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H.911

Representative Scheuermann of Stowe moves that the bill be amended as follows:

First: By striking out Secs. 7–19 and 21–22 (education financing changes and effective dates) in their entirety, and any associated reader assistance headings, and inserting in lieu thereof the following:

* * * Education Financing Changes * * *

* * * Income Taxes * * *

Sec. 7. 32 V.S.A. § 5822a is added to read:

§ 5822a. SCHOOL INCOME TAX

(a) In addition to the income tax assessed under section 5822 of this title, there shall be imposed a school income tax on individual resident taxpayers based on the federally adjusted gross income for each taxpayer.

(1) For every individual filing status, except for married individuals filing separately and individuals filing single returns, the tax shall be imposed at the following rates:

(A) if the federally adjusted gross income of the taxpayer is \$35,000.00 or less, the tax rate shall be zero percent;

(B) if the federally adjusted gross income of the taxpayer is over \$35,000.00 but less than \$47,000.00, the tax rate shall be 0.40 percent;

1 (C) if the federally adjusted gross income of the taxpayer is
2 \$47,000.00 or greater but less than \$125,000.00, the tax shall be \$48.00 plus
3 1.10 percent of the amount of federally adjusted gross income that is over
4 \$47,000.00;

5 (D) if the federally adjusted gross income of the taxpayer is
6 \$125,000.00 or greater, the tax shall be \$906.00 plus 1.25 percent of the
7 amount of federally adjusted gross income that is over \$125,000.00; however,

8 (E) the tax shall not apply to any adjusted gross income of the
9 taxpayer that exceeds \$4,000,000.00.

10 (2) For married individuals filing separately, the tax shall be imposed at
11 the same rates under subdivisions (1)(A)–(D), but the income amounts for each
12 bracket shall be one-half the amounts in subdivisions (1)(A)–(D).

13 (3) For individuals filing single returns, the tax shall be imposed at the
14 following rates:

15 (A) if the federally adjusted gross income of the taxpayer is
16 \$30,000.00 or less, the tax rate shall be zero percent;

17 (B) if the federally adjusted gross income of the taxpayer is over
18 \$30,000.00 but less than \$47,000.00, the tax rate shall be 0.40 percent;

19 (C) if the federally adjusted gross income of the taxpayer is
20 \$47,000.00 or greater but less than \$125,000.00, the tax shall be \$68.00 plus

1 1.10 percent of the amount of federally adjusted gross income that is over
2 \$47,000.00;

3 (D) if the federally adjusted gross income of the taxpayer is
4 \$125,000.00 or greater, the tax shall be \$926.00 plus 1.25 percent of the
5 amount of federally adjusted gross income that is over \$125,000.00; however,

6 (E) the tax shall not apply to any adjusted gross income of the
7 taxpayer that exceeds \$4,000,000.00.

8 (b) The school income tax shall be assessed and administered in the same
9 manner as the personal income tax imposed under section 5822 of this title.

10 The education income tax shall be assessed against each filer regardless of the
11 filing status under section 5822.

12 * * * Allocation of Education Funds * * *

13 Sec. 8. 16 V.S.A. § 4025 is amended to read:

14 § 4025. EDUCATION FUND

15 (a) The Education Fund is established to comprise the following:

16 (1) ~~All~~ all revenue paid to the State from the statewide education tax on
17 nonresidential and homestead property under 32 V.S.A. chapter 135;

18 (2) ~~For each fiscal year, the amount of the general funds appropriated~~
19 ~~and transferred to the Education Fund shall be \$305,900,000.00, to be~~
20 ~~increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal~~
21 ~~Office and Administration determination of the National Income and Product~~

1 ~~Accounts (NIPA) Implicit Price Deflator for State and Local Government~~
2 ~~Consumption Expenditures and Gross Investment as reported by the U.S.~~
3 ~~Department of Commerce, Bureau of Economic Analysis through the fiscal~~
4 ~~year for which the payment is being determined, plus an additional one-tenth~~
5 ~~of one percent. [Repealed.]~~

6 (3) ~~Revenues~~ revenues from State lotteries under 31 V.S.A. chapter 14,
7 and from any multijurisdictional lottery game authorized under that chapter;

