

## **HWM Committee Working Proposal**

### **1. Lower the average property tax rate on homesteads from \$1.594 to \$0.909 by:**

Lowering the base homestead property tax rate to \$0.25

Providing a base education payment of \$12,982 per equalized pupil

Lowering the homestead property yield to \$4,450 (on above-base spending only)

### **2. Simplify the education tax system by:**

Repeal the adjustment

Repeal the homeowner rebate\*

Repeal the income yield

Eliminate the filing of a household income form for all homeowners

### **3. Create an education tax on adjusted gross income (AGI):**

Tiers for Married Filing Joint and Single Filers -

Under \$47,000	0.0%
\$47,001 to \$90,000	0.7%
Over \$90,001	1.2%
Over \$5,000,000	0.0%

Married filing separate would pay an education tax on AGI above \$23,500.

AGI tax would apply to renters with AGI over \$47,000

AGI tax would apply to nonresidents with taxable VT income

### **4. Eliminate the GF tranfer to the EF in a neutral swap of revenue and/or expenditures**

Sales & use tax

Other sources?

Use value appraisal?