

January 20, 2025

Dear Subsidized Housing Owner and or Manager,

On June 18, 2003, Vermont passed a law that splits all town grand lists into two categories – homestead (owner occupied residential) and non-residential (not occupied by the owner as a homestead) – with different school property tax rates for each category.

Subsidized housing falls into the non-residential category. Because of the importance of affordable housing, the law allows certain subsidized housing properties subject to rent restrictions to adjust their property's assessed value based on the ratio of the total qualified rental units to the property as a whole. Housing developments with federal and or state funding that require rent restrictions may qualify for this adjustment that might mean a reduction of *up to* 10 percent of the assessed value.

The law designated Vermont Housing Finance Agency (VHFA) as the certifying State agency. Some properties in your portfolio may already be certified. If you believe that some taxable subsidized housing parcels eligible for this program are not yet certified, you must apply to VHFA by February 21, 2025.

A blank Affordable Rental Property Tax Reduction (formerly referred to as “act 68”) application form is located on VHFA's website at the following link: [Application 2025](#).

If your application is rejected VHFA will notify you by March 2025.

The certification form emailed out for existing housing developments in the past includes an expiration date. If you do not have the original certification that was emailed to you, a downloadable PDF of the Affordable Rental Property Tax Reduction certificate can be found when you update your property's data in the [Directory of Affordable Rental Housing](#) database. If the certificate you have received in the past has expired, you must submit a new application.

**By April 1<sup>st</sup> each year, all owners or managers must submit a copy of their current Affordable Rental Property Tax Reduction certification to the town offices** where the property is located so your tax bill can be recalculated to account for the reduction.

In addition, Owners or Managers are also required to submit the Valuation of Subsidized Housing worksheet to their town offices where the property is located annually. To ensure consistency, Property Valuation and Review department developed a spreadsheet and instructions for calculating the Income Approach to Value of your properties.

Here are links to the worksheet and instructions:

[Department of Taxes valuation of subsidized housing worksheet](#)  
[Department of Taxes guide to valuation of subsidized housing worksheet](#)

### **Submit Tax Bills to VHFA**

For all Properties – new applicants or certificate holders: Please submit a copy of your most recent tax bill(s) to [act68@vhfa.org](mailto:act68@vhfa.org) so VHFA can update the Affordable Rental Property Tax Reduction database for each certified parcel. *There is an internal VHFA staff change this year. **In order to ensure that your request for certification is properly received, please submit questions, applications and documentation for the Affordable Rental Property Tax Reduction to [act68@vhfa.org](mailto:act68@vhfa.org).***

The Vermont Tax Department can be reached by calling (802) 828-2505. The applicable provision of the Vermont Statutes (32 VSA§5404a) is available on-line at: [The Vermont Statutes Online](#)

Sincerely,  
Maura Collins  
Executive Director