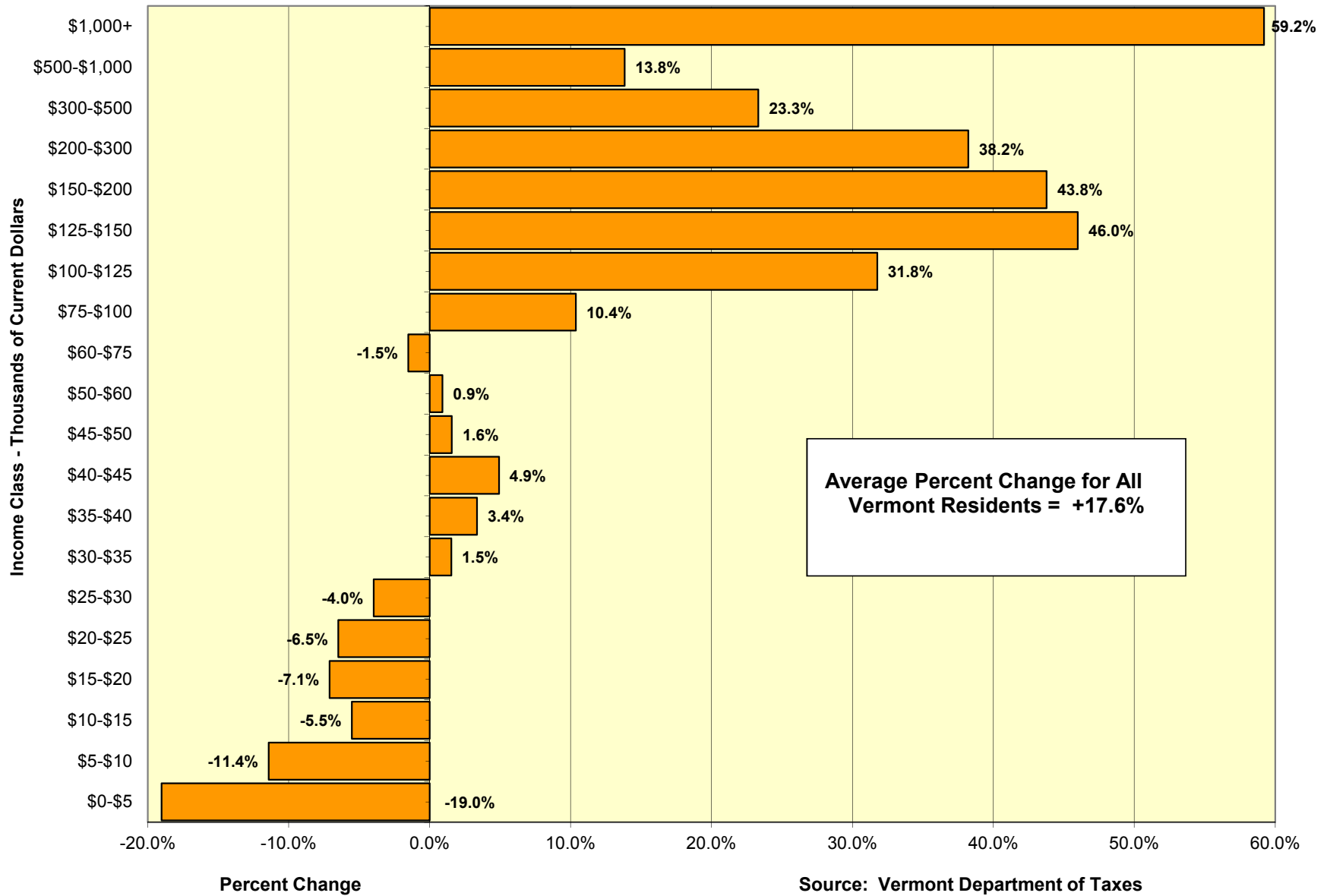
### Percent Change in Adjusted Gross Income in Vermont, 2014 vs. 2013 by Income Class



