

## Vermont Department of Taxes

**NOTICE of  
EDUCATION TAX RATES for FISCAL YEAR 2006**

Date Prepared: June 27, 2005

**Town of Grand Isle**

**HOMESTEAD TAX RATE**

Base Homestead Tax Rate:	1.02
District Spending Adjustment:	1.53848
Common Level of Appraisal (CLA):	73.28 %
<b>Homestead Tax Rate to be Assessed:</b>	<b>\$ 2.1414</b>
<i>(Homestead Tax Rate = Base x Spending Adjustment / CLA)</i>	

**NON-RESIDENTIAL TAX RATE**

Base Non-Residential Tax Rate:	1.51
Common Level of Appraisal (CLA):	73.28 %
<b>Non-Residential Tax Rate to be Assessed:</b>	<b>\$ 2.0606</b>
<i>(Non-Residential Tax Rate = Base / CLA)</i>	

By law, the legislative body in each municipality shall bill each property taxpayer at the homestead or non-residential rate as determined by the Commissioner for their municipality.

32 V.S.A. Sec. 5402(b)(1)

If you have questions about your education tax rates, please call the Vermont Department of Taxes at (802) 828-5860.

*Also Brad Jones 828-3151 might help*

**ORIGINAL:** Chair Selectboard / City Council

**COPY:** Town / City Treasurer

## Vermont Department of Taxes

## Education Tax Rates for Fiscal Year 2006

**Town of Grand Isle****Education Tax Rates****Non-Residential: 2.0606      Homestead: 2.1414**

All properties on the education grand list are classified as either homestead or nonresidential. A statewide education tax, imposed at different rates, is applied to those two classes of property. Questions on these rates can be addressed to the Department of Taxes at (802) 828-5860.

**NON-RESIDENTIAL PROPERTY.** This year, the base rate for non-residential property is \$1.51. It is adjusted to reflect the common level of appraisal (CLA) in your town. The CLA is the ratio of the assessed value of property in Grand Isle to the latest estimate of fair market value of that same property. In towns that have not reappraised in a while, the CLA will likely be less than 100%. For towns that completed a reappraisal this tax year, the CLA is determined by dividing the reappraised grand list by the Tax Department's prior year estimate of fair market value for the town. (The CLA following a reappraisal may be over 100% due to use of the prior year fair market value estimate and the appreciating real estate market in Vermont.) The CLA for Grand Isle is 73.28%. The non-residential rate in Grand Isle is \$2.0606 (\$1.51 divided by CLA).

**HOMESTEAD PROPERTY.** The base rate for homestead property this year is \$1.02. It is increased by your district spending adjustment of 1.53848 and adjusted by the CLA of 73.28%. The Grand Isle homestead rate is \$2.1414. The Department of Education established the district spending adjustment as follows:

A. Statewide base education payment per equalized student:	\$6,975.00
B. The excess spending base (essentially the statewide average per pupil spending):	\$8,729.00
C. Threshold (130% of the excess spending base):	\$11,347.00
D. Grand Isle per pupil education spending for FY 2006:	\$10,730.92
E. Grand Isle capital costs per equalized pupil:	\$502.73
F. Grand Isle education spending less capital costs per equal pupil (D minus E):	\$10,228.19
G. "Excess spending" (spending over threshold in C above):	\$0
H. Adjusted per pupil spending (D plus G):	\$10,730.92
I. District spending adjustment (H divided by A):	<b>1.53848</b>

The district spending adjustment of 1.53848 is multiplied by the base rate to determine the homestead education tax rate (\$1.02 x 1.53848). It is then adjusted by the CLA to determine the homestead rate that will be levied on homestead properties in Grand Isle.

J. Homestead Education Tax Rate (\$1.02 x 1.53848 divided by 73.28%):	<b>\$2.1414</b>
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**EDUCATION TAXES BASED ON INCOME.** Eligible Vermonters can receive an income-based adjustment to their school taxes. To receive an adjustment—or education property tax payment—a qualified resident must file prescribed forms (i.e. HI-144 and HS-138) with the Tax Department by December 1, 2005. The Tax Department will calculate whether school taxes on your housesite (dwelling and up to two acres) exceed a threshold percentage of your income. Your payment is equal to excess taxes above the threshold.

The education property tax payment is also affected by per-pupil spending. A higher spending level results in a higher threshold. For payments in fiscal year 2006, the threshold level of household income is 1.85% multiplied by the Grand Isle district spending adjustment, resulting in an income threshold of 2.85%.