

Current Law Compared to HWM Working Proposal as of February 20, 2018

(millions of dollars)

Estimates

Proposal has not been adopted by HWM

<i>Proposal has not been adopted by the House Ways & Means Committee</i>		Current Law	Proposal
a	Average Homestead Property Tax Rate	\$1.554	\$0.820
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	\$12,113
e	Property Yield Per Equalized Pupil	\$9,832	\$5,825
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Repealed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Repealed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	232.3
3	Property Tax Adjustment and Rebate	(176.4)	NA
4	Homestead Exemption	NA	(34.0)
5	Education Income Tax	NA	146.0
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	Total Sources	1,660.9	1,639.4

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Repealed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 \$47,000

Repealed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	Total Uses	1,654.6	1,633.1

Transferred to GF - \$21.5 million

Operating Result

31		6.3	6.3
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Option for Repealing and Replacing the General Fund Transfer to the Education Fund

(millions of dollars)

Current law compared to HWM working proposal as of February 16, 2022

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Repealed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

Net Change	0.2	(0.2)
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*** 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>
Total	21.5

Calculation of the Base Education Payment

(millions of dollars)

1,639.4	Education Fund sources
<u>(297.5)</u>	Less net homestead tax
1,341.9	
1,633.1	Education Fund uses
<u>6.3</u>	Plus FY2019 transfer to stabilization reserve
1,639.4	
1,639.4	Education Fund uses
<u>(1,367.8)</u>	Less total education payment
271.6	
1,341.9	Available Education Fund sources
<u>(271.6)</u>	Less committed Education Fund uses
1,070.3	
1,070,300,000	Total base payment
<u>88,359</u>	Equalized pupils
\$12,113	Base payment per equalized pupil

School Education Tax Rates and Brackets

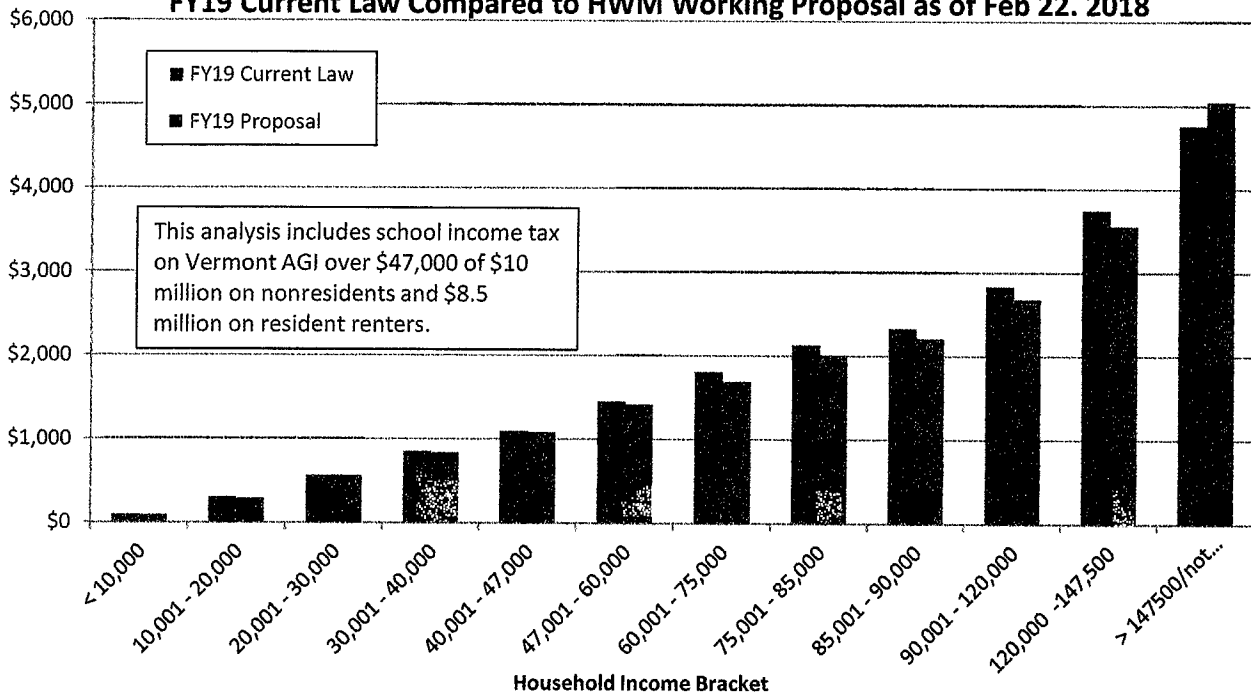
Proposed Rates as of Feb. 22, 2018 - subject to change

