

S.315

Introduced by Senator Mattos

Referred to Committee on

Date:

Subject: taxation and finance; education property tax; homestead rate;
exemptions

Statement of purpose of bill as introduced: This bill proposes to exempt from
the homestead property tax long-term residents who are 65 years of age or
older. This bill proposes to phase in the exemption over a four-year period,
with eligible persons fully exempt from the homestead property tax beginning
fiscal year 2030.

An act relating to a homestead property tax exemption for long-term
residents who are 65 years of age or older

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 3802 is amended to read:

§ 3802. PROPERTY TAX

The following property shall be exempt from taxation:

* * *

(23) A homestead validly declared under section 5410 of this title shall
be exempt from the homestead education property tax imposed pursuant to

1 chapter 135 of this title if the declarant for the homestead meets both of the
2 following conditions:

3 (A) the declarant is 65 years of age or older as of December 31 of the
4 taxable year; and

5 (B) the declarant has been domiciled in Vermont for at least 10
6 consecutive years.

7 Sec. 2. TRANSITION; HOMESTEAD PROPERTY TAX EXEMPTION FOR
8 LONG-TERM RESIDENTS WHO ARE 65 YEARS OF AGE OR
9 OLDER; FYS 2027–2029

10 (a) Notwithstanding 32 V.S.A. § 3802(23) and 32 V.S.A. chapter 135, for
11 fiscal years 2027–2029, the only education property tax imposed on a
12 homestead property validly declared under 32 V.S.A. § 5410 shall be as
13 calculated under this section if the declarant for the homestead property meets
14 both of the following conditions:

15 (1) the declarant is 65 years of age or older as of December 31 of the
16 taxable year; and

17 (2) the declarant has been domiciled in Vermont for at least 10
18 consecutive years.

19 (b) The legislative body for the municipality in which the homestead is
20 located shall bill the declarant at the homestead rate determined for the
21 municipality pursuant to 32 V.S.A. § 5402(b)(1) for the fiscal year multiplied

1 by the following portion of the education property tax grand list value of the
2 homestead:

- 3 (1) for fiscal year 2027, 75 percent;
4 (2) for fiscal year 2028, 50 percent; and
5 (3) for fiscal year 2029, 25 percent.

6 Sec. 3. EFFECTIVE DATE

7 This act shall take effect on July 1, 2026.