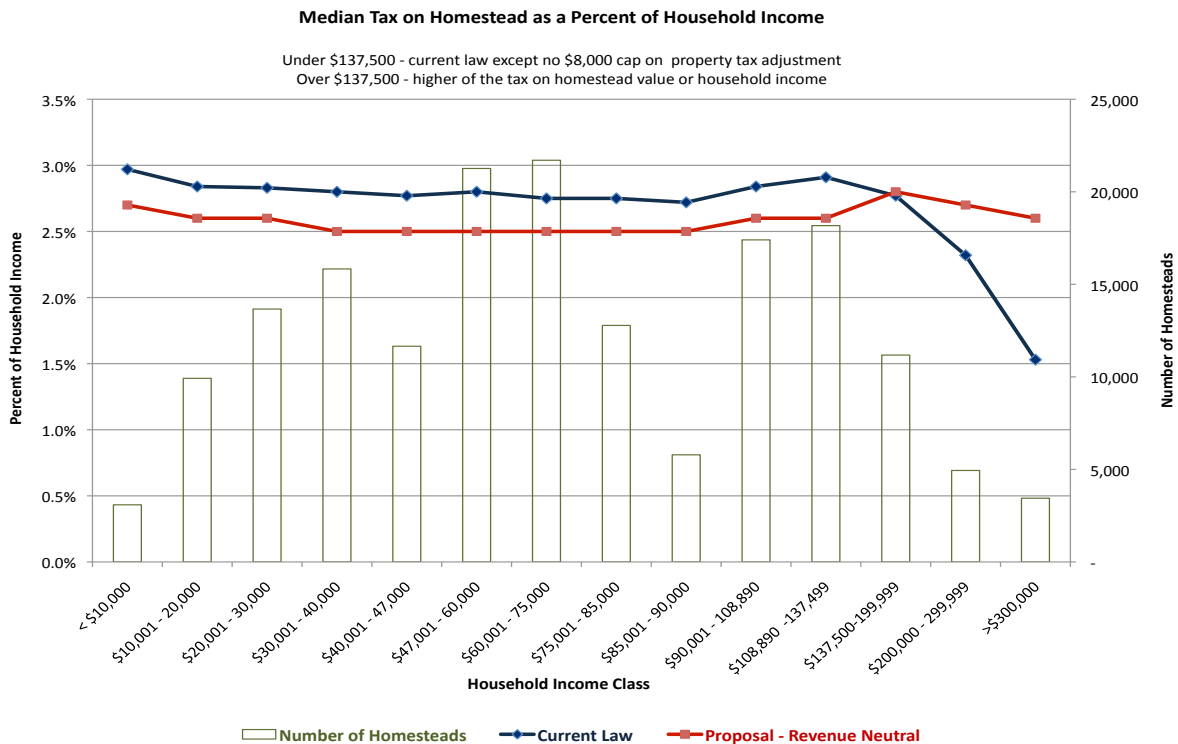


S.58 – Middle Class Property Tax Relief

- Under current law, two-thirds of Vermonters pay their education tax based on income, not property taxes under the state’s “income-sensitivity” plan. These Vermonters pay for schools based on a set percentage (nearly 3%) of income, or their property value, whichever is less.
- Even with “income sensitivity” middle and lower income Vermonters pay a larger share of their income to fund schools than our wealthier neighbors do.
- S.58 moves us away from property taxes to an income-based school funding by making all homeowners income-sensitive. This makes the system fairer, generates new revenues, and reduces property tax bills for most homeowners.
- Under S.58, Vermonters with incomes up to \$137,500 will see a tax cut of nearly 10%.
- Under S.58, those with income over \$137,500 will pay based on their property values OR the same percentage of income as other Vermonters, whichever is greater. They will likely see an increase as the share of their income paid for school funding comes in line with middle and lower income families.



Total Homestead Tax - Current and and Proposal

Household Income Class	Current Law	Proposal	Difference	Percent Change
< \$10,000	1,235,610	1,120,770	(114,840)	-9.3%
\$10,001 - 20,000	5,603,369	5,094,594	(508,775)	-9.1%
\$20,001 - 30,000	11,005,675	10,014,177	(991,497)	-9.0%
\$30,001 - 40,000	16,526,963	15,039,465	(1,487,498)	-9.0%
\$40,001 - 47,000	14,692,439	13,368,450	(1,323,990)	-9.0%
\$47,001 - 60,000	33,118,738	30,138,056	(2,980,682)	-9.0%
\$60,001 - 75,000	41,552,667	37,812,799	(3,739,868)	-9.0%
\$75,001 - 85,000	28,686,045	26,104,316	(2,581,729)	-9.0%
\$85,001 - 90,000	14,212,683	12,933,555	(1,279,128)	-9.0%
\$90,001 - 108,890	54,301,969	49,414,878	(4,887,092)	-9.0%
\$108,890 -137,499	72,403,780	65,887,467	(6,516,313)	-9.0%
\$137,500-199,999	55,750,956	57,482,673	1,731,718	3.1%
\$200,000 - 299,999	30,267,884	34,838,884	4,571,000	15.1%
>\$300,000	29,555,694	49,914,151	20,358,457	68.9%
Total	408,914,472	409,164,235	249,763	0.1%

Average Homestead Tax - Current and and Proposal

Household Income Class	Current Law	Proposal	Difference	Percent Change
< \$10,000	400	363	(37)	-9.3%
\$10,001 - 20,000	565	513	(51)	-9.1%
\$20,001 - 30,000	805	733	(73)	-9.0%
\$30,001 - 40,000	1,044	950	(94)	-9.0%
\$40,001 - 47,000	1,261	1,147	(114)	-9.0%
\$47,001 - 60,000	1,558	1,418	(140)	-9.0%
\$60,001 - 75,000	1,914	1,742	(172)	-9.0%
\$75,001 - 85,000	2,245	2,043	(202)	-9.0%
\$85,001 - 90,000	2,455	2,234	(221)	-9.0%
\$90,001 - 108,890	3,121	2,840	(281)	-9.0%
\$108,890 -137,499	3,984	3,626	(359)	-9.0%
\$137,500-199,999	4,988	5,143	155	3.1%
\$200,000 - 299,999	6,123	7,048	925	15.1%
>\$300,000	8,579	14,488	5,909	68.9%

Median Homestead Tax - Current and and Proposal

Household Income Class	Current Law	Proposal	Difference	Percent Change
< \$10,000	231	211	(21)	-9.0%
\$10,001 - 20,000	455	414	(41)	-9.0%
\$20,001 - 30,000	717	652	(65)	-9.0%
\$30,001 - 40,000	983	894	(88)	-9.0%
\$40,001 - 47,000	1,206	1,097	(109)	-9.0%
\$47,001 - 60,000	1,493	1,359	(134)	-9.0%
\$60,001 - 75,000	1,861	1,693	(167)	-9.0%
\$75,001 - 85,000	2,192	1,995	(197)	-9.0%
\$85,001 - 90,000	2,396	2,181	(216)	-9.0%
\$90,001 - 108,890	2,813	2,560	(253)	-9.0%
\$108,890 -137,499	3,557	3,237	(320)	-9.0%
\$137,500-199,999	4,490	4,621	130	2.9%
\$200,000 - 299,999	5,498	6,536	1,038	18.9%
>\$300,000	7,174	11,752	4,578	63.8%