8 (4) 25 percent of the revenues from the rooms tax imposed by 32 V.S.A.
9 § 9241(a) and from the meals tax imposed by 32 V.S.A. § 9241(b);

10 (5) ~~One-third~~ one-third of the revenues raised from the purchase and use
11 tax imposed by 32 V.S.A. chapter 219, notwithstanding 19 V.S.A. § 11(1);

12 (6) ~~Thirty-six percent of the revenues~~ revenues raised from the sales and
13 use tax imposed by 32 V.S.A. chapter 233;

14 (7) Medicaid reimbursement funds pursuant to subsection 2959a(f) of
15 this title; and

16 (8) revenues from the individual school income tax imposed by
17 32 V.S.A. § 5822a.

18 (b) Monies in the Education Fund shall be used for the following:

19 (1) To make payments to school districts and supervisory unions for the
20 support of education in accordance with the provisions of section 4028 of this
21 title, other provisions of this chapter, and the provisions of 32 V.S.A. chapter

1 ~~135, to make payments to carry out programs of adult education in accordance~~
2 ~~with section 945 of this title, and to provide funding for the community high~~
3 ~~school of Vermont.~~

4 (2) To cover the cost of fund auditing, of accounting, and of short-term
5 borrowing to meet fund cash flow requirements.

6 (3) ~~To make payments required under 32 V.S.A. § 6066(a)(1) and (2)~~
7 ~~and only that portion attributable to education taxes, as determined by the~~
8 ~~Commissioner of Taxes, of payments required under 32 V.S.A. § 6066(a)(3)~~
9 ~~and 6066(b).~~ The State Treasurer shall withdraw funds from the Education
10 Fund upon warrants issued by the Commissioner of Finance and Management
11 based on information supplied by the Commissioner of Taxes. The
12 Commissioner of Finance and Management may draw warrants for
13 disbursements from the Fund in anticipation of receipts. All balances in the
14 Fund at the end of any fiscal year shall be carried forward and remain a part of
15 the Fund. Interest accruing from the Fund shall remain in the Fund.

16 (4) To make payments to the Vermont Teachers' Retirement Fund for
17 the normal contribution in accordance with subsection 1944(c) of this title.

18 (c) An equalization and reappraisal account is established within the
19 Education Fund. Monies from this account are to be used by the Division of
20 Property Valuation and Review to assist towns with grand list maintenance or

1 reappraisal on a case-by-case basis; and for reappraisal and grand list
2 maintenance assistance payments pursuant to 32 V.S.A. §§ 4041a and 5405(f).

3 Sec. 9. 32 V.S.A. § 435(b) is amended to read:

4 (b) The General Fund shall be composed of revenues from the following
5 sources:

6 * * *

7 (5) Individual income taxes levied pursuant to chapter 151 of this title,
8 except for the individual school income tax imposed by section 5822a of this
9 title;

10 * * *

11 ~~(7) Meals and rooms taxes levied pursuant to chapter 225 of this title~~
12 Seventy-five percent of the rooms tax levied under subsection 9241(a) of this
13 title, 75 percent of the meals tax levied under subsection 9241(b) of this title,
14 and all of the alcoholic beverage tax levied under subsection 9241(c) of this
15 title;

16 * * *

17 ~~(11) 64 percent of the revenue from sales and use taxes levied pursuant~~
18 ~~to chapter 233 of this title; [Repealed.]~~

19 * * *

1 (15) “Property dollar equivalent yield” means the amount of education
2 spending per equalized pupil that would result if the homestead tax rate were
3 ~~\$1.00~~ \$0.25 per \$100.00 of equalized education property value, and the
4 statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were
5 maintained, calculated as if total statewide education spending per equalized
6 pupil were equal to the total statewide education spending per equalized pupil
7 minus the total statewide base spending amount per equalized pupil.

