



# VERMONT

RESIDENT • NONRESIDENT • PART-YEAR RESIDENT

## CHANGES FOR 2008

### DUE DATES:

**APRIL 15, 2009:** VT 2008 income tax return, Extension of Time to File VT income tax return, 2009 Homestead Declaration, 2009 Property Tax Adjustment Claim, 2008 Renter Rebate Claim

**SEPTEMBER 1, 2009:** 2009 Homestead Declaration, 2009 Property Tax Adjustment Claim, and 2008 Renter Rebate Claim may be filed up to this date. Late filing penalties apply to Homestead Declaration and Property Tax Adjustment Claim

**OCTOBER 15, 2009:** Extended 2008 VT income tax return. Extension of time to file does NOT apply to Homestead Declaration, Property Tax Adjustment Claim or Renter Rebate Claim

**Capital Gains** The capital gains exclusion allowed for tax year 2008 is the smaller of 40% of the gain or 40% of the Federal taxable income entered on IN-111, Line 11.

**Fifty Percent Depreciation Allowance in Economic Stimulus Act of 2008** cannot be used for VT income tax purposes.

**Solar Energy Investment Credit** For tax year 2008, VT allows 100% of the Federal tax credit (IRC Section 48) as a credit against the VT income tax on the solar energy portion when the investment is in VT.

**Maximum 2009 Property Tax Adjustment** is \$8,000.

**Property Tax Adjustment and Sales of Homes** When homestead property is sold, the default rule is the property tax adjustment amount shall be allocated to the seller upon closing. However, the parties may agree otherwise.



## MAKING IT EASIER TO FILE YOUR TAXES

Over half of VT taxpayers electronically file their VT returns.

**YOUR TAX INFORMATION IS SAFE and SECURE** - No one else sees your tax information.

**YOU MAY BE ELIGIBLE FOR FREE TAX PREPARATION and E-FILING** - Some software companies provide fee tax preparation and e-filing. Go to <http://tax.vermont.gov> to see if you qualify.

**YOU GET REFUNDS FASTER** - Refunds from e-filing are received in 5 business days, or less when you choose direct deposit.

**YOU SAVE TIME** - Your time is valuable. E-filing is available 24/7 so you file when it is convenient for you. No waiting for appointments. No waiting in lines at the post office.

**YOU KNOW YOU FILED** - E-filing provides confirmation and a receipt that the tax agencies received your return.

**FOR LIST OF SOFTWARE COMPANIES** offering VT online filing, go to <http://tax.vermont.gov>



**HOMEOWNERS** - You can file your 2009 VT Homestead Declaration and Property Tax Adjustment Claim on the Department's web site. **This is a free service.**

<http://tax.vermont.gov>



# Message from the Commissioner

Dear Fellow Taxpayer:

As I'm preparing this letter in October prior to this tax booklet being sent to the printer, the financial markets in America and across the world are in severe decline. Additionally, in important areas such as fuel and food, the cost of living has been on the rise. Certainly, almost every Vermonter is impacted by these dramatic economic events. I sincerely hope that by the time you read this letter that circumstances have improved for the better.

In this context, it is important to recognize and appreciate the efforts you make to pay your taxes. I want to thank you for your good citizenship and the financial commitment you make to the many important public services provided by state government.

**E-Filing Grows Rapidly:** To make paying your income taxes easier, I encourage all taxpayers to utilize electronic filing - or e-file. It is fast and accurate. It can cut in half the time necessary to process a refund. In 2004, only 27% of Vermont's income tax returns used e-file. Last year, 56% of the 2007 tax returns were e-filed. E-filing helps keep costs down at the Tax Department as well as gives you better service. In fiscal year 2005, the budget for the Tax Department was \$13.99 million. This year, fiscal year 2009, the budget is \$14.46 million. This means that the annual increase in the budget for the Tax Department over the past 4 years has been a mere one-eighth of one percent. Because e-filing allows the Tax Department to process your return more efficiently, you can help keep the cost of your state government down by e-filing.

**Who Pays our Income Tax:** By far, the income tax supplies the biggest portion (52%) of all revenues for Vermont's general fund budget. The general fund supports almost all Vermont's public services including our human services, education, judicial and natural resources programs, among others. The following table profiles the distribution of Vermont's income tax burden by income groupings for tax year 2006.

