

TO: Income-Based Education Tax Study Committee
FROM: Jeff Fannon, Vermont-NEA Executive Director
DATE: December 21, 2022

Thank you for giving me the opportunity to respond in writing to your draft final report. I wish I could attend in person to have an exchange of ideas and discuss your conclusions. Thank you for your impressive work detailing how the state could fulfill the unanimous recommendation by the Tax Structure Commission eliminate the residential property tax to move towards a fully income-based system for residents to fund public education. Vermont-NEA supports this move toward a fully income-based education funding system for all residents, as it is a fairer way to ensure that all Vermont children get the public education they need and deserve.

Our initial support for your recommendations is based upon our belief that a fairer education tax system, such as the income-based system built fully upon a resident's ability to pay, will foster greater understanding and support for the entire education system in Vermont. The current education funding system is already complex. Moving toward an Education Income Tax will also be a complex undertaking, but, as the committee recommends, complexity should not make us shy away from making the system fairer.

While perhaps technically challenging, maintaining the current renter credit program is important to preserve fairness and balance between renters and landlords. This issue has pestered previous conversations about moving towards an income-based education funding system, but again, it is a challenge with the current system. The recommended change, creating a new nonrefundable renter credit, while also complex, should be studied further to eliminate unintended consequences, as the report readily acknowledges.

We are aware that you discussed the concept of differentiated non-residential property rates, and we support further examination of different rates of different non-residential properties. Again, fairness and equity in the education tax system should be the goal.

We applaud your work, and we look forward to further discussions to create an income-based education funding system for all Vermont residents grounded in one's ability to pay. Thank you.