8 (16) ~~“Income dollar equivalent yield” means the amount of spending per~~
9 ~~equalized pupil that would result if the income percentage in subdivision~~
10 ~~6066(a)(2) of this title were 2.0 percent, and the statutory reserves under~~
11 ~~16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

12 (17) “Base spending amount” means the amount that results from the
13 following calculation:

14 (A) the sum of the total projected Education Fund revenue sources
15 under 16 V.S.A. § 4025(a)(1)-(8) for the following fiscal year, plus any surplus
16 from the prior fiscal year, minus the total projected amount of revenue raised
17 by the statewide education homestead tax in the following fiscal year; minus

18 (B) an amount equal to the projected Education Fund expenditures
19 for the following fiscal year, minus the projected education payments under
20 16 V.S.A. § 4028 for the following fiscal year, and minus any projected

1 transfer to the Education Fund Budget Stabilization Reserve Fund established
2 under 16 V.S.A. § 4026; plus

3 (C) the amount of revenue projected to be raised in the following fiscal
4 year at a statewide education property tax rate of \$0.25 per \$100.00 of
5 equalized homestead value; divided by

6 (C) the total projected count of equalized pupils in the following
7 fiscal year.

8 Sec. 11. 32 V.S.A. § 5402 is amended to read:

9 § 5402. EDUCATION PROPERTY TAX LIABILITY

10 (a) A statewide education tax is imposed on all nonresidential and
11 homestead property at the following rates:

12 (1) The tax rate for nonresidential property shall be \$1.59 per \$100.00.

13 (2) The tax rate for homestead property shall be ~~\$1.00 multiplied by~~
14 \$0.25 plus the education property tax spending adjustment for the municipality
15 per \$100.00 of equalized education property value as most recently determined
16 under section 5405 of this title. The homestead property tax rate for each
17 municipality ~~which~~ that is a member of a union or unified union school district
18 shall be calculated as required under subsection (e) of this section.

19 (b) The statewide education tax shall be calculated as follows:

20 * * *

1 ~~claim filed after April 15 and before September 2, as notified by the~~
2 ~~Department of Taxes, for the cost of issuing a new property tax bill.~~

3 * * *

4 Sec. 12. 32 V.S.A. § 5402b is amended to read:

5 § 5402b. STATEWIDE EDUCATION TAX YIELDS;

6 RECOMMENDATION OF THE COMMISSIONER; EDUCATION
7 OUTLOOK; BASE SPENDING AMOUNT

8 (a) Annually, ~~no later than~~ on or before December 1, the Commissioner of
9 Taxes, after consultation with the Secretary of Education, the Secretary of
10 Administration, and the Joint Fiscal Office, shall calculate and recommend a
11 property dollar equivalent yield, ~~an income dollar equivalent yield,~~ and a
12 nonresidential property tax rate for the following fiscal year. In making these
13 calculations, the Commissioner shall assume:

14 (1) the homestead base tax rate in subdivision 5402(a)(2) of this title is
15 ~~\$1.00~~ \$0.25 per \$100.00 of equalized education property value;

16 (2) ~~the applicable percentage in subdivision 6066(a)(2) of this title~~
17 ~~is 2.0;~~

18 ~~(3)~~ the statutory reserves under 16 V.S.A. § 4026 and this section were
19 maintained at five percent; and

20 ~~(4)~~(3) the percentage change in the median average education tax bill
21 applied to nonresidential property, and the percentage change in the median

1 ~~average~~ education tax bill of homestead property, ~~and the percentage change in~~
2 ~~the median education tax bill for taxpayers who claim an adjustment under~~
3 ~~subsection 6066(a) of this title~~ are equal.

4 (b) For each fiscal year, the General Assembly shall set a property dollar
5 equivalent yield ~~and an income dollar equivalent yield~~, consistent with the
6 definitions in this chapter.

7 (c) Annually, on or before December 1, the Joint Fiscal Office shall prepare
8 and publish an official, annotated copy of the Education Fund Outlook. The
9 Emergency Board shall review the Outlook at its meetings. As used in this
10 section, “Education Fund Outlook” means the projected revenues and expenses
11 associated with the Education Fund for the following fiscal year, including
12 projections of different categories of educational expenses and costs.

13 (d) Annually, on or about January 15, the Joint Fiscal Office and Secretary
14 of Administration shall provide to the Emergency Board a calculation of the
15 base spending amount for the upcoming fiscal year. The Emergency Board
16 shall review the calculation at its January meeting and shall adopt a base
17 spending amount for the upcoming fiscal year.

