1	Introduced by Committee on Ways and Means
2	Date:
3	Subject: Taxation; education property tax; homestead yields; nonhomestead
4	rate
5	Statement of purpose of bill as introduced: This bill proposes to set the
6	property dollar and income dollar equivalent yields for the purpose of setting
7	homestead property tax rates and proposes to set the nonhomestead property
8	tax rate. This bill further proposes to reserve monies within the Education
9	Fund to offset property tax rate increases. This bill also proposes a technical
10	correction to the calculation of the equalized value of a housesite to account for
11	the statewide adjustment.
12 13	An act relating to setting the homestead property tax yields and the nonhomestead property tax rate
14	It is hereby enacted by the General Assembly of the State of Vermont:
15	Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME
16	DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD
17	PROPERTY TAX RATE FOR FISCAL YEAR 2026
18	For fiscal year 2026 only:
19	(1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent
20	yield shall be \$8,408.00.

1	(2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield
2	shall be \$11,869.00.
3	(3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of
4	law to the contrary, the nonhomestead property tax rate shall be \$1.742 per
5	\$100.00 of equalized education property value.
6	Sec. 2. EDUCATION FUND RESERVE; PROPERTY TAX RATE OFFSET
7	In fiscal year 2026, \$38,600,000.00 shall be reserved in the Education Fund
8	to offset education property tax rate increases in fiscal year 2027. The
9	Commissioner of Taxes shall assume that the \$38,600,000.00 reserved under
10	this section is unreserved and unallocated and applies to the calculation of the
11	fiscal year 2027 yields and nonhomestead rate when making the
12	recommendation required pursuant to 32 V.S.A. § 5402b on or before
13	December 1, 2025. The reserve created under this section shall be considered
14	an authorized use of Education Fund monies pursuant to 16 V.S.A. § 4025.
15	Sec. 3. 32 V.S.A. § 6061(17) is amended to read:
16	§ 6061. DEFINITIONS
17	As used in this chapter unless the context requires otherwise:
18	* * *
19	(17) "Equalized value of the housesite in the taxable year" means the
20	value of the housesite on the grand list for April 1 of the taxable year, divided
21	by the number resulting from dividing the municipality's common level of

- appraisal determined by equalization of the grand list for April 1 of the year
- 2 preceding the taxable year by the statewide adjustment of the taxable year as
- defined in subdivision 5401(17) of this title.
- 4 ***
- 5 Sec. 4. EFFECTIVE DATE
- 6 This act shall take effect on July 1, 2025.