

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.461 – Education Tax Abatements

H.461 authorizes the commissioner of taxes to reimburse municipalities for certain statewide education taxes that were abated due to flood damage.

The cost of this bill is uncertain partly because some boards of abatement have postponed consideration of requests for abatement pending action on this legislation and the legislation itself allows boards of abatement to reconsider any decisions made since April 1st.

Based on initial estimates of property damage and average education tax rates, the estimated cost of H.461 is \$2 to \$4 million in FY2012. However, it is likely that application of the criteria for approval developed by the tax commissioner will limit the cost to the low end of this range.

Any reimbursements approved by the tax commission will reduce education tax revenues in FY2012. There is currently a projected FY2012 surplus in the Education Fund of about \$13 million (this amount is in excess of the 5% reserve).