

Renter Rebate Reform: Key Assumptions

Existing Claimants

- Start with all 14,930 filers of 2018 Renter Rebate claimants. Consider anyone who was domiciled in Vermont the whole year and not claimed as dependent by someone else even if they were denied under current law
- Merge in AGI, nontaxable interest, and nontaxable social security to construct MAGI for anyone who filed taxes. Ignore foreign income which is part of MAGI. Merge in filing status and #exemptions for those who filed taxes
- **Assume** anyone who did not file taxes but is not reported as dependent by another tax filer has 1 exemption
- **Assume** household income is MAGI for any filer with missing MAGI (MAGI is generally 98% of household income). If there is an unrelated adult, use that person's contribution to household income as MAGI
- **Assume** anyone with a missing or invalid rental location lives in Burlington Metro area
- **Assume** anyone who was denied because they only rented part of the year rented exactly 6 months and is therefore eligible for a 50% credit under the reform

Current Law: 11,919 Recipients & \$8.53M

Reform: 11,993 Recipients & \$8.00M

New Recipients “woodwork” Analysis :

- **Assume 29% of Vermont renters are eligible for the reform credit based on income according to 2018 census data.** Note: some of these may be dependents and therefore ineligible
- **Assume** year 1 utilization rate will be the same as current 33%. Note: this may increase in future years as renters become aware of simpler program structure
- Use census data by county with family size estimates from current rebate claims to extrapolate additional households by county that would become eligible for a full credit under reformed program. (+\$300,000)
- Use above to estimate additional partial credit claimants on phase-out slope (+\$150,000)
- **Assume 15% of new claimants will be subsidized. Scale accordingly (-\$70,000)**
- **Assume total credit to “unrelated adults” among new claimants to be same as in existing dataset of claimants (+\$600,000)**

Total New Recipients Cost: ~1,500 Recipients \$ \$1.0M