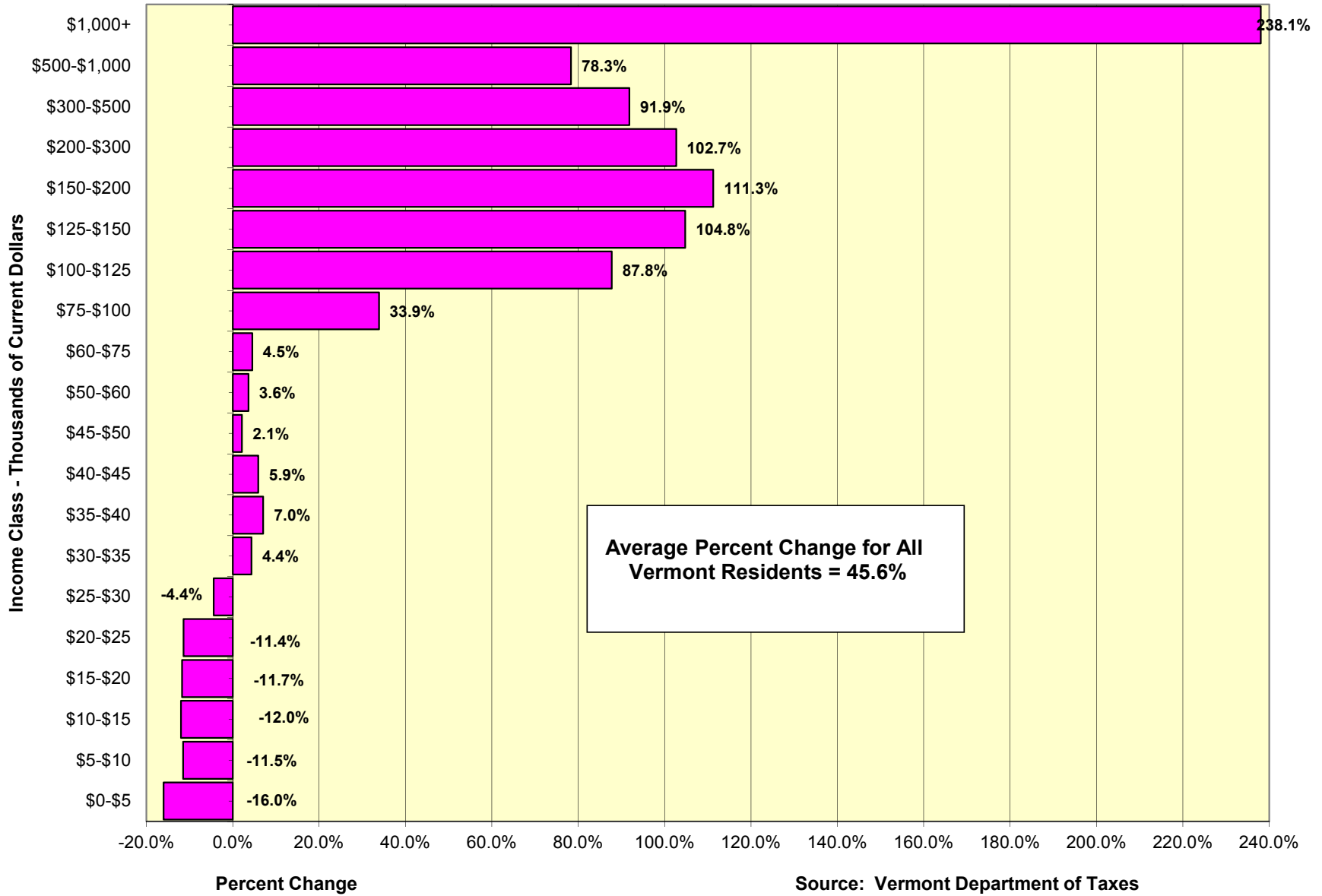
### Percent Change in Adjusted Gross Income in Vermont, 2014 vs. 2008 by Income Class



