

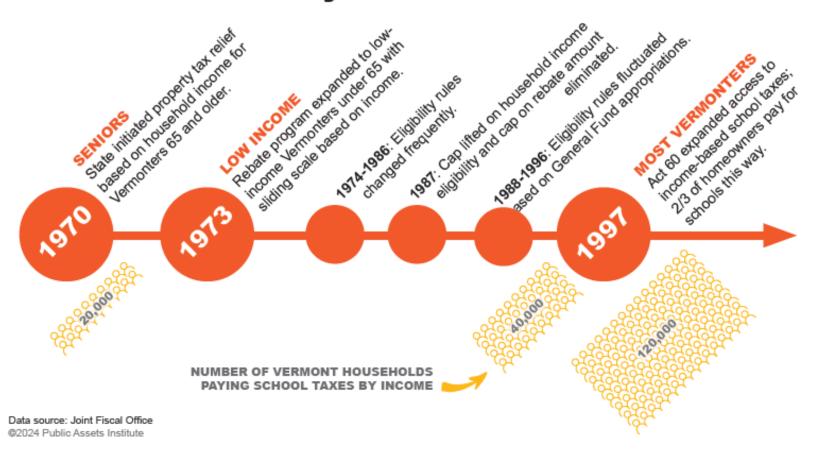
# Vermont School Funding Ensuring good schools and fair taxes

February 4, 2025





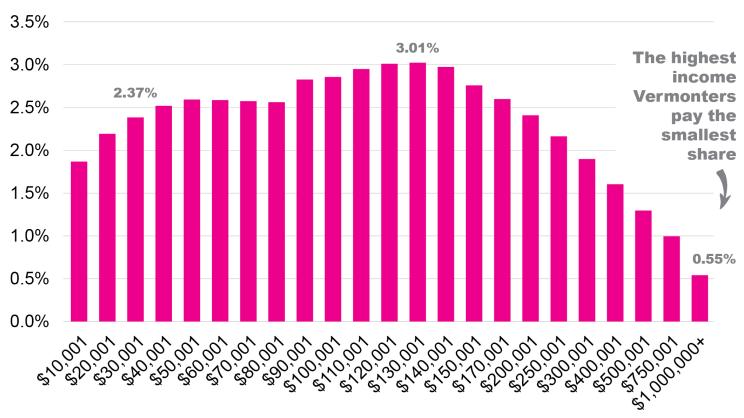
## Vermont has been moving toward income-based school taxes for 50 years





### Low- and middle-income Vermonters pay more in school taxes than high-income Vermonters

Education tax as a percentage of household income, 2017



Data source: Vermont Joint Fiscal Office ©2024 Public Assets Institute



### How school taxes are calculated on housesites now

Household income	School taxes on:		
\$0 - \$47,000	Capped at .5 to 2% of income	+	Property value over \$400,000
\$47,001-\$89,999	HH income (FY25 rates 2.0%-3.3%*)	+	Property value over \$400,000
	The lower of:		
\$90,000+	HH income + property value over \$225,000	OR	Entire property value

<sup>\*</sup>Note: The income and homestead property tax rates vary by town based on per-pupil spending.

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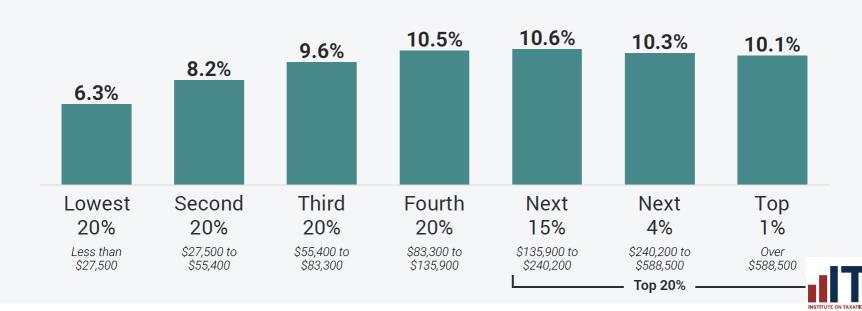
## Vermont

WhoPays?

