



OLR RESEARCH REPORT

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HARDSHIP PROVISION OF VERMONT'S PROPERTY TAX LAW

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You asked if Vermont allows for abatement of penalties for late payment of property taxes in cases of hardship.

The answer is yes, at least for the education property tax. Vermont has two separate property taxes, one set by municipalities and other local taxing authorities to cover the cost of non-education-related municipal expenses, and the other, an education property tax set by the state.

Vermont imposes a penalty for, and interest on, late filing and payment of the education tax. Towns bill and collect these late filing penalties. They also hear and decide penalty appeals. State law gives towns authority to abate some or all of the interest and penalty in cases of hardship. Vermont law defines "hardship" as any of the following:

1. the taxpayer's full-time military service outside the state;
2. the taxpayer's serious illness or disability;
3. serious illness, disability, or death of a member of the taxpayer's immediate family; or
4. flood, fire, or other disaster ([32 Vermont Stats., § 5410 \(j\) and \(l\)](#)).

The Vermont Tax Department webpage [summarizes](#) the penalties and the hardship exemption.

JL:ts