

## Current Law Compared to HWM Proposal March 1, 2018

(millions of dollars)

Estimates

<i>Proposal has not been adopted by the House Ways &amp; Means Committee</i>	Current Law	Proposal
a Average Homestead Property Tax Rate	\$1.554	\$1.404
b Average Tax Rate on Household Income	2.58%	2.32%
c Uniform Non-Homestead Property Tax Rate	\$1.591	\$1.591
d Base Spending Amount	NA	\$11,916
e Base Homestead Property Tax Rate	\$1.00	\$1.00
f Base Homestead Income Tax Rate	2.00%	1.66%
g Property Yield Per Equalized Pupil	\$9,832	\$8,500
h Income Yield Per Equalized Pupil	\$11,880	\$8,500

### Sources (actual)

1 Base Homestead Property Tax	NA	396.6
2 Homestead Property Tax Based on Yield	619.6	164.0
3 Property Tax Adjustment and Rebate	(176.4)	(176.4)
4 Education Income Tax Surcharge	NA	59.0
5 Non-Homestead Education Tax	677.5	677.5
6 Purchase & Use Tax	37.3	37.3
7 General Fund Transfer	322.9	-
8 Sales & Use Tax	144.3	400.9
9 Meals & Rooms Tax	-	44.6
10 Lottery Transfer	25.6	25.6
11 Medicaid Transfer	8.6	8.6
12 Other Sources (Wind & Solar, Other)	1.5	1.5
<b>13 Total Sources</b>	<b>1,660.9</b>	<b>1,639.1</b>

Yield applied to spending in excess of base

Repealed

Dedicates 100% of sales & use tax to EF

Dedicates 25% of meals & rooms tax to EF

### Uses (appropriations)

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

Transferred to GF - \$21.5 million

### Operating Result

30	<b>6.3</b>	<b>6.0</b>
----	------------	------------

## Option for Repealing and Replacing the General Fund Transfer to the Education Fund

(millions of dollars)

Current law compared to HWM Proposal

Current Law		
Source	General Fund	Education Fund
GF transfer to EF	322.9	(322.9)

Repealed

Proposal		
Source or Use	General Fund	Education Fund
100% Sales & Use Tax	(256.6)	256.6
25% of Meals & Rooms Tax	(44.6)	44.6
Education Fund Uses*	(21.5)	21.5

Dedicated to EF

Transferred to GF

<b>Net Change</b>	0.2	(0.2)
-------------------	-----	-------

### \* Current Law Education Fund Uses Transferred to GF

Adult Education & Literacy	3.0
Flexible Pathways	7.3
Community HS of Vermont	3.3
<u>Renter Rebate - EF share</u>	<u>7.9</u>
<b>Total</b>	<b>21.5</b>