House Ways and Means has not yet adopted or acted on Proposal

Married Filing Jointly and Single Filers						
Federal AGI		Tax Liability			Effective Tax Rate	
Over	But not over	Pay	Plus % on excess	of amount over	Federal AGI	% of Tax Paid
0	47,000	\$ -	0.00%	0	50,000	0.03%
47,000	65,000	\$ -	0.50%	47,000	100,000	0.62%
65,000	125,000	\$ 90	1.50%	65,000	150,000	0.90%
125,000	4,000,000	\$ 900	1.80%	125,000	200,000	1.13%
					300,000	1.35%
					400,000	1.46%
					600,000	1.58%
Single						
Federal AGI		Tax Liability			Effective Tax Rate	
Over	But not over	Pay	Plus % on excess	of amount over	Federal AGI	% of Tax Paid
0	23,500	\$ -	0.00%	0	50,000	0.62%
23,500	32,500	\$ -	0.50%	23,500	100,000	1.13%
32,500	62,500	\$ 45	1.50%	32,500	150,000	1.35%
62,500	4,000,000	\$ 450	1.80%	62,500	200,000	1.46%
					300,000	1.58%
					400,000	1.63%
					600,000	1.69%

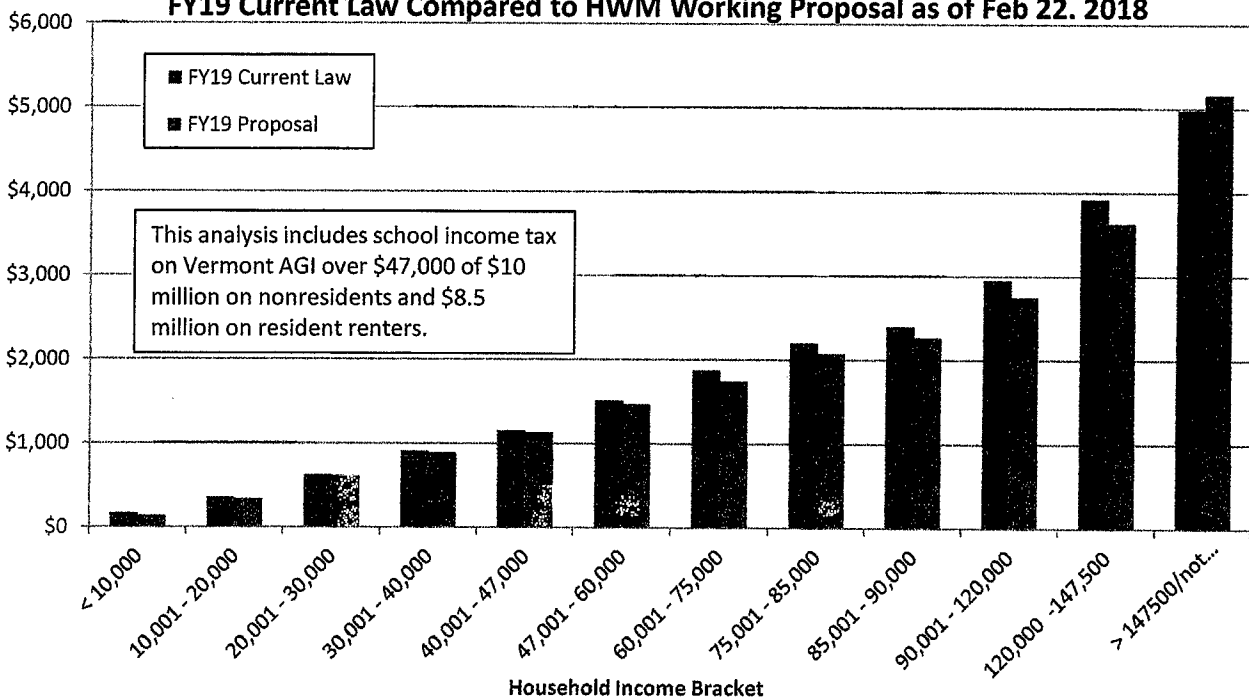
Estimated Median Education Taxes on Housesite