Income Group	Returns Filed	% of All Returns	Avg. Tax per Return	Total Tax All Returns	% of Total tax
Up to \$25,000	126,966	41.7%	\$ 121	\$ 15,332,197	3.0%
\$25,000-\$49,999	77,936	25.6%	\$ 745	\$ 58,079,146	11.4%
\$50,000-\$74,999	44,180	14.5%	\$ 1,535	\$ 67,820,142	13.3%
\$75,000-\$99,999	25,586	8.4%	\$ 2,540	\$ 64,989,443	12.7%
\$100,000 and Over	29,803	9.8%	\$ 10,219	\$ 304,559,230	59.6%

Source: Tax Department - 2006 Income Tax File

Thank you once again and I wish you a healthy and happy 2009.

Sincerely,

Tom Pelham  
Commissioner of Taxes

## TAXPAYER ASSISTANCE

*We're Here To Answer Your Questions*



**VISIT** our web site <http://tax.vermont.gov> to:

- Learn how to file your return electronically
- File Form HS-122 on-line
- Find tax return preparation assistance locations and times
- Use the 2009 Property Tax Adjustment calculation worksheet
- Download tax forms
- Keep up-to-date on VT tax information and technical bulletins
- Use the filing checklist for recommended order to complete VT forms



**CALL** the Department

**1-866-828-2865** (toll-free in VT)  
**1-802-828-2865** (local or out-of-state)

7:45 a.m. to 4:30 p.m. weekdays to speak with a Department representative.

ANY TIME to order forms.

**TRACK** your 2008 VT income tax return and refund, 2008 estimated payments on record, 2009 VT Homestead Declaration and Property Tax Adjustment Claim, and Renter Rebate Claim at <http://tax.vermont.gov> or call 1-866-828-2865 (toll-free in VT) or 1-802-828-2865 (local or out-of-state).



## PAPER-FILED FORMS

- Sign all forms as required.
- Enclose all required supporting documents.
- Staple W-2s, 1099s to the lower left front of the first form. Please use only one staple.
- Affix appropriate postage to envelope. **NOTE:** More than five pieces of paper may require extra postage. Ask your post office to weigh the envelope to be sure it is not returned to you for postage due.
- To use your own envelope, mail to:

### TAX DUE

VT Department of Taxes  
PO Box 1779  
Montpelier, VT 05601-1779  
(See *Payment Options* on page 4)

### REFUND & NO TAX DUE

VT Department of Taxes  
PO Box 1881  
Montpelier, VT 05601-1881

## THE LABEL

Using the mailing label on this booklet speeds processing and prevents errors that may delay your refund. The 9-digit number printed on the label above your name is a VT tax ID number. You must print Social Security number(s) in the space provided on each form. Forms filed without the Social Security number(s) cannot be processed. If filing an income tax form, **place the label on the income tax form.** Then print Social Security number(s), name(s), and address on the other forms or schedules. If filing Forms HS-122 and PR-141 without an income tax form, place the label on the form and print Social Security number(s) and name(s) on accompanying schedules.

**Incorrect label information:** Do not use the label if the information is incorrect or you need to add information. For example, a name or address change, or adding the apartment number to the address. Also, if the label shows your name and your spouse's name but you are filing separately, do not use the label. Print the correct information in blue or black ink on all other forms and schedules being filed.

**Didn't receive a preprinted label?** You will need to print your information on all forms and schedules being filed.

## GENERAL INCOME TAX INFORMATION

### REQUIREMENT TO FILE A 2008 VT INCOME TAX RETURN

A 2008 VT income tax return must be filed by a Full-Year or Part-Year VT resident or a Nonresident if:

- You are required to file a 2008 Federal income tax return, and
- You earned or received \$100 or more in VT income, or
- You received gross income of \$1,000 or more from sources on page 6.

### USE WHOLE DOLLARS

Round entries to the nearest whole dollar. The cents entry boxes are preprinted with zeros. To round: 1 cent to 49 cents, enter the existing dollar amount (*Example* enter \$97.49 as \$97). For 50 cents to 99 cents, enter the next higher dollar amount (*Example:* \$97.50 as \$98).

