



TOWN OF WAITSFIELD

MEMORANDUM

TO: SELECTBOARD
FROM: JENNIFER PETERSON, TOWN TREASURER
DATE: JULY 13, 2009
SUBJECT: 2009 MUNICIPAL TAX RATE RECOMMENDATION

Below is the calculation of the 2009 municipal tax rates based on the passed budget & special articles and the 2009 Grand List, which increased by about .776%. The Town needs to set the municipal tax rate. The Vermont Department of Taxes has set the Education Tax Rates for Homestead property (\$1.2977) and Non-Residential property (\$1.3664).

MUNICIPAL TAX RATE CALCULATION:

Table with 2 columns: Description and Amount. Rows include Municipal Budget, Special Articles, Subtotal, less Non-tax Revenue, less Beginning Year Cash, NET TO BE RAISED BY TAXES, and Divided by Grand List of \$3,655,516.76 = 0.323 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 of \$3,655,516.76 = 0.002 Local Agreement Rate.

Table with 4 columns: Description, 2007 Tax Rate, 2008 Tax Rate, and 2009 Tax Rate. 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 2009, the education non-residential tax rate is \$0.0687 higher than the homestead rate.

A Municipal Tax Rate of \$0.325 (including the \$0.002 local agreement) will raise \$1,188,042.95. The actual rate needed is \$0.3221, but by rounding up to \$0.325, an "extra" \$10,601 will be raised. There are some outstanding issues that could affect the amount of taxes billed, including two tax appeal hearings scheduled for 2009 that have not occurred and the uncertainty that state highway funds will be available to the Town. **To raise enough funds to cover the approved 2009 budget, special articles and local agreements, a Municipal Tax Rate of \$0.325 is needed.**

Tax bills will go out in late July. The first installment is due September 1, 2009 with the second installment due November 16, 2009. **Please review this information and set a municipal tax rate for 2009.**