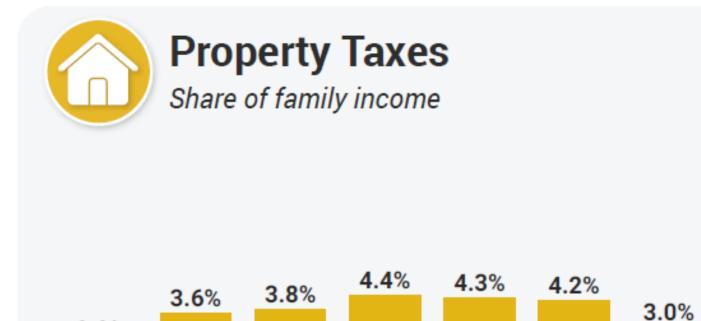
### State and local tax shares of family income

#### **Total Taxes**

Share of family income







Fourth

20%

Next

15%

Next

4%

Top

1%

Third

20%

2.2%

Lowest

20%

Second

20%





#### Florida **Property Taxes** Share of family income 5.5% 4.1% 3.5% 3.4% 2.7% 2.6% 1.6% Third Fourth Lowest Second Next Next Top 20% 20% 20% 20% 15% 4% 1% Less than \$19,600 to \$35,700 to \$61,500 to \$118,300 to \$270,600 to Over \$61,500 \$19,600 \$35,700 \$118,300 \$270,600 \$735,700 \$735,700 Top 20% INTEP | WhoPays?

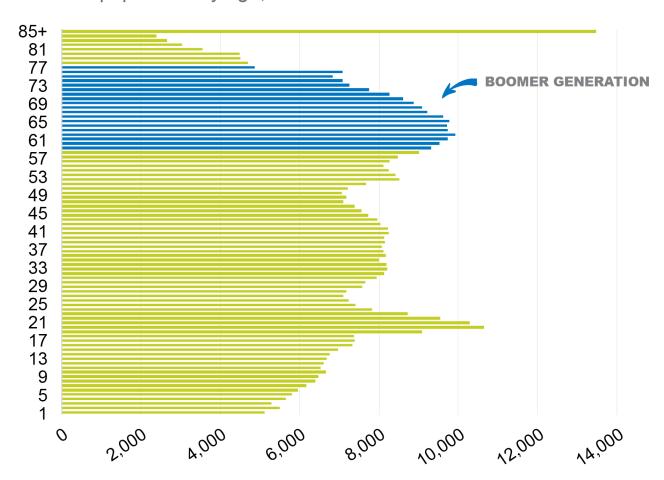


#### **New Hampshire Property Taxes** Share of family income 5.9% 5.0% 5.0% 4.0% 4.0% 3.3% 2.0% Third Fourth Lowest Second Next Next Top 20% 20% 20% 20% 15% 4% 1% Less than \$35,000 to \$62,300 to \$104,100 to \$153,900 to \$329,300 to Over \$62,300 \$104,100 \$329,300 \$721,000 \$35,000 \$153,900 \$721,000 Top 20% **INTEP** WhoPays?



#### Most Vermont baby boomers are over 65

Vermont population by age, 2023

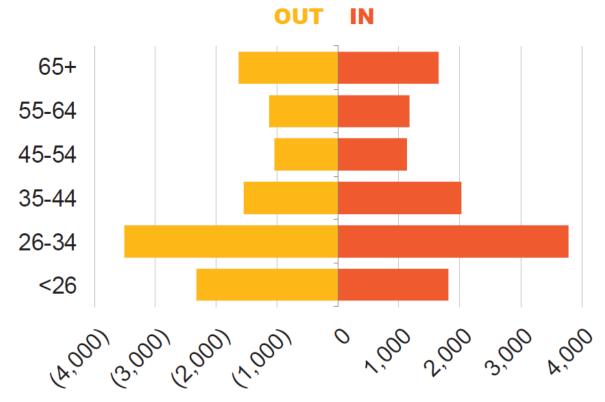


Data source: U.S. Census Bureau ©2024 Public Assets Institute



# Migration to Vermont increased in nearly every age group Number of federal tax filers who moved in and out by age

federal tax filers who moved in and out by age group, 2021-2022

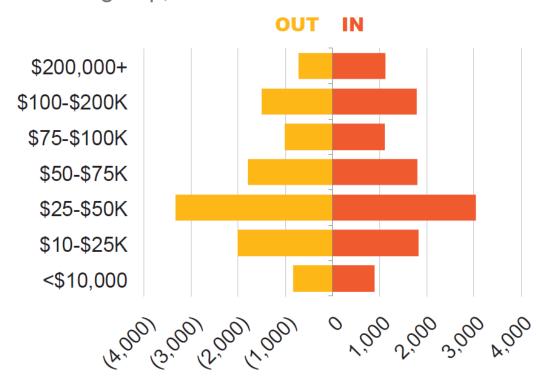


Data source: IRS Statistics of Income

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Vermont saw a net gain among higher-income filers, but lost filers with lower incomes Number of federal tax filers who moved in and out, by income group, 2021-2022



Data source: IRS Statistics of Income ©2025 Public Assets Institute



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