



TOWN OF WAITSFIELD

MEMORANDUM

TO: SELECTBOARD
FROM: JENNIFER PETERSON, TOWN TREASURER
DATE: July 1, 2014
SUBJECT: 2014 MUNICIPAL TAX RATE RECOMMENDATION

Below is the calculation of the 2014 municipal tax rates based on the passed budget, special articles, the local agreement and the 2014 Grand List. The Town needs to set the municipal tax rate. The Vermont Department of Taxes has set the Education Tax Rates for Homestead property (\$1.4847) and Non-Residential property (\$1.4150).

MUNICIPAL TAX RATE CALCULATION:

Table with 2 columns: Description and Amount. Rows include Municipal Budget (18-month budget), less Non-tax Revenue, less Beginning Year Cash, NET TO BE RAISED BY TAXES, and Divided by Grand List value of \$3,663,295.97 = 0.4202 Municipal Tax Rate.

LOCAL AGREEMENT RATE CALCULATION:

Table with 2 columns: Description and Amount. Rows include Homestead, Non-Residential, Total Local Contracts, and Divided by Grand List value of \$3,663,295.97 = \$ 0.003 Local Agreement Rate.

Summary table with 4 columns: Description, 2012 Tax Rate, 2013 Tax Rate, 2014 Tax Rate, and Change. Rows include State Education - Homestead, State Education - Non-Residential, Municipal Tax Rate, Local Agreement, Total Homestead Tax Rate, and Total Non-Residential.



Beginning in 2004, all properties on the grand list are classified as either homestead or non-residential. The statewide education tax, imposed at different rates, is applied to those two classes of property. In Waitsfield in 2014, the education **non-residential** tax rate is \$0.07 lower than the homestead rate. Below is the tax department's calculation in determining Waitsfield's education tax rates.

www.state.vt.us/tax/pdf.word.excel/pvt/txrpdfs/Waitsfield.pdf - Google Chrome

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Town of Waitsfield Date Prepared: 6/27/2014

Homestead Education Tax Rate Calculation Fiscal Year 2015

The Homestead Education Tax Rate is based in part on the education spending per equalized pupil of all the pupils residing in your town. Many town districts are also members of union school districts. Each town and union school district will have a tax rate based on its spending per pupil. For towns with multiple school districts, the tax rate is a combination of those rates as shown below.

Base homestead tax rate	\$0.98		
Base spending amount	\$9,285		
Excess spending threshold	\$16,166		
Average statewide education spending per equalized pupil	\$14,029		
Common level of appraisal for Waitsfield	107.07%		Actual Homestead Tax Rate

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A. Equalized homestead tax rate for Waitsfield from town school district

1. Education spending per equalized pupil	\$14,740.52		
2. Net offsets for excess spending calculation	N/A		
3. Amount over excess spending threshold if any	\$0		
4. Education spending per equalized pupil plus any excess for tax rate		\$14,740.52	
5. District spending as a percent of base spending amount	158.76%		
6. District equalized tax rate equals line 5 times base rate		\$1,555.8	
7. Percent of equalized pupils in town school district	52.90%		
8. Equalized tax rate from school district		\$0.8230	
9. Actual tax rate attributable to district	(\$0.8230 / CLA: 107.07%)		\$0.7687

B. Equalized homestead tax rate for Waitsfield from Harwood UHSD #19

10. Education spending per equalized pupil	\$15,420.82		
11. Net offsets for excess spending calculation	\$409.71		
12. Amount over excess spending threshold if any	\$0		
13. Education spending per equalized pupil plus any excess for tax rate		\$15,420.82	
14. District spending as a percent of base spending amount	166.08%		
15. District equalized tax rate equals line 14 times base rate		\$1,627.6	
16. Percent of equalized pupils in union school district	47.10%		
17. Equalized tax rate from school district		\$0.7666	
18. Actual tax rate attributable to district	(\$0.7666 / CLA: 107.07%)		\$0.7160

Sum of equalized tax rates from school districts: \$1,5896

Sum of actual tax rates from school districts: Homestead Tax Rate \$1,4847
 You should see this rate on your tax bill. ⇒

Non-Residential Education Tax Rate Calculation

<u>Base Non-Residential Tax Rate / CLA</u>			<u>Non-Residential Tax Rate</u>
Base NR Rate:	CLA:		
51.51	/ 107.07%	You should see this rate on your tax bill. ⇒	\$1,4150

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In March, the voters approved an 18-month municipal budget of \$2,527,963. The approved budget less expected revenues (\$933,906) and beginning cash balance (\$54,806) results in a budget of \$1,539,251. This figure plus the local agreement amount of \$9,701.00 requires the Town to set a tax rate that will raise \$1,548,952. A Municipal Tax Rate of \$0.4232 (\$0.4202 to cover the approved budget plus \$0.003 to cover the local agreement) will raise \$1,550,306.85 or \$1,354.85 more than our voted budgetary needs.

Please consider this information when setting the 2014 municipal tax rate. Since it is impossible to anticipate all scenarios that could occur, both in our favor and not in our favor, it is my position to inform you that to raise enough funds to cover the approved 2014 budget, special articles and local agreement, a municipal tax rate of \$0.4232 is needed, based on the Grand List figure we have today.

Tax bills need to go out mid to late July. The installments are due September 10, 2014, November 14, 2014, February 11, 2015 and May 15, 2015.