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H.503

Introduced by Representative McCormack of Burlington

Referred to Committee on

Date:

Subject: Taxation; statewide education property tax; income tax

Statement of purpose of bill as introduced: This bill proposes to establish a legislative study committee to examine replacing Vermont's current education property tax with an education income tax.

An act relating to studying an education income tax

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. EDUCATION INCOME TAX STUDY COMMITTEE

(a) Creation. There is created the Education Income Tax Study Committee to analyze how to transition Vermont from a statewide education property tax to an education tax based on income.

(b) Membership. The Committee shall be composed of the following six members:

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

1 (2) three current members of the Senate, not all from the same political
2 party, who shall be appointed by the Committee on Committees.

3 (c) Powers and duties. The Committee shall study how to transition
4 Vermont from an education tax based on property taxes to an education tax
5 based on income, including the following issues:

6 (1) how best to structure a progressive education income tax with a rate
7 structure that reflects local spending decisions;

8 (2) how to incorporate the revenue reductions in the education property
9 tax and the creation of the education income tax into the revenues and
10 obligations of the Education Fund;

11 (3) how best to collect and administer an education income tax; and

12 (4) how best to treat renters under an education income tax.

13 (d) Assistance. The Committee shall have the administrative, technical,
14 and legal assistance of the Office of Legislative Council. The Committee also
15 shall have the assistance of the Joint Fiscal Office, the Department of Taxes,
16 and the Agency of Education.

17 (e) Report. On or before January 15, 2020, the Committee shall report to
18 the Senate Committee on Finance and the House Committee on Ways and
19 Means with its findings and with specific recommendations for legislative
20 action.

1 (f) Meetings.

2 (1) The first meeting of the Committee shall occur before September 1,
3 2019. The Committee shall select a chair and vice chair from among its
4 members at the first meeting.

5 (2) A majority of the Committee shall constitute a quorum.

6 (3) The Committee shall cease to exist on January 16, 2020.

7 (g) Reimbursement. For attendance at meetings during adjournment of the
8 General Assembly, legislative members of the Committee shall be entitled to
9 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.
10 § 406 for no more than six meetings.

11 Sec. 2. EFFECTIVE DATE

12 This act shall take effect on July 1, 2019.