

Increasing Property Values and Vermont's Income-Sensitized Property Tax Credit System

- Over the prior decade, the share of Vermont homesteads receiving an income-based credit has ranged from 65% to 72%. The income limit for eligibility shifts annually and is not in statute. The limit comes from a calculation done by Tax and JFO to determine the point where it's no longer mathematically possible for a household to be entitled to a credit. The income limit for credits going out this year based on 2022 income is \$134,800

Income-Sensitized Property Taxes: Credit Coverage by Year			
Property Tax Year	Recipients	Homesteads	Coverage
2013	110,358	167,025	66%
2014	112,226	168,671	67%
2015	110,912	166,238	67%
2016	118,442	168,045	70%
2017	120,481	166,333	72%
2018*	115,692	167,440	69%
2019	116,501	168,060	69%
2020	118,674	170,318	70%
2021	116,469	170,994	68%
2022	111,385	171,803	65%
*Housesite limits reduced from \$500K/\$250K to \$400K/\$225K, Act 11 of 2018			
Credits applied in tax year shown based on prior tax year taxes and income			
source: PVR Annual Reports and Tax Department's Annual Statistics			

- The credit for households up to \$90,000 of income sensitizes the property taxes on the first \$400,000 of (housesite) fair market value (FMV). [32 V.S.A. § 6066](#). Beyond that, households pay on property. The statewide limit of \$400,000 can be translated to an effective listed value limit for each town based on its CLA for that year

South Burlington Effective Credit Limits by Year: Households Under \$90,000 in Income			
Property Tax Year	CLA	FMV Limit	Listed Value Limit
2018	94.51%	\$400,000	\$378,040
2019	93.28%	\$400,000	\$373,120
2020	89.92%	\$400,000	\$359,680
2021*	112.03%	\$400,000	\$448,120
2022	100.99%	\$400,000	\$403,960
2023	92.67%	\$400,000	\$370,680
*South Burlington Reappraised for the 2021 property tax year			

Stowe Effective Credit Limits by Year: Households Under \$90,000 in Income			
Property Tax Year	CLA	FMV Limit	Listed Value Limit
2018	96.22%	\$400,000	\$384,880
2019	94.45%	\$400,000	\$377,800
2020	90.87%	\$400,000	\$363,480
2021	87.51%	\$400,000	\$350,040
2022	78.35%	\$400,000	\$313,400
2023	66.59%	\$400,000	\$266,360
Stowe is currently reappraising for the 2024 property tax year			