FY19 Current Law Compared to HWM Working Proposal as of Feb 22, 2018

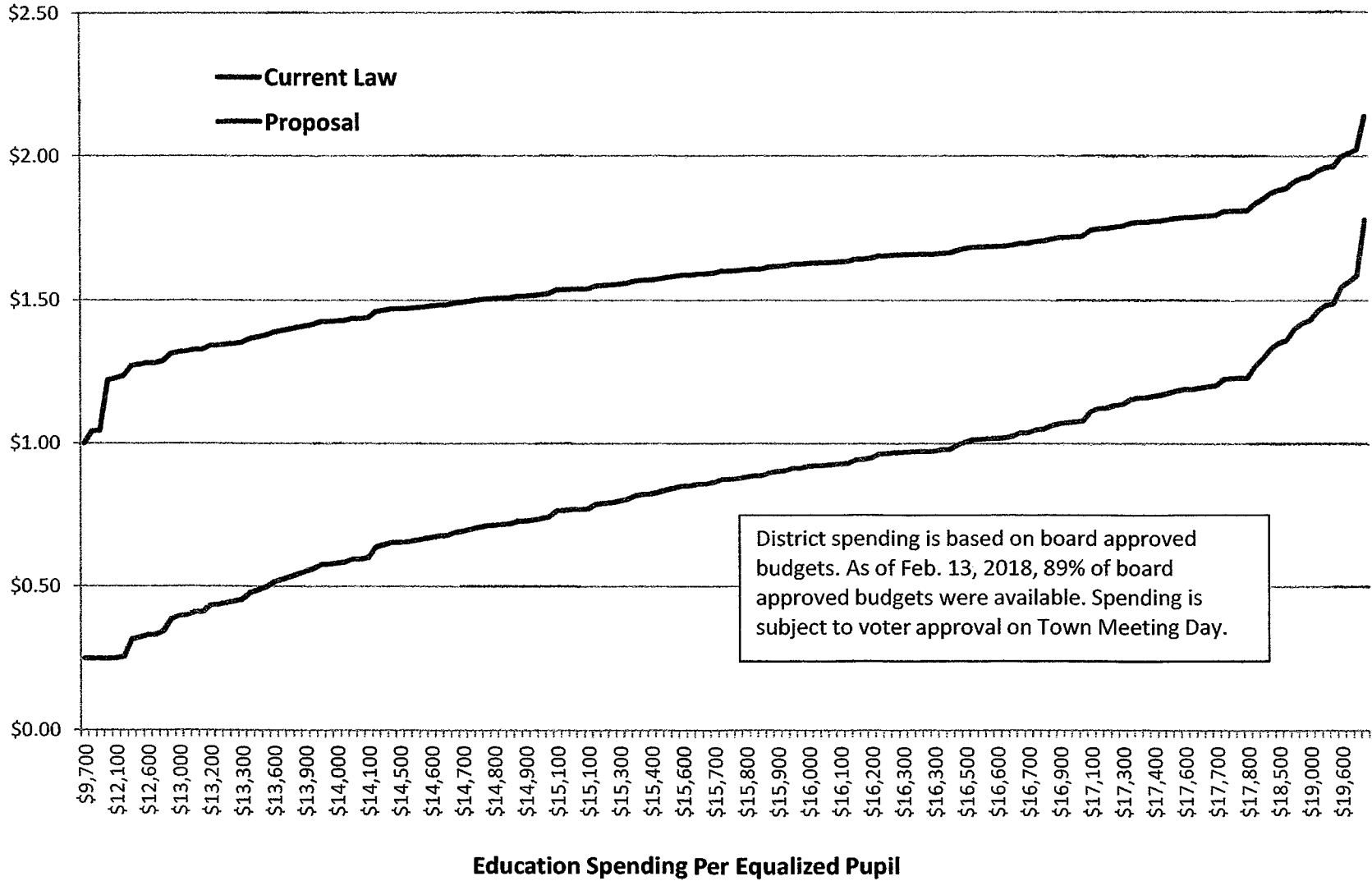


Estimated Median Education Taxes on Homestead

FY19 Current Law Compared to HWM