18 * * * Property Tax Adjustments * * *

19 Sec. 13. 32 V.S.A. chapter 154 is amended to read:

20 CHAPTER 154. HOMESTEAD PROPERTY TAX INCOME

21 SENSITIVITY ADJUSTMENT RELIEF

1 § 6061. DEFINITIONS

2 The following definitions shall apply throughout this chapter unless the
3 context requires otherwise:

4 (1) “Adjustment” means ~~an adjustment of statewide or local share~~
5 ~~property tax liability or a homestead owner or renter credit, as authorized under~~
6 ~~section 6066 of this title~~, as the context requires:

7 (A) an exemption of a percentage of equalized housesite value as
8 calculated under subdivision 6066(a)(1) of this title;

9 (B) a reduction in municipal taxes based on income as calculated
10 under subdivision 6066(a)(3) of this title; or

11 (C) a renter credit as calculated under subdivision 6066(b) of this
12 title.

13 * * *

14 (14) “Statewide education tax rate” means the homestead education
15 property tax rate ~~multiplied by~~ plus the municipality’s education spending
16 adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes
17 assessed in the municipal fiscal year ~~which~~ that began in the taxable year.

18 (15) “Adjusted property tax” means the amount of education and
19 municipal property taxes on the homestead parcel after reduction for any
20 ~~property tax~~ adjustment under section 6066a of this chapter.

1 § 6064. CLAIM APPLIED AGAINST OUTSTANDING LIABILITIES

2 The amount of any ~~property tax~~ adjustment ~~amount~~ resulting under this
3 chapter may be applied by the Commissioner, beginning on July 1 of the
4 calendar year in which the claim is filed, against any State tax liability
5 outstanding against the claimant.

6 § 6065. FORMS; TABLES; NOTICES

7 (a) In administering this chapter, the Commissioner shall provide suitable
8 claim forms with tables of allowable claims, instructions, and worksheets for
9 claiming a ~~homestead property tax~~ an adjustment.

10 (b) Prior to June 1, the Commissioner shall also prepare and supply to each
11 town in the State notices describing the ~~homestead property tax adjustment~~
12 adjustments under this chapter, for inclusion in property tax bills. A town shall
13 include ~~such~~ the notice in each tax bill and notice of delinquent taxes ~~which~~
14 that it mails to taxpayers who own in that town a homestead as defined in
15 subdivision 5401(7) of this title.

16 (c) Notwithstanding the provisions of subsection (b) of this section, towns
17 ~~which~~ that use envelopes or mailers not able to accommodate notices
18 describing the ~~homestead tax adjustment~~ adjustments in this chapter may
19 distribute ~~such~~ the notices in an alternative manner.

1 § 6066. COMPUTATION OF ADJUSTMENT; EXEMPTION AMOUNT;

2 MUNICIPAL TAXES; RENTER REBATE

3 (a) An eligible claimant who owned the homestead on April 1 of the year in
4 which the claim is filed shall be entitled to an adjustment amount determined
5 as follows:

6 ~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

7 ~~(i) the statewide education tax rate, multiplied by the equalized~~
8 ~~value of the housesite in the taxable year;~~

9 ~~(ii) minus (if less) the sum of:~~

10 ~~(I) the income percentage of household income for the taxable~~
11 ~~year; plus~~

12 ~~(II) the statewide education tax rate, multiplied by the~~
13 ~~equalized value of the housesite in the taxable year in excess of \$250,000.00.~~

14 ~~(B) For a claimant with household income of less than \$90,000.00~~
15 ~~but more than \$47,000.00, the statewide education tax rate, multiplied by the~~
16 ~~equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

17 ~~(i) the income percentage of household income for the taxable~~
18 ~~year; plus~~

19 ~~(ii) the statewide education tax rate, multiplied by the equalized~~
20 ~~value of the housesite in the taxable year in excess of \$500,000.00.~~

1 ~~(C) For a claimant whose household income does not exceed~~
2 ~~\$47,000.00, the statewide education tax rate, multiplied by the equalized value~~
3 ~~of the housesite in the taxable year, minus the lesser of:~~

4 ~~(i) the sum of the income percentage of household income for the~~
5 ~~taxable year plus the statewide education tax rate, multiplied by the equalized~~
6 ~~value of the housesite in the taxable year in excess of \$500,000.00; or~~