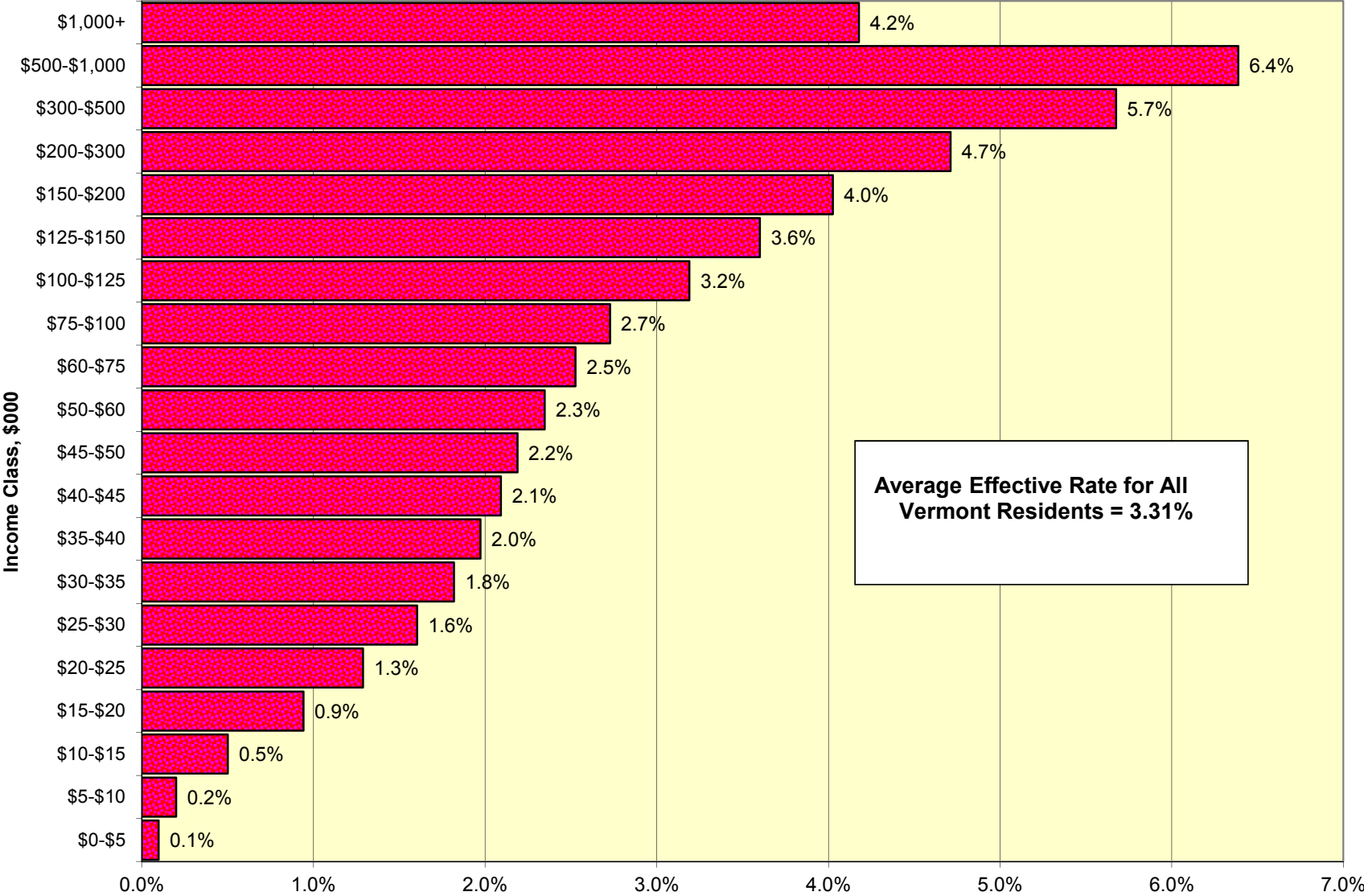
### Percent Change in Adjusted Gross Income in Vermont, 2014 vs. 2007 by Income Class



