

HWM Working Proposal
February 27, 2018

For the purpose of discussion only

1. Retain the property tax adjustment and the homeowner rebate

2. Reduce the average homestead property tax rate from \$1.554 to \$1.404 and the average tax rate on household income from 2.58% to 2.32% by:
 - (a) Adding \$59 million from a school income tax surcharge
 - (b) Providing a base payment of \$11,916 (or \$12,000) to all districts
 - (c) Lowering the yield from \$9,832 to \$8,500
 - (d) Setting the base homestead property tax rate at \$1.00 and the base tax rate on household income at 1.66%

3. Maintain the nonresidential property tax rate at its current law amount of \$1.591

4. Split the homeowner rebate into two components: homestead and municipal property tax

5. Maintain the existing renter rebate program

6. Repeal the GF transfer in a revenue neutral fashion by:
 - (a) Dedicating 100% of the sales tax and 25% of the meals & rooms tax to the EF
 - (b) Transferring \$21.5 million of EF uses to the GF

7. Separate the education and municipal property tax bills