

# Understanding The Property Tax

## FY2020 Proposed Budget

So how does Vermont get from the school budget to our property taxes?

Here's how it works:

### EXPENDITURES

Expenditures are the total dollars a school district intends to spend. **\$51,746,533**

### **MINUS** LOCAL REVENUES

Local revenues are money the district has or is owed (e.g., federal dollars, state aid for special education, transportation, tuitions, surplus, interest). **\$11,304,240**

### **EQUALS** EDUCATION SPENDING

Education spending is the amount that needs to be raised by education property taxes, augmented by the Education Fund. **\$40,442,293**

### **DIVIDED BY** EQUALIZED PUPILS

Equalized pupils is a two-year weighted average. **2,536.46**

### **EQUALS** EDUCATION SPENDING PER EQUALIZED PUPIL

Education spending divided by equalized pupils. **\$15,944.38**

### **DIVIDED BY** PROPERTY TAX YIELD PER \$1 OF TAX RATE

Formerly referred to as the Base Amount, which is set by the state and used to compare district's education spending per equalized pupil. **\$10,666**

### **EQUALS** EQUALIZED RESIDENTIAL TAX RATE TO BE PRORATED

Education spending per equalized pupil divided by property tax yield **\$1.4949**

### **DIVIDED BY** COMMON LEVEL OF APPRAISAL (CLA)

CLA is the ratio of the town's listed property values versus the state's estimated values. The state's value is set by actual sales averaged over three years. **93.28%**

### **EQUALS** ACTUAL RESIDENTIAL TAX RATE (ESTIMATED)

Equalized residential tax rate divided by the CLA. This is multiplied by the assessed value of your home and divided by 100. The resulting education tax is added to the municipal tax to calculate your total property tax due. However, if you make less than \$136,500, your taxes can be based on a percentage of your income, rather than your property value\*\*. **\$1.6026**

### **ACTUAL NON-RESIDENTIAL TAX RATE (ESTIMATED)**

The State sets the non-residential base rate, which is then divided by the CLA. The resulting non-residential rate is multiplied by the assessed value, divided by 100, and added to the municipal tax to determine your non-residential property tax. **\$1.6938**

\*\*Many residents pay taxes based on their household income instead of their property value. Your tax liability can be based on taxable income for household income up to \$136,500 for 2018. **You must apply for a property tax adjustment**, by downloading forms at:

<http://tax.vermont.gov/property-owners/property-tax-adjustment-claim>

For the full detail of the FY20 Budget, please visit: <https://www.sbschools.net/Page/1486>