

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 949
3 entitled “An act relating to homestead property tax yields, the nonhomestead
4 property tax rate, and technical changes to education finance” respectfully
5 reports that it has considered the same and recommends that the Senate
6 propose to the House that the bill be amended as follows:

7 First: By striking out Sec. 1, property dollar equivalent yield, income dollar
8 equivalent yield, and nonhomestead property tax rate for fiscal year 2027, in its
9 entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

10 Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME

11 DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD

12 PROPERTY TAX RATE FOR FISCAL YEAR 2027

13 For fiscal year 2027 only:

14 (1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent
15 yield shall be \$9,356.00.

16 (2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield
17 shall be \$12,874.00.

18 (3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of
19 law to the contrary, the nonhomestead property tax rate shall be \$1.655 per
20 \$100.00 of equalized education property value.

1 limit” means ~~1.3 times~~ the average of the ~~very~~ low-income limits for the State
2 as determined by the U.S. Department of Housing and Urban Development.

3 **Sec. 7. 32 V.S.A. § 6066(b) is amended to read:**

4 (b)(1) An eligible claimant who rented the homestead shall be entitled to a
5 credit for the taxable year in an amount not to exceed ~~\$2,500.00~~ \$3,250.00, to
6 be calculated as follows:

7 (A) If the claimant’s income is less than or equal to the extremely
8 low-income limit, the claimant shall be entitled to a credit in the amount of ~~40~~
9 15 percent of fair market rent.

10 (B) If the claimant’s income is greater than the extremely low-
11 income limit but less than or equal to the ~~very~~ low-income limit, the claimant
12 shall be entitled to a percentage of the credit that is proportional to the
13 claimant’s income that is less than the ~~very~~ low-income limit, determined by:

14 (i) subtracting the claimant’s income from the ~~very~~ low-income
15 limit;

16 (ii) dividing the value under subdivision (i) of this subdivision
17 (1)(B) by the difference between the extremely low-income limit and the ~~very~~
18 low-income limit; and

19 (iii) multiplying the value under subdivision (ii) of this
20 subdivision (1)(B) by ~~40~~ 15 percent of fair market rent.

1 (C) If the claimant’s income is greater than the ~~very~~ low-income
2 limit, the claimant shall not be entitled to a renter credit.

3 (D) A claimant who is eligible for a renter credit, including pursuant
4 to this subsection (b), and who receives a rental subsidy shall be entitled to a
5 credit in the amount of ~~40~~ 15 percent of gross rent paid.

6 (E) A renter credit shall be prorated by the number of calendar
7 months in the taxable year during which the claimant rented the homestead,
8 except for a credit based on gross rent paid under subdivision (D) of this
9 subdivision (b)(1), and by the portion of the principal dwelling used for
10 business purposes if the portion used for business purposes includes more than
11 25 percent of the floor space of the dwelling.

12 (2) The Commissioner shall calculate the credit under subdivision (1) of
13 this subsection (b) using the fair market rent corresponding to a number of
14 bedrooms equal to the number of personal exemptions allowed under
15 subdivision 5811(21)(C) of this title for the taxable year, provided that for
16 claimants who resided with any person who was neither the claimant’s
17 dependent nor jointly filing spouse at any time during the taxable year, the
18 Commissioner shall reduce the credit by 50 percent.

1 **Sec. 8. 32 V.S.A. § 6067 is amended to read:**

2 § 6067. CREDIT LIMITATIONS

3 Only one individual per household per taxable year shall be entitled to a
4 property tax credit under this chapter. An individual who received a
5 homestead exemption or credit with respect to property taxes assessed by
6 another state for the taxable year shall not be entitled to receive a credit under
7 this chapter. No taxpayer shall receive a renter credit under subsection 6066(b)
8 of this title in excess of ~~\$2,500.00~~ \$3,250.00. No taxpayer shall receive a
9 property tax credit under subdivision 6066(a)(3) of this title greater than
10 \$2,400.00 or cumulative credit under subdivisions ~~6066(a)(1)–(2)~~ 6066(a)(1),
11 (2), and (4) of this title greater than \$5,600.00.

12 **Sec. 9. 32 V.S.A. § 6067(c) is amended to read:**

13 § 6067. CLAIM LIMITATIONS

14 (c) Dollar amount. No claimant shall receive a renter credit under
15 subsection 6066(b) of this title in excess of ~~\$2,500.00~~ \$3,250.00. No claimant
16 shall receive a municipal property tax credit under subdivision 6066(a)(2) of
17 this title greater than \$2,400.00.

18 **Sec. 10. EFFECTIVE DATES**

19 (a) This section and Secs. 1 (yields), 3 (statewide adjustment correction), 4
20 (Barre TIF overpayment refund), 5 (census grant inflator), and 6–8 (renter
21 credit updates) shall take effect on July 1, 2026.

1 (b) Secs. 2 (exclusion of capital indebtedness from excess spending) and 2a
2 (excess spending threshold) shall take effect on July 1, 2027.

3 (c) Sec. 9 (reenter credit conforming future changes) shall take effect on July
4 1, 2028, provided that the conditions under 2025 Acts and Resolves No. 73,
5 Sec. 70(f), have been met.

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11 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE