



# 2008 VERMONT TAX STATISTICS

*A Summary of*

- PERSONAL INCOME TAX RETURNS
- FAMILY INCOME STATISTICS
- PROPERTY TAX ADJUSTMENTS
- CIRCUIT BREAKER ADJUSTMENTS
- RENTER REBATES

Vermont Department of Taxes • 133 State Street • Montpelier, Vermont 05633-1401

[www.state.vt.us/tax/statistics.shtml](http://www.state.vt.us/tax/statistics.shtml)

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# 2008 VERMONT TAX STATISTICS

A Summary of Calendar Year 2008 Income Tax Returns and Property Tax Adjustment Claims Filed in 2009

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## *Personal Income Tax*

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***Published by the Vermont Department of Taxes, December 2009***

# 2008 VERMONT TAX STATISTICS

Source data is information provided on individual tax returns. Adjusted gross income (AGI), filing status, exemptions and reporting town are informational and not used to compute tax liability. Checks were made to assure reasonableness of this information, especially for high values of AGI and reporting town consistency with homestead declarations, but not all returns were examined. For returns with missing AGI values and non-zero taxable income values, AGI was imputed using information from other returns. Caution should be exercised when using this data to make inferences about small jurisdictions.

Summary statistics are not reported for groups smaller than four to protect taxpayer confidentiality. The goal is to maximize reporting of total data for a town, with less or no income class detail as necessary.

Definitions for individual data items follow, associated with the report page where they first appear. The definition is the same on all following reports unless otherwise noted.

## **Page 1: Return Counts**

**AGI Income Class:** The Adjusted Gross Income (AGI) range for the return.

**Returns:** The number of returns filed for the income class.

**Exempt:** The number of exemptions claimed on returns filed within the income class.

**Married Joint, Single, Married Separate, Head of Household:** The filing status<sup>1</sup> of the return.

**Credits:** The number of taxpayers claiming a credit for taxes paid to another state or Vermont non-refundable tax credits.

**Withheld:** The number of taxpayers taking credit on their return for Vermont withholding tax.

**Estimated:** The number of taxpayers taking credit on their return for Vermont estimated tax payments, real estate withholding, non-resident shareholder withholding, or low income child and dependent care credit.

**Adjusted Tax:** The number of taxpayers reducing their Vermont tax by using the adjustment schedule to exclude income not subject to Vermont tax.

**No Tax:** The number of taxpayers who had no income tax liability after reducing their Adjusted Tax by Vermont special credits and credit from other states.

**Earned Income Credit:** The number of Vermont earned income tax credits.

## **Page 2: Return Dollars**

**AGI Income Class:** The Adjusted Gross Income (AGI) range for the return.

**Adjusted Gross Income:** The total Federal Adjusted Gross Income reported on all tax returns for the income class.

**Vermont Adjusted Gross Income:** The total AGI earned in Vermont (Line 39 of Form IN-113 for filers using income adjustment; otherwise Federal AGI).

**Vermont Tax<sup>2</sup>:** Line 16 of the Vermont Income Tax return, before any additions to or subtractions from tax.

**Adjusted Vermont Tax<sup>3</sup>:** Line 22 of the Vermont Income Tax return (Line 20 multiplied by the income adjustment percent on Line 21).

**Credits:** The dollar amount of credit for taxes paid to another state or province or Vermont non-refundable tax credits.

**Net Vermont Tax:** Adjusted Vermont Tax reduced by Vermont non-refundable tax credits.

**Earned Income Credit:** The dollar amount of Vermont earned income tax credit<sup>4</sup>.

### **Page 3: Taxable Income Summary**

**Taxable Income Class:** The Taxable Income range for the return.

**Returns with TI Adjustment:** The number of returns with any entry on lines 12 through 14 (adjustments to Federal Taxable Income for Vermont purposes).

**Federal Taxable Income:** The total Federal Taxable Income reported on line 11.

**Taxable Income Adjustments:** The total Taxable Income adjustments reported on lines 12 through 14.

**Vermont Taxable Income<sup>5</sup>:** The total Taxable Income reported on line 15 of tax returns for an income class.

### **Page 7: County Summary - Dollars**

**Average AGI per Exemption:** The Capped AGI (sum of the adjusted gross income, limited to the first \$150,000<sup>6</sup> on any return for all returns filed) divided by the number of exemptions. This is an estimate of per-capita income.

## **Page 41: Family Income Statistics**

**Returns:** The number of returns with Married Joint (MJ) or Head of Household (HH) filing status. This group provides an estimate of household or family income.

**Median AGI per Return:** The adjusted gross income amount that falls in the middle of a range of adjusted gross income amounts reported when the amounts are arranged in order of magnitude.

Please note that this estimate of family income comes only from tax returns and thus does not measure income of households not required to file a tax return.