### Percent Change in Adjusted Gross Income in Vermont, 2014 vs. 2004 by Income Class

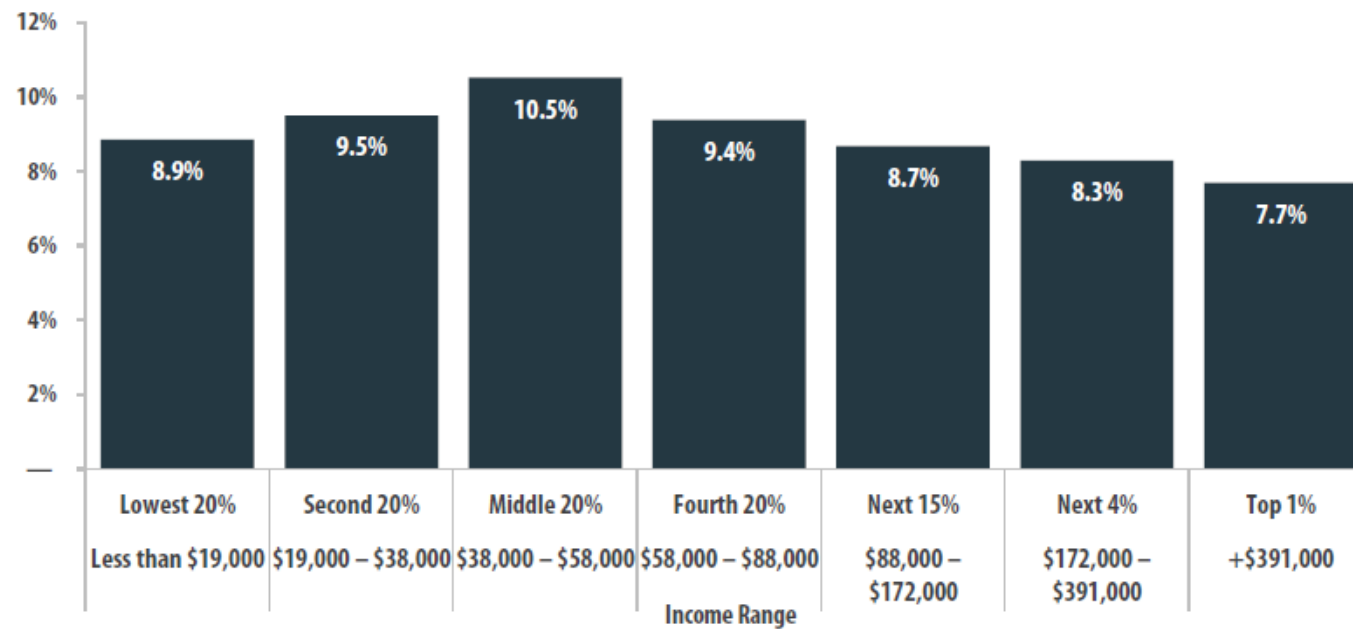


### Tax Progressivity: Effective Vermont Income Tax Rates in 2014 by Income Class



**Average Effective Rate for All Vermont Residents = 3.31%**

## As a Share of Income, Total Taxes are Lowest for Vermont's Wealthiest Projected 2015 state and local taxes as a percentage of 2012 income, by income range

