

1 Sec. 84. 2025 Acts and Resolves No. 73, Sec. 53 is amended to read:

2 Sec. 53. DEPARTMENT OF TAXES; HOMESTEAD EXEMPTION;
3 REPORT

4 (a) It is the intent of the General Assembly to transition the way income-
5 based property tax relief is provided to homestead property owners from the
6 existing credit system towards an income-based homestead exemption.

7 (b) On or before December 15, ~~2026~~ 2028, the Department of Taxes, in
8 consultation with the Joint Fiscal Office, shall submit a proposal to the House
9 Committee on Ways and Means and the Senate Committee on Finance
10 designing a homestead exemption structure that minimizes the:

11 (1) property tax impacts for homestead property owners under the new
12 education tax structure established in this act; and

13 (2) benefit cliffs compared to those in the existing credit system.

14 (c) The Department of Taxes shall additionally include with its proposal:

15 (1) recommendations for an inflationary adjustment measure suited to
16 the income sensitivity and housesite value measures of the proposed
17 homestead exemption;

18 (2) an analysis of the implications of ~~moving to income sensitivity~~
19 ~~measures that provide benefits to households with household income of up to~~
20 ~~\$175,000.00 a year~~ extending the homestead exemption to a range of

1 increasing household income levels without reducing the benefits of the
2 income sensitivity measures for lower-income households; and

3 (3) updates to the homestead declaration under 32 V.S.A. § 5410 to
4 address the implementation of the proposed homestead exemption and to
5 collect data on household incomes, which may be provided as a sample form;
6 and

7 (4) policy justifications for the existing definition of “household
8 income” in 32 V.S.A. § 6061 and any recommended updates to the definition.

9 Sec. 84a. 32 V.S.A. § 5410 is amended to read:

10 § 5410. DECLARATION OF HOMESTEAD

11 (a) A homestead owner shall declare ownership of a homestead for
12 purposes of education property tax and provide the homestead owner’s
13 household income as defined in section 6061 of this title.

14 (b) Annually, on or before the due date for filing the Vermont income tax
15 return, without extension, each homestead owner shall, on a form prescribed
16 by the Commissioner, which shall be verified under the pains and penalties of
17 perjury, declare the owner’s homestead, if any, as of, or expected to be as of,
18 April 1 of the year in which the declaration is made, and provide the
19 homestead owner’s household income as defined in section 6061 of this title.

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