

**Calculation of homestead property tax rate<sup>1</sup>**  
**Weights Approach v. Cost Adjustment Approach**  
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**3/15/22 (v.1.2)**

**Red** = steps eliminated  
**Yellow** = differences between steps

Steps	Calculation of homestead property tax rate using weights approach—references to current law	Steps	Calculation of homestead property tax rate using cost adjustment approach—references to current law as proposed to be amended for cost adjustment approach
1	Calculate ADM for current school year for each school district—count of student enrollment (16 V.S.A. §§ 4001(1) and 4010(a))	1	Calculate ADM for current school year for each school district—count of student enrollment (16 V.S.A. §§ 4001(1) and 4010(a))
2	Calculate long-term membership for each school district—two-year average ADM (16 V.S.A. §§ 4001(7) and 4010(b))	2	Calculate long-term membership for each school district—two-year average ADM (16 V.S.A. §§ 4001(7) and 4010(b))
3	Calculate weighted long-term ADM for each school district—long-term membership adjusted by the weighting factors (16 V.S.A. §§ 4001(12) and 4010(c))		<del>Calculate weighted long-term ADM for each school district—long-term membership adjusted by the weighting factors (16 V.S.A. §§ 4001(12) and 4010(e))</del>
4	Calculate equalization ratio—the ratio of the statewide long-term ADM to the statewide long-term weighted ADM (16 V.S.A. § 4001(3))		<del>Calculate equalization ratio—the ratio of the statewide long-term ADM to the statewide long-term weighted ADM (16 V.S.A. § V.S.A. § 4001(3))</del>
5	Calculate equalized pupils for each school district—long-term weighted ADM multiplied by equalization ratio (16 V.S.A. §§ 4001(3) and 4010(h))		<del>Calculate equalized pupils for each school district—long-term weighted ADM multiplied by equalization ratio (16 V.S.A. §§ 4001(3) and 4010(h))</del>
6	Calculate education spending for each school district as determined from approved budgets (16 V.S.A. §§ 4001(6))	3	Calculate education spending for each school district as determined from approved budgets (16 V.S.A. §§ 4001(6)). <b>Note that district education spending would be substantially less</b>

<sup>1</sup> This chart does not address the process for taxpayers who pay education taxes based on income, but the steps and processes for calculating homestead rates are similar to those for calculating income rates.

			than under the weighting model because cost adjustment payments received by districts (for grade levels, poverty, ELL, low population density, and small schools) are excluded from education spending.
7	Calculate <b>education spending per equalized pupil</b> for each school district—district's education spending divided by its <b>equalized pupils</b> (16 V.S.A. § 4001(14))	4	Calculate <b>per pupil education spending</b> for each school district—district's education spending divided by its <b>long-term membership</b> (16 V.S.A. § 4010(c))
8	Calculate homestead property tax property dollar yield—Statewide calculation (32 V.S.A. § 5401(15))	5	Calculate homestead property tax property dollar yield—Statewide calculation (32 V.S.A. § 5401(15))
9	Calculate homestead property tax rate for each school district— <b>education spending per equalized pupil</b> divided by the homestead property dollar yield (32 V.S.A. §§ 5401(13)(A) and 5402(a)(2))	6	Calculate homestead property tax rate for each school district— <b>per pupil education spending</b> divided by the homestead property dollar yield (32 V.S.A. §§ 5401(13)(A) and 5402(a)(2))
10	Divide the school district homestead property tax rate by each town's common level of appraisal (CLA) to determine the actual tax rate seen on the tax bill. (32 V.S.A. §§ 5401(3), 5402(b)(1), 5405)	7	Divide the school district homestead property tax rate by each town's common level of appraisal (CLA) to determine the actual tax rate seen on the tax bill. (32 V.S.A. §§ 5401(3), 5402(b)(1), 5405)