

Yield or Dollar Equivalent Compared to Current Law

Current Law

The legislature sets the base homestead property tax rate, the base tax rate on household income, and the base education amount annually.

Yield or Dollar Equivalent

The legislature sets the property and income yields annually. The base homestead property tax rate and the base tax rate on household income are fixed at \$1.00 and 2.00%, respectively.

Property

a	Education spending per pupil	\$14,500	Education spending per pupil	\$14,500
b	Base education amount	<u>\$9,459</u>	Yield	<u>\$9,651</u>
c	Multiplier (a / b)	1.53	Multiplier (a / b)	1.50
d	Base homestead tax rate	\$0.98	Base homestead tax rate	\$1.00
e	Spending-adjusted tax rate (c x d)	\$1.50	Spending-adjusted tax rate (c x d)	\$1.50
f	Homestead value	\$200,000	Homestead value	\$200,000
g	Homestead property tax (f x e)	\$3,005	Homestead property tax (f x e)	\$3,005

Income

a	Education spending per pupil	\$14,500	Education spending per pupil	\$14,500
b	Base education amount	<u>\$9,459</u>	Yield	<u>\$9,753</u>
c	Multiplier (a / b)	1.53	Multiplier (a / b)	1.49
d	Base homestead tax rate	1.94%	Base homestead tax rate	2.00%
e	Spending-adjusted tax rate (c x d)	2.97%	Spending-adjusted tax rate (c x d)	2.97%
f	Household income	\$75,000	Household income	\$75,000
g	Homestead income tax (f x e)	\$2,230	Homestead income tax (f x e)	\$2,230