Working Proposal as of Feb 22, 2018

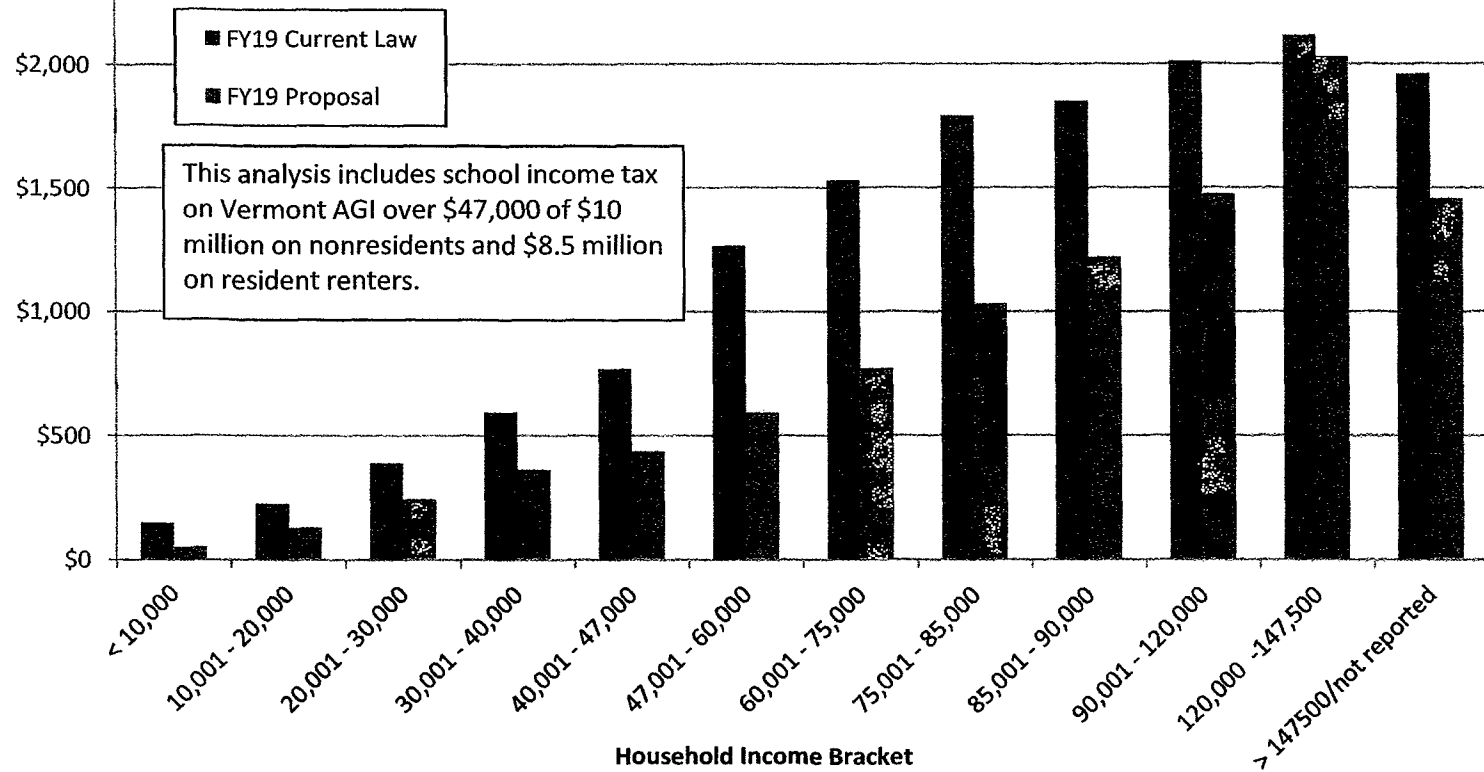


Estimated Homestead Property Tax Rates
Current Law Compared to HWM Working Proposal as of February 22
FY2019



