

Twelve Model Alternatives to Then-Current Taxation of Homestead Property

Summary of Blue Ribbon Tax Commission's 2010 Education Property Tax Documents

All models hold the nonresidential property tax revenue constant and raise roughly the same net revenue from the homestead tax. No models consider varying eligibility threshold or benefit by household size or filing status.

Income Tax 3 models

<i>Model 1*</i>	1.3% base tax rate on AGI for all TPs
<i>Model 2*</i>	1.39% base tax rate on AGI for all TPs capped at first \$500k of AGI
<i>Model 3</i>	1.6% base tax rate on household income filers

Property Tax 5 models

<i>Model 4</i>	Property tax with former property tax adjustment used to create exemption of first \$83k of property value (base rate: 0.86)
<i>Model 5</i>	Property tax with income sensitivity eliminated; additional revenue used to create tax exemption on first \$45k of property value; circuit breaker retained (base rate: 0.86)
<i>Model 6</i>	Property tax with income sensitivity eliminated; additional revenue used to lower property tax rates; circuit breaker retained (base rate: 0.72)
<i>Model 7</i>	Property tax with income sensitivity eliminated; circuit breaker expanded to higher income (\$53,000); additional revenue used to lower property tax rates (base rate: 0.74)
<i>Model 8</i>	Property tax with no adjustments; former property tax adjustment used to reduce rates (base rate: 0.57)

Hybrid 4 models**

<i>Model 9</i>	Reduced circuit breaker based on 2X federal poverty level with enhanced revenue to reduce income tax rates
<i>Model 10</i>	Reduced circuit breaker based on 2X federal poverty level with enhanced revenue to reduce property tax rates
<i>Model 11</i>	Reduction in income sensitivity eligibility with enhanced revenue to reduce property tax rates
<i>Model 12</i>	Elimination of income sensitivity with enhanced revenue to reduce income tax rates

* *Models 1 & 2 includes renters*

** *Several models left revenue unassigned in order to use them to reduce income tax rates*