## **Page 51: 2009 Property Tax Adjustments Distribution by Income Class**

**Household Income Class:** The Household Income range for the return. This column also contains a breakdown of the three ways that the school property tax adjustment could be computed:

- Homestead (HS) Exemption or HEV includes those homeowners who qualified under the Homestead Exclusion method, where the adjustment is based on the first \$15,000 of homestead value. Per VSA Title 32, §6066(a)(1)(c), this method was limited to household incomes of \$47,000 or less starting in FY 2005 - i.e., 2004 Prebates.
- Income or HIP includes those homeowners who qualified under the Household Income method, where the adjustment is based on a maximum percentage of household income payable for school property taxes.
- For homeowners with household incomes between \$90,000 and approximately \$97,000, a third method was used which capped the allowable homestead property tax at the amount on the first \$200,000 of homestead value, then applied a second test on maximum percentage of household income.

**Total Recipients:** Total number of valid claims reported for taxable year.

**Number with Extra Acreage:** Total number of claims with an additional adjustment based on the number of acres above two, up to seven. An adjustment of \$10 per whole acre up to \$50 was added.

**Number with Circuit Breaker:** Total number of claims with an additional adjustment based on total taxes and a percent of income. Also known as a "Homeowner Rebate", this adjustment is limited to household incomes of \$47,000 or less.

**Average Household Income:** Average of Household Income as reported on Line t of Form HI-144. Household Income is the total taxable and nontaxable income reported by the taxpayer and individuals who resided with the taxpayer at any time during the taxable year. Household income does not include gifts from non-governmental sources, the first \$6,500 of income from some dependent household members, social security tax withheld or paid, child support payments or income received from state for foster care or adult foster care. For a complete definition of Household Income refer to VSA Title 32, §6061.

**Median Equalized Housesite Value:** Median value of housesite plus two acres after application of the town common level of appraisal.

**Average Housesite Property Tax - School:** Average amount of housesite school property taxes before adjustments.

**Average Housesite Property Tax - Municipal:** Average amount of housesite municipal property taxes reported by all claimants before adjustments. These taxes enter into the calculation of a possible circuit breaker adjustment only for household incomes of \$47,000 or less.

**Reduction in Housesite Taxes - School:** Total amount of housesite school property taxes reduced.

**Reduction in Housesite Taxes – Extra Acreage:** Total amount of homestead school property taxes reduced for parcels over two acres.

**Reduction in Housesite Taxes – Circuit Breaker:** Total amount of additional school and municipal property taxes reduced (for household incomes of \$47,000 or less).

**Average Adjustment:** Average reduction in housesite taxes after application of all property tax adjustments.

## **Page 54: Property Tax Adjustments by Income class and Housesite value**

**Household Income Group:** Range of household incomes.

**Housesite Value Group:** Range of equalized housesite values, after adjusting for the CLA (common level of appraisal) in each town.

## **Page 69: Circuit Breaker (Homeowner Rebate) Distribution by Income Class**

Starting in 2007, calculation of the Circuit Breaker adjustment (also called “additional adjustment” or “homeowner rebate”) was integrated with calculation of the school property tax adjustment. For homeowners with household incomes of \$47,000 or less an additional property tax adjustment is calculated considering all taxes (school and municipal) and a maximum percent of income (the percentage of income is based on a sliding scale). In these statistical summaries the school tax adjustment (also called “prebate”) has already been reported. The remaining adjustments are reported in this section. Changes to the program in 2007 make comparisons to previous years difficult.

**Average Housesite Property Tax – Adjusted School:** Average amount of housesite school property taxes after adjustments.

**Average Housesite Property Tax – Circuit Breaker Base:** Average amount of adjusted housesite school property taxes after adjustments plus municipal taxes. The adjusted school tax plus municipal tax forms the basis for computation of taxes eligible for the circuit breaker.



## **Page 74: Renter Rebates Distribution by Income Class**

**Average Allowable Rent for Taxes:** Allocable property tax paid on the rental unit during taxable year as reported on Line 3 of Form PR-141, Vermont Renter Rebate Claim. This is 21 percent of total rent paid during the calendar year, or the allocable property tax portion of the rent if higher.

**Average Renter Rebate:** Total Renter Rebate amount divided by number of total valid applications.

**Total Renter Rebate:** Total Renter Rebate as calculated for Line 9 on Form PR-141, Vermont Renter Rebate Claim.

### **For further information, please contact:**

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<sup>1</sup> Filing status of Qualifying Widow(er) is included with Married Joint. Reporting of Civil Union status was dropped for 2008.

<sup>2</sup> This summary statistic was added for the 2002 tax year. It reflects the tax computed on Taxable Income (line 15) before any adjustments.

<sup>3</sup> Statistical summaries prior to the 2002 tax year called this amount "Vermont Tax".

<sup>4</sup> The rate of computation for this credit was increased effective with the 2000 tax year from 25% to 32% of the federal earned income tax credit amount.

<sup>5</sup> Previous statistical summaries called this amount "Taxable Income".

<sup>6</sup> Previous definition of this statistic was in VSA Title 16, §3480, repealed in 1997 as part of the revision to the school funding formula. The \$150,000 cap on income represented approximately the 99<sup>th</sup> percentile of incomes in Vermont in 1986 when the statute was amended to specify average income, but was not subsequently adjusted for inflation. The Tax Department will continue to report this statistic using the \$150,000 cap (which still characterizes in excess of 95% of Vermont returns) for continuity with previously reported data.