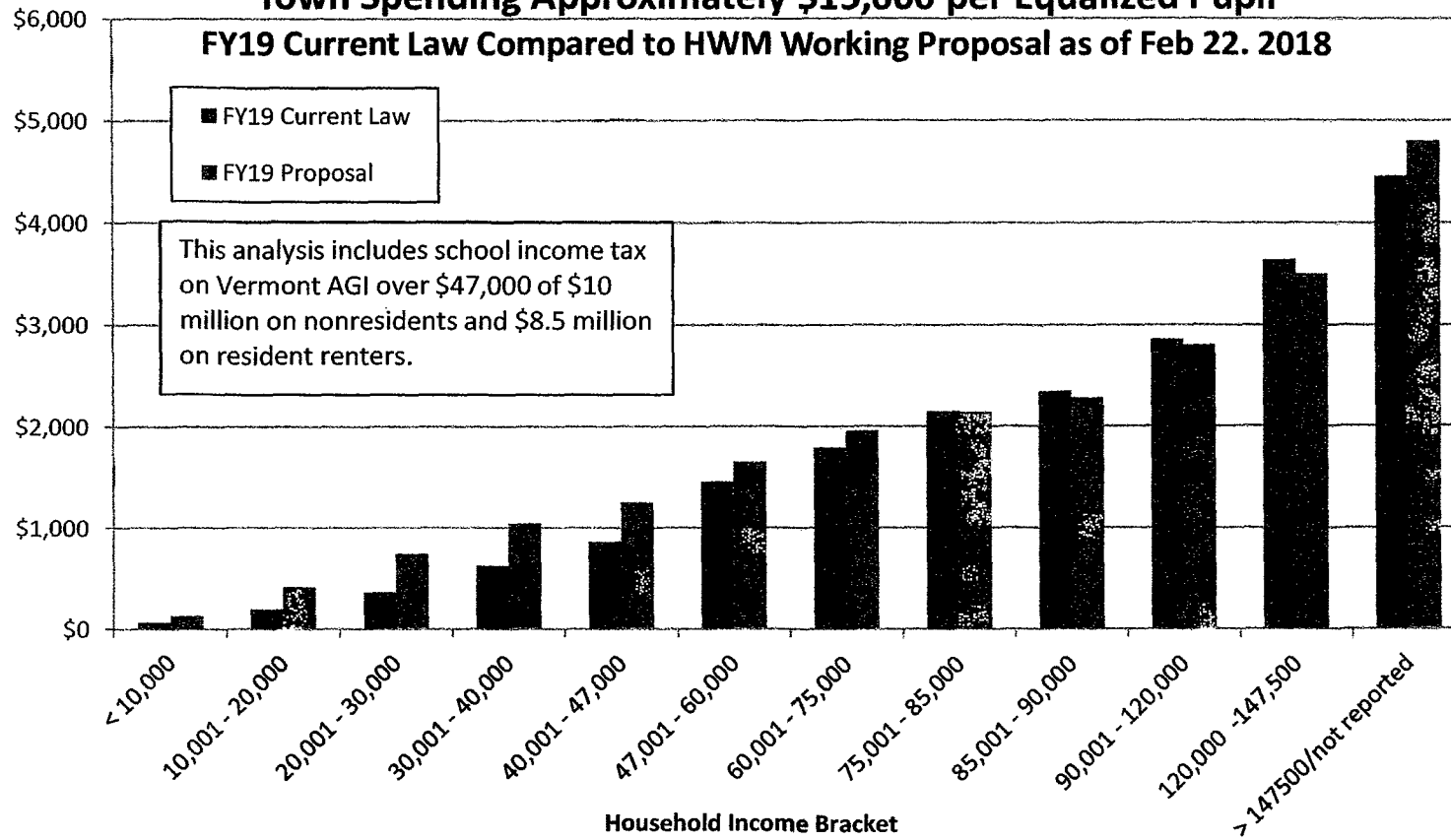
Estimated Median Education Taxes on Housesite - Town Spending Approximately \$13,000 per Equalized Pupil

FY19 Current Law Compared to HWM Working Proposal as of Feb 22, 2018



Estimated Median Education Taxes on Housesite - Town Spending Approximately \$15,600 per Equalized Pupil

FY19 Current Law Compared to HWM Working Proposal as of Feb 22, 2018



Estimated Median Education Taxes on Housesite - Town Spending Approximately \$18,600 per Equalized Pupil

FY19 Current Law Compared to HWM Working Proposal as of Feb 22, 2018