7 ~~(ii) the statewide education tax rate, multiplied by the equalized~~
8 ~~value of the housesite in the taxable year reduced by \$15,000.00.~~

9 ~~(2) “Income percentage” in this section means two percent, multiplied~~
10 ~~by the education income tax spending adjustment under subdivision~~
11 ~~5401(13)(B) of this title for the property tax year which begins in the claim~~
12 ~~year for the municipality in which the homestead residence is located.~~

13 (1) For a claimant whose household income does not exceed
14 \$47,000.00, the adjustment shall be an exemption of the equalized value of the
15 housesite for purposes of calculating the statewide homestead education
16 property tax in the upcoming fiscal year. The exemption shall be equal to a
17 percentage of the first \$400,000.00 in equalized value of the housesite in the
18 taxable year. The percentage of the first \$400,000.00 in equalized value of the
19 housesite under this subdivision shall be determined as follows:

20 (A) for claimants with less than \$10,000.00 in household income in
21 the taxable year, the percentage shall be 93 percent;

1	\$0.00 - 9,999.00	2.0 <u>1.20</u>
2	\$10,000.00 - 24,999.00	4.5 <u>3.15</u>
3	\$25,000.00 - 47,000.00	5.0 <u>3.50</u>

4 (4) In no event shall the credit provided for in subdivision (3) of this
5 subsection exceed the amount of the reduced property tax.

6 * * *

7 § 6066a. DETERMINATION OF ~~PROPERTY TAX~~ ADJUSTMENTS

8 (a) Annually, the Commissioner shall determine the ~~property tax~~
9 adjustment ~~amount~~ under section 6066 of this title, related to a homestead
10 owned by the claimant. The Commissioner shall notify the municipality in
11 which the housesite is located of the amount of the ~~property tax~~ adjustment for
12 the claimant for homestead property tax liabilities on July 1 for timely filed
13 claims and on November 1 for late claims filed ~~by~~ on or before October 15.
14 The ~~tax~~ adjustment of a claimant who was assessed property tax by a town
15 ~~which~~ that revised the dates of its fiscal year, however, is the excess of the
16 property tax ~~which~~ that was assessed in the last 12 months of the revised fiscal
17 year, over the adjusted property tax of the claimant for the revised fiscal year
18 as determined under section 6066 of this title, related to a homestead owned by
19 the claimant.

20 (b) The Commissioner shall include in the total ~~property tax~~ adjustment
21 amount determined under subsection (a) of this section, for credit to the

1 taxpayer for homestead property tax liabilities, any income tax overpayment
2 remaining after allocation under section 3112 of this title and setoff under
3 section 5934 of this title, which the taxpayer has directed to be used for
4 payment of property taxes.

5 * * *

6 (d) For late claims filed after April 15, the ~~property tax~~ adjustment amount
7 shall be reduced by \$15.00.

8 (e) At the time of notice to the municipality, the Commissioner shall notify
9 the taxpayer of the ~~property tax~~ adjustment amount determined under
10 subdivision 6066(a)(1) of this title; the amount determined under subdivision
11 6066(a)(3) of this title; any additional adjustment amounts due the homestead
12 owner under section 6066 of this title; the amount of income tax refund, if any,
13 allocated to payment of homestead property tax liabilities; and any late-claim
14 reduction amount.

15 (f) Property tax bills.

16 (1) For taxpayers and amounts stated in the notice to towns on July 1,
17 municipalities shall create and send to taxpayers a homestead property tax bill,
18 instead of the bill required under subdivision 5402(b)(1) of this title, providing
19 the total amount allocated to payment of homestead education property tax
20 liabilities and notice of the balance due. Nothing in this subdivision, however,
21 shall be interpreted as altering the requirement under subdivision 5402(b)(1) of

1 this title that the statewide education homestead tax be billed separately from
2 any other tax. Municipalities shall apply the amount allocated under this
3 chapter to current-year property taxes in equal amounts to each of the
4 taxpayers' property tax installments that include education taxes.

