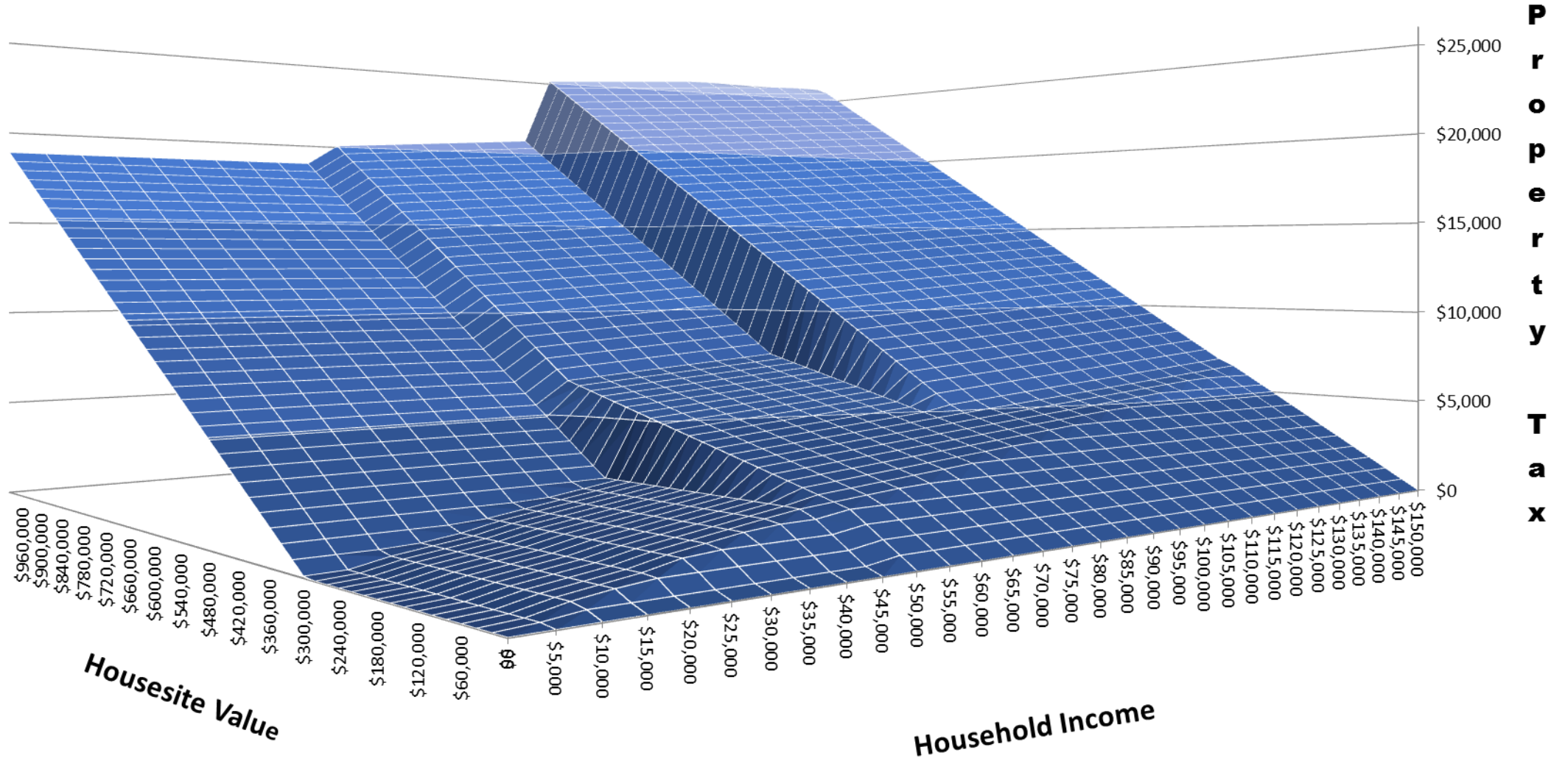


# Income-Sensitized Property Taxes in Vermont



# For Households with Income Over \$47,000

- Property Tax Adjustment (PTA) is the difference between house-site education taxes based on property, and education taxes based on household income
- Education tax amount eligible for adjustment is limited to the first \$250,000 of equalized house-site value if income is over \$90,000, but \$500,000 if under
- This adjustment is not called the “Prebate” anymore!

# Eliminating the Cliff at \$90,000 of Income

- Change the maximum (equalized) house-site value eligible for an adjustment to:  
 $\$500,000 - 2 \times \text{Household Income}$

Household Income	Old Limit	New Limit
\$50,000	\$500,000	\$400,000
\$75,000	\$500,000	\$350,000
\$100,000	\$250,000	\$300,000
\$125,000	\$250,000	\$250,000

# Revenue Impacts

- This change is revenue neutral overall (as constructed)
- About 14,000 PTA recipients (out of 120,000) would see a change to their adjustment amounts

<b>Household Income Bracket</b>	<b>Claimants Impacted</b>	<b>Average PTA Change</b>	<b>Average Housesite Value</b>
Under \$85,000	2,400	\$ (1,000)	\$ 450,000
\$85,000 to \$87,500	200	\$ (1,050)	\$ 400,000
\$87,500 to \$90,000	300	\$ (1,200)	\$ 410,000
\$90,000 to \$92,500	700	\$ 650	\$ 325,000
\$92,500 to \$95,000	700	\$ 600	\$ 330,000
Over \$95,000	9,500	\$ 300	\$ 330,000

# Change to Eligibility

- Because of the background math, the maximum household income eligible for a PTA would change:

	<b>Current Max</b>	<b>New Max</b>
FY18	\$141,000	\$132,000
FY19	\$147,500	\$135,000

**DUE DATE: April 17, 2018. Claims accepted up to Oct. 15, 2018.**

**SECTION B.**

**PROPERTY TAX ADJUSTMENT CLAIM**

For Household Income up to \$147,500. Complete and attach Schedule HI-144.