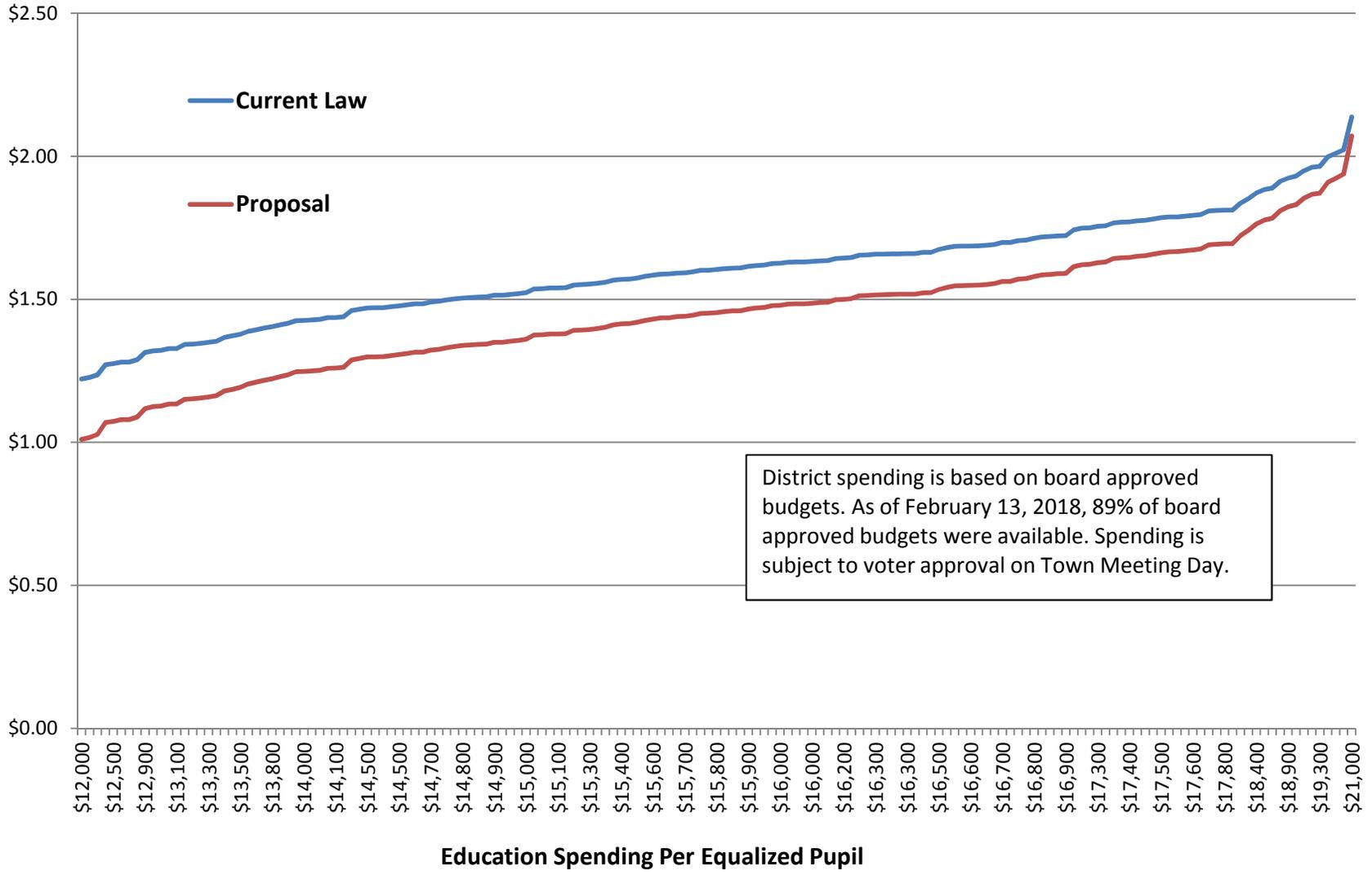
### Calculation of the Base Spending Amount FY19

(millions of dollars)

1,639.1	Education Fund sources
<u>(443.2)</u>	Less homestead tax
1,195.9	
1,633.1	Education Fund uses
<u>6.3</u>	Plus FY2019 transfer to stabilization reserve
1,639.4	
<u>(1,367.8)</u>	Less net education payment (includes FY19 recapture)
271.6	
1,195.9	Available Education Fund sources
<u>(271.6)</u>	Less committed Education Fund uses
924.3	
220.2	Plus amount raised on \$1.00 on property and equivalent household income
<u>1,144.5</u>	
1,144,477,000	Total Base Spending
88,359	Equalized pupils
<b>\$12,953</b>	Base spending amount per equalized pupil

Fiscal Year	Base Spending Amount Approximated From FY19	Implementation %
2019	\$11,916	92%
2020	\$12,435	96%
2021	\$12,953	100%

**Estimated Homestead Property Tax Rates**  
**Current Law Compared to HWM Proposal as of March 1, 2018**  
**FY2019**



**Estimated Homestead Property Tax Rates**  
**Current Law Compared to HWM Proposal as of March 1, 2018**  
**FY2019**