5 Notwithstanding section 4772 of this title, if a town issues a corrected bill as a
6 result of the November 1 notice sent by the Commissioner under subsection (a)
7 of this section, issuance of ~~such~~ the corrected new bill does not extend the time
8 for payment of the original bill, nor relieve the taxpayer of any interest or
9 penalties associated with the original bill. If the corrected bill is less than the
10 original bill, and there are also no unpaid ~~current-year~~ current-year taxes,
11 interest, or penalties and no ~~past-year~~ past-year delinquent taxes or penalties
12 and interest charges, any overpayment shall be reflected on the corrected tax
13 bill and refunded to the taxpayer.

14 (2) For ~~property tax~~ adjustment amounts for which municipalities
15 receive notice after November 1, municipalities shall issue a new homestead
16 property tax bill with notice to the taxpayer of the total amount allocated to
17 payment of homestead property tax liabilities and notice of the balance due.

18 (3) The ~~property tax~~ adjustment amount determined for the taxpayer
19 shall be allocated first to current-year property tax on the homestead parcel,
20 next to current-year homestead parcel penalties and interest, next to any ~~prior~~
21 year prior-year homestead parcel penalties and interest, and last to any ~~prior~~

1 ~~year~~ prior-year property tax on the homestead parcel. No adjustment shall be
2 allocated to a property tax liability for any year after the year for which the
3 claim or refund allocation was filed. No municipal tax-reduction incentive for
4 early payment of taxes shall apply to any amount allocated to the property tax
5 bill under this chapter.

6 (4) If the ~~property tax~~ adjustment amount as described in subsection (e)
7 of this section exceeds the property tax, penalties, and interest, due for the
8 current and all prior years, the municipality shall refund the excess to the
9 taxpayer, without interest, within 20 days of the first date upon which taxes
10 become due and payable or 20 days after notification of the adjustment amount
11 by the Commissioner of Taxes, whichever is later.

12 (g) Annually, on August 1 and on November 1, the Commissioner of Taxes
13 shall pay to each municipality ~~the amount of property tax adjustment an~~
14 amount equal to the adjustments under subdivision 6066(a)(3) of this title of
15 which the municipality was notified on July 1 for the August 1 transfer, or
16 November 1 for the November 1 transfer, related to municipal property tax on
17 homesteads within that municipality, as determined by the Commissioner of
18 Taxes.

19 § 6067. CREDIT LIMITATIONS

20 Only one individual per household per taxable year shall be entitled to a
21 benefit under this chapter. An individual who received a homestead exemption

1 or adjustment with respect to property taxes assessed by another state for the
2 taxable year shall not be entitled to receive an adjustment under this chapter.

3 No taxpayer shall receive an adjustment under subdivision 6066(a)(3) of this
4 title in excess of \$2,400.00 No taxpayer shall receive an adjustment under
5 subsection 6066(b) of this title in excess of \$3,000.00. ~~No taxpayer shall~~
6 ~~receive total adjustments under this chapter in excess of \$8,000.00 related to~~
7 ~~any one property tax year.~~

8 § 6068. APPLICATION AND TIME FOR FILING

9 (a) ~~A tax~~ An adjustment claim or request for allocation of an income tax
10 refund to homestead property tax payment shall be filed with the
11 Commissioner on or before the due date for filing the Vermont income tax
12 return, without extension, and shall describe the school district in which the
13 homestead property is located and shall particularly describe the homestead
14 property for which the adjustment or allocation is sought, including the school
15 parcel account number prescribed in subsection 5404(b) of this title. A renter
16 rebate claim shall be filed with the Commissioner on or before the due date for
17 filing the Vermont income tax return, without extension.

18 (b) Late-filing penalties. If the claimant fails to file a timely claim, the
19 amount of the ~~property tax~~ adjustment under this chapter shall be reduced by
20 \$15.00, but not below \$0.00, which shall be paid to the municipality for the
21 cost of issuing an adjusted homestead property tax bill. No benefit shall be

1 allowed in the calendar year unless the claim is filed with the Commissioner on
2 or before October 15.

3 (c) No request for allocation of an income tax refund or for a renter rebate
4 claim may be made after October 15.

5 * * *

6 * * * Yield, Applicable Percentage and Nonresidential Rate for

7 Fiscal Year 2019 * * *

8 Sec. 14. PROPERTY DOLLAR EQUIVALENT YIELD AND APPLICABLE
9 PERCENTAGE FOR FISCAL YEAR 2019

10 (a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2019 only, the
11 property dollar equivalent yield shall be \$9,832.00.

