

## Current Law Compared to Baser Proposal as of February 20, 2018

(millions of dollars)

Estimates

<i>Proposal has not been adopted by the House Ways &amp; Means Committee</i>	Current Law	Baser Proposal
a Average Homestead Property Tax Rate	\$1.554	\$0.883
b Average Tax Rate on Household Income	2.58%	NA
c Uniform Non-Homestead Property Tax Rate	\$1.591	\$1.591
d Base Spending Amount	NA	\$12,170
e Property Yield Per Equalized Pupil	\$9,832	\$5,185
f Income Yield Per Equalized Pupil	\$11,880	NA

Repealed

See attached worksheet for calculation

Repealed

### Sources (actual)

1 Base Homestead Property Tax	NA	99.2
2 Homestead Property Tax Based on Yield	619.6	258.2
3 Property Tax Adjustment and Rebate	(176.4)	NA
4 Homestead Exemption	NA	(39.0)
5 Education Income Tax	NA	125.0
6 Non-Homestead Education Tax	677.5	677.5
7 Purchase & Use Tax	37.3	37.3
8 General Fund Transfer	322.9	-
9 Sales & Use Tax	144.3	400.9
10 Meals & Rooms Tax	-	44.6
11 Lottery Transfer	25.6	25.6
12 Medicaid Transfer	8.6	8.6
13 Other Sources (Wind & Solar, Other)	1.5	1.5
14 <b>Total Sources</b>	<b>1,660.9</b>	<b>1,639.3</b>

25-cent base homestead property tax rate

Yield applied to spending in excess of base amount

Repealed

Homestead exemption - household income under \$47,000

\* Graduated tax on AGI over \$30,000 Single/\$35,000 Married

Repealed

Dedicates 100% of sales & use tax to EF

Dedicates 25% of meals & rooms tax to EF

### Uses (appropriations)

15 Education Payment	1,372.3	1,372.3
16 <i>Recapture of Teachers' Health Care Savings</i>	(4.5)	(4.5)
17 Special Education Aid	189.2	189.2
18 State-Placed Students	16.7	16.7
19 Transportation Aid	19.2	19.2
20 Technical Education Aid	13.9	13.9
21 Small School Support	7.6	7.6
22 Essential Early Education Aid	6.6	6.6
23 Adult Education & Literacy	3.0	-
24 Flexible Pathways	7.3	-
25 Community HS of Vermont (Corrections)	3.3	-
26 Renter Rebate (General Govt) - EF share	7.9	-
27 Reappraisal & Listing (General Govt)	3.3	3.3
28 Teachers' Pensions - normal cost	7.7	7.7
29 Other Uses (Accounting fees, Other)	1.1	1.1
30 <b>Total Uses</b>	<b>1,654.6</b>	<b>1,633.1</b>

Transferred to GF - \$21.5 million

### Operating Result

31	6.3	6.2
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\* This would result in an additional tax on filers with income from \$30/35k to \$47k of \$1.75M that will not be factored in to exemption

### School Education Tax Rates and Brackets

Proposed Rates as of Feb. 20, 2018

Fred Baser Proposal, Not Enacted

<b>Married Filing Jointly and Head of Household</b>						
Federal AGI		Tax Liability			Effective Tax Rate	
Over	But not over	Pay	Plus % on excess	of amount over	Federal AGI	% of Tax Paid
0	35,000	\$ -	0.00%	0	50,000	0.16%
35,000	47,000	\$ -	0.40%	35,000	100,000	0.63%
47,000	125,000	\$ 48	1.10%	47,000	150,000	0.78%
125,000	4,000,000	\$ 858	1.25%	125,000	200,000	0.90%
					300,000	1.02%
					400,000	1.07%
					600,000	1.13%
<b>Single</b>						
Federal AGI		Tax Liability			Effective Tax Rate	
Over	But not over	Pay	Plus % on excess	of amount over	Federal AGI	% of Tax Paid
0	30,000	\$ -	0.00%	0	50,000	0.20%
30,000	47,000	\$ -	0.40%	30,000	100,000	0.65%
47,000	125,000	\$ 68	1.10%	47,000	150,000	0.78%
125,000	4,000,000	\$ 858	1.25%	125,000	200,000	0.90%
					300,000	1.02%
					400,000	1.07%
					600,000	1.13%

# Estimated FY19 Homestead Property Tax Rates

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