Example Town 1:

Town collects \$12M in education property tax in four payments Town is directed to send \$8M to their local school district Town is directed to send \$4M to the education fund

December 1

town remits \$2M (\$4M/2) of additional property tax revenue to Ed Fund; 8% penalty on late payment

June 1

town remits \$2M (\$4M/2) of additional property tax revenue to Ed Fund; 8% penalty on late payment

August 15

- a. town collects \$3M (\$12M/4)
- b. within 20 days, town sends \$2M (\$8M/4) to school district

November 15

- a. town collects \$3M
- b. within 20 days, town sends \$2M to school district

February 15

- a. town collects\$3M
- b. within 20 days, town sends \$2M to school district

May 15

- a. town collects\$3M
- b. within 20 days, town sends \$2M to school district

Town sends ed taxes to school district – 16 V.S.A. § 426(a) Town sends ed taxes to Ed Fund – 16 V.S.A. § 5402(c)

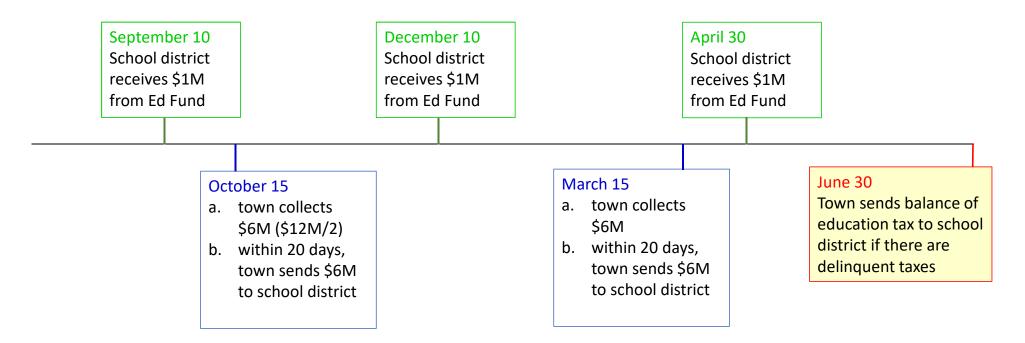
Late payment to Ed Fund penalty – 32 V.S.A. § 5409(1)

June 30

Town sends balance of education tax to school district if there are delinquent taxes

Example Town 2:

Town collects \$12M in education property tax in two payments School district budget is \$15M; town is directed to send \$12M to school district School district receives additional \$3M from Ed Fund in 3 payments



Town sends ed taxes to school district -16 V.S.A. § 426(a)(b) Town sends ed taxes to Ed Fund -16 V.S.A. § 5402(c) Late payment to Ed Fund penalty -32 V.S.A. § 5409(1)

Statutory citations

16 V.S.A. § 4011(c)

Each school district is to receive an education spending payment from the Ed Fund for support of education costs.

16 V.S.A. § 426(a)

No later than 20 days after the tax due date, towns provide school districts with education property taxes collected.

16 V.S.A. § 426(b)

Towns shall remit any delinquent education property taxes to the school days within 120 days of the delinquency date, but no later than the end of the school year.

32 V.S.A. § 5402(c)

On December 1 and June 1, towns shall remit to the Education Fund one-half of the education property taxes collected in excess of their obligations to school districts.

32 V.S.A. § 5409(1)

Late payments of education property taxes by a town to the Education Fund are subject to a penalty of 8% per annum, assessed on a per diem rate.