12 (b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2019 only, the income
13 dollar equivalent yield shall be \$11,880.00.

14 Sec. 15. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR
15 2019

16 Notwithstanding any other provision of law, for fiscal year 2019 only, the
17 nonresidential education property tax imposed under 32 V.S.A. § 5402(a)(2)
18 shall be \$1.591 per \$100.00.

19 * * * Excess Spending * * *

20 Sec. 16. REPEALS

21 The following are repealed:

1 (1) 16 V.S.A. § 4001(6)(B) (definition of education spending for the
2 purpose of excess spending).

3 (2) 32 V.S.A. § 5401(12) (excess spending penalty).

4 Sec. 17. 16 V.S.A. § 4011(i) is amended to read:

5 (i) Annually, ~~by~~ on or before October 1, the Secretary shall send to school
6 boards for inclusion in town reports and publish on the Agency website the
7 following information:

8 (1) the statewide average district spending per equalized pupil for the
9 current fiscal year; ~~and 125 percent of that average spending; and~~

10 (2) a statewide comparison of student-teacher ratios among schools that
11 are similar in number of students and number of grades.

12 Sec. 18. 24 V.S.A. § 2804(b) is amended to read:

13 ~~(b) If a reserve fund is established under subsection (a) of this section to~~
14 ~~pay a school district's future school capital construction costs approved under~~
15 ~~16 V.S.A. chapter 123, any funds raised by the district as part of its education~~
16 ~~spending to pay for those future costs shall be considered "approved school~~
17 ~~capital construction spending" in calculating excess spending under 32 V.S.A.~~
18 ~~§ 5401(12).~~ Districts shall submit to the Agency of Education annually a
19 report of deposits into and expenditures from a school capital construction
20 reserve fund. ~~If the Agency of Education determines that any amount in the~~
21 ~~reserve fund has not been used for approved school capital construction within~~

1 ~~five years after deposit into the fund, then 150 percent of that amount shall be~~
2 ~~added to the district's education spending in the then current year for purposes~~
3 ~~of calculating the excess spending penalty. The definitions in 16 V.S.A.~~
4 ~~chapter 133 shall apply to this subsection.~~

5 * * * Repeal of Act 46 Rate Limitations * * *

6 Sec. 19. REPEAL

7 2015 Acts and Resolves No. 46, Secs. 6(b)(1)(C) and 7(b)(1)(c) (five
8 percent provision for tax incentives) are repealed.

9 Second: After Sec. 20 (teachers' normal retirement), by inserting a new

10 Sec. 21 to read as follows:

11 * * * Effective Dates; Transition * * *

12 Sec. 21. EFFECTIVE DATES AND TRANSITION

13 (a) This section shall take effect on passage.

14 (b) Notwithstanding 1 V.S.A. § 214, Secs. 1–6 (income tax changes) shall
15 take effect retroactively on January 1, 2018 and apply to taxable year 2018 and
16 after.

17 (c) Notwithstanding 1 V.S.A. § 214, Sec. 6a (annual update of income tax
18 link to the IRC) shall take effect retroactively on January 1, 2017 and apply to
19 taxable years beginning on January 1, 2017 and after.

20 (d) Sec. 7 (school income taxes) shall take effect on January 1, 2019 and
21 apply to taxable year 2019 and after; provided, however, that notwithstanding

1 any other provision of law, for taxable year 2019 only, no interest or penalty
2 shall be assessed for the underpayment of estimated tax for any individual
3 taxpayer resulting from a liability to pay the school income tax imposed under
4 32 V.S.A. § 5822a.

5 (c) Secs. 8 (Education Fund) and 9 (General Fund) shall take effect on
6 July 1, 2019 and apply to fiscal year 2020 and after.

7 (d) Secs. 10–12 (calculation of rates), 13 (property tax adjustments), 16–18
8 (excess spending), 19 (repeals), and 20 (teachers’ normal retirement) shall take
9 effect on July 1, 2019 and apply to fiscal year 2020 and after.

10 (e) Secs. 14–15 (yield and nonresidential rate for fiscal year 2019) shall
11 take effect on July 1, 2018 and apply to fiscal year 2019 and after.