

1 H.716

2 Senator Pearson moves that the report of the Committee on Education be
3 further amended by striking out Sec. 5, effective dates, and its reader assistance
4 heading in their entireties and inserting in lieu thereof the following:

5 * * * Income-Based Education Tax Study Committee * * *

6 Sec. 5. INCOME-BASED EDUCATION TAX; STUDY COMMITTEE

7 (a) Creation. There is created the Income-Based Education Tax Study
8 Committee to study and make recommendations regarding the creation and
9 implementation of an income-based education tax system to replace the
10 homestead property tax system for education funding in this State.

11 (b) Membership. The Study Committee shall be composed of the
12 following members:

13 (1) three current members of the House of Representatives, not all from
14 the same political party, who shall be appointed by the Speaker of the House;
15 and

16 (2) three current members of the Senate, not all from the same political
17 party, who shall be appointed by the Committee on Committees.

18 (c) Powers and duties. The Study Committee shall study the creation and
19 implementation of an income-based education tax system, including the
20 following issues:

1 (1) restructuring the renter credit under 32 V.S.A. chapter 154 or
2 creating a new credit or other mechanisms to ensure that Vermonters who rent
3 a primary residence participate fairly in the education income tax system;

4 (2) transitioning from the current homestead property tax system to a
5 new income-based education tax system;

6 (3) accurate modeling, given the differences between household income
7 for homestead property tax purposes and adjusted gross income for income tax
8 purposes;

9 (4) whether there should be a limit to the amount of income subject to a
10 new income-based education tax;

11 (5) challenges or other considerations for administering a new proposed
12 education income tax system; and

13 (6) any other relevant considerations.

14 (d) Assistance. The Study Committee shall have the administrative,
15 technical, and legal assistance of the Agency of Education, the Department of
16 Taxes, the Joint Fiscal Office, the Office of Legislative Counsel, and the Office
17 of Legislative Operations and shall consult with the Vermont League of Cities
18 and Towns and any other interested stakeholders.

19 (e) Report. On or before December 30, 2022, the Study Committee shall
20 submit a written report to the House Committees on Education and on Ways
21 and Means and the Senate Committees on Education and on Finance with its

1 findings and recommendations for legislative action, which shall include
2 proposed legislative language.

3 (f) Meetings.

4 (1) The Joint Fiscal Office shall call the first meeting of the Study
5 Committee to occur on or before July 15, 2022.

6 (2) The Study Committee shall select a chair from among its members at
7 the first meeting.

8 (3) A majority of the membership shall constitute a quorum.

9 (4) The Study Committee shall cease to exist on December 31, 2022.

10 (g) Compensation and reimbursement. For attendance at meetings during
11 adjournment of the General Assembly, members of the Study Committee shall
12 be entitled to per diem compensation and reimbursement of expenses pursuant
13 to 2 V.S.A. § 23 for not more than six meetings. These payments shall be
14 made from monies appropriated to the General Assembly.

15 * * * Effective Date * * *

16 Sec. 6. EFFECTIVE DATE

17 This act shall take effect on July 1, 2022.