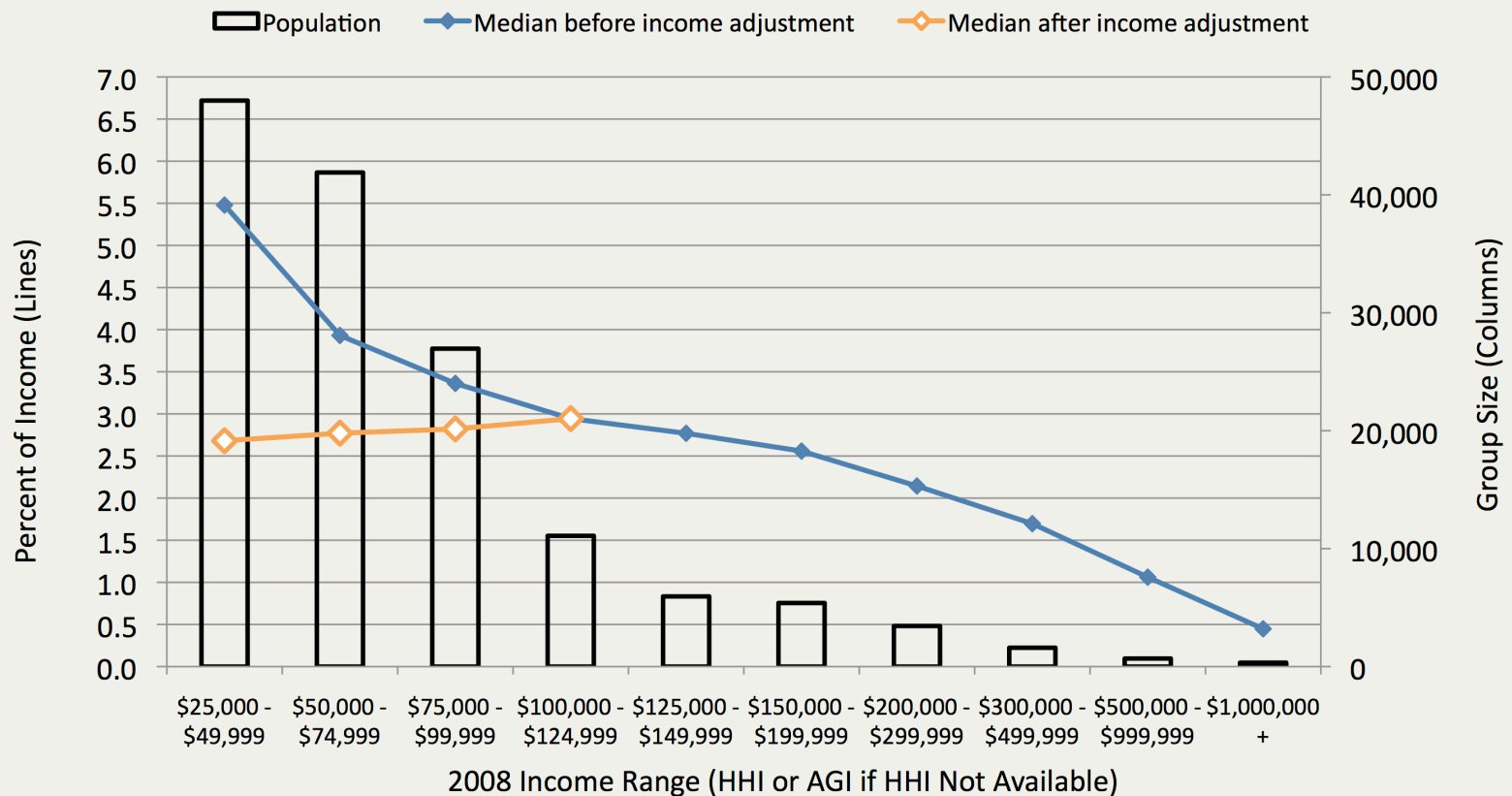


Data source: Institute on Taxation and Economic Policy



## Vermont school taxes are still regressive

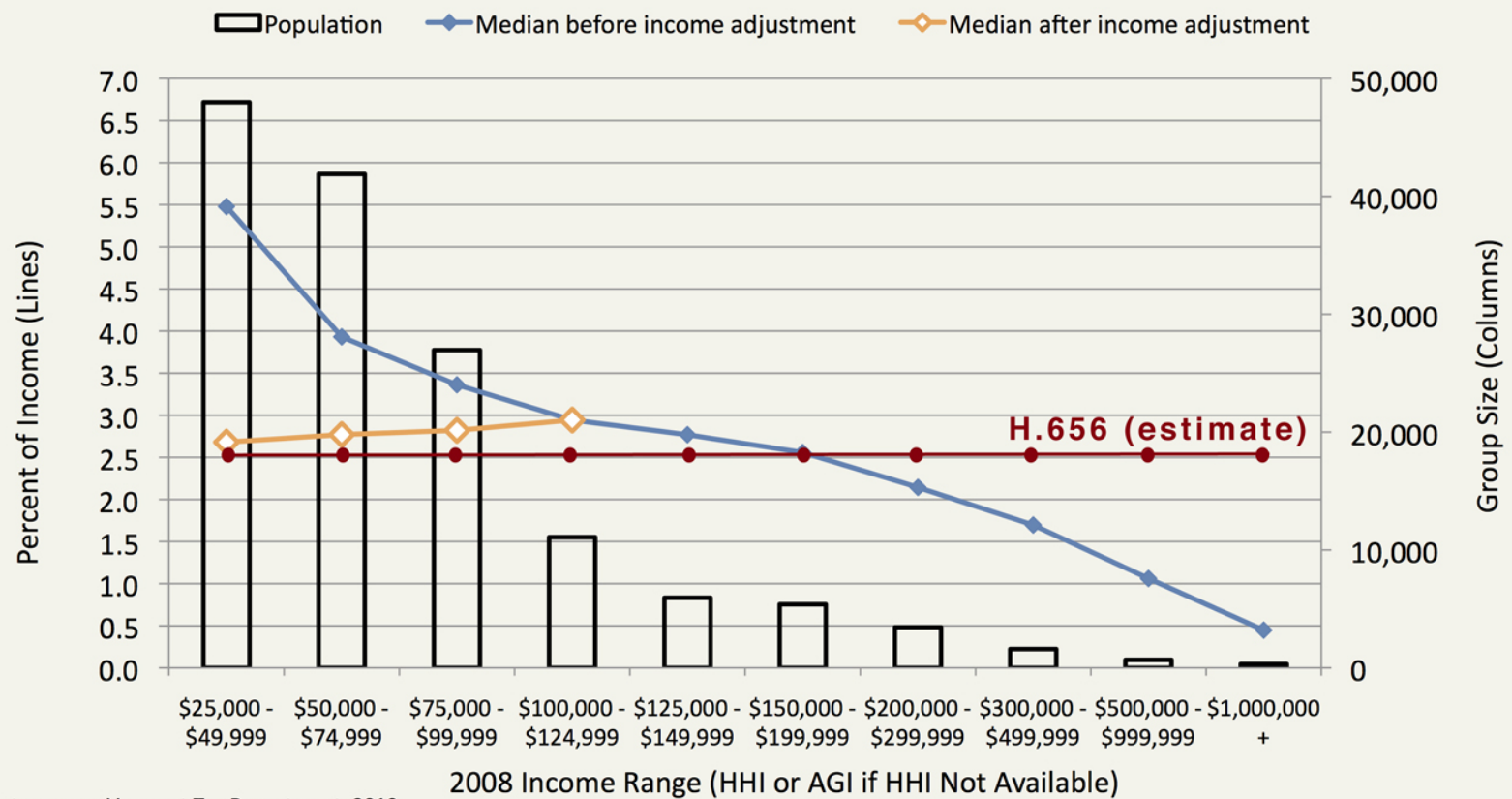
### Homestead taxes as a percentage of income



Data source: Vermont Tax Department, 2010

## Vermont school taxes are still regressive

### Homestead taxes as a percentage of income



Data source: Vermont Tax Department, 2010

**H.656 Compared to Current Law**  
**Estimates only - see notes**

Household Income Category	Median Education Homestead Tax		Education Tax as % of Income	
	Current Law	H. 656	Current Law	H. 656
< 10,000	259	189	3.4%	2.5%
10,001 - 20,000	478	384	3.0%	2.5%
20,001 - 30,000	738	624	2.9%	2.5%
30,001 - 40,000	1,008	873	2.8%	2.5%
40,001 - 47,000	1,237	1,081	2.8%	2.5%
47,001 - 60,000	1,519	1,329	2.8%	2.5%
60,001 - 75,000	1,895	1,672	2.8%	2.5%
75,001 - 85,000	2,232	1,981	2.8%	2.5%
85,001 - 90,000	2,448	2,168	2.8%	2.5%
90,001 - 108,889	2,886	2,470	2.9%	2.5%
108,889 -137,500	3,621	3,039	3.0%	2.5%
137,500-150,000	4,232	3,579	2.9%	2.5%
150,000 - 200,000	4,718	4,291	2.8%	2.5%
200,000 - 300,000	5,523	5,960	2.3%	2.5%
300,000 - 400,000	6,652	8,547	2.0%	2.6%
400,000 - 500,000	7,542	11,189	1.8%	2.5%
500,000 - 1,000,000	8,029	16,046	1.3%	2.6%
>1,000,000	9,404	38,166	0.6%	2.5%

\*Education tax bill only - does not include municipal tax or homeowner rebate

\*Preliminary estimates based on FY2016 spending

\*Excludes households with 0 or negative incomes

\*Based on household income if available; adjusted gross income otherwise

\*H. 656 revision increases the income yield (reduces tax rates) to bring the education fund to same level as current law