### REQUESTS FOR ADDITIONAL INFORMATION

You may be asked to supply additional information to clarify items on your VT income tax form. Such a request does not necessarily mean that you filed improperly or that you have been selected for an audit. These requests are a routine part of processing.

### INCOMPLETE FORMS

If necessary information to support a credit or benefit is missing, the tax forms may be processed but the credit or benefit denied. This may result in

a bill or reduced refund. You will have an opportunity to supply the information. In some instances, your tax forms may be returned to you.

## TIMELY FILING

Tax forms mailed through the U.S. Post Office are considered timely if received at the Department within 3 business days of the due date. Electronic filing or bringing the return to the Department in person requires the return be received by the Department on or before the due date to be timely.

## INCOME TAX DUE DATE

On or before April 15, 2009. See below for information on extension of time to file the VT income tax form.

## EXTENSION OF TIME TO FILE YOUR VT INCOME TAX

To receive a six-month extension of time to file your income tax form, file Form IN-151 on or before April 15, 2009. An extension only allows more time to file the income tax return. It does not extend the due date for tax payment. Interest and penalty accrue on tax due from April 16 to the receipt of payment.

**NOTE:** An extension to file an income tax form does NOT apply to Homestead Declaration or Property Tax Adjustment Claim (HS-122) or Renter Rebate Claim (PR-141).

## LATE FILED INCOME TAX

**Without extension of time to file on record** An income tax form without an extension of time may be filed up to 60 days after April 15, 2009 without being charged a late file penalty. Filing the form on the 61st day after April 15, 2009 or later will result in a \$50 late file penalty.

**With extension of time to file on record** An income tax form filed on or before the October 15, 2009 extended due date (or within the 60-day period after the April 15, 2009 due date) is not charged a late file penalty. Extended income tax forms filed one or more days after October 15, 2009 are charged a \$50 late file penalty.

**NOTE:** The late file penalty applies even if you have a refund or no tax is due. If any tax is due, late payment penalty and interest charges also apply.

## INCOME TAX DUE

Income tax due must be paid by April 15, 2009 to avoid interest and late pay penalty charges. See *Payment Options*. If the tax due is \$500 or more, see *Estimated Income Tax Payments* section.

## INTEREST AND LATE PAYMENT PENALTY

Tax paid after April 15, 2009 accrues interest and late payment penalty charges on the unpaid tax amount from April 16, 2009 until the date of payment. Interest is 0.5% per month. Penalty is 1% per month or portion of month, up to 25% of the unpaid amount.

## ESTIMATED INCOME TAX PAYMENTS

Estimated income tax payments must be made by every individual when the income tax due exceeds the withholding and tax credits. This can occur when there is no withholding or insufficient withholding on income.

**NOTE:** Making estimated payments is particularly important for recipients of income without withholding, VT residents working in another state, or non-VT residents working in VT.

**Exception:** Farmers or fishermen, as defined by the laws of the United States, are not required to make estimated payments. If you are a farmer or fisherman and are billed for underpayment of estimated income tax, contact the Department.

**Amount of Estimated Payments:** If the taxes withheld from your income are less than your income tax (reduced by any allowable credits), you may need to increase your withholding or make estimated tax payments in four equal installments. Estimated payments (together with withholding and credits) must equal 100% of last year's income tax or 90% of this year's

income tax. For last year, if no income tax return was required or the tax liability was zero, there are no underpayment charges. Interest and penalty is billed on the difference between the payment that should have been made each quarter and the payment actually made. No interest and penalty will be assessed if your income tax from Line 26 of the VT income tax form, less withholding and credits, is less than \$500 for the taxable year. *Examples:* (1) Your tax last year was \$800. This year it is \$1200. You had no withholding, but made four timely estimated payments of \$150 each. Estimated payments of \$600 and \$0 withholding did not equal either last year's tax or 90% of this year's tax. The tax due (Line 26 less withholding and credits) is more than \$500. Each estimated payment should have been \$200 instead of the \$150 estimated payment made. You owe interest and penalty on \$50 underpayment each quarter. Penalty and interest accrue on the \$50 from the due date of each payment to the date the tax is paid. (2) Your tax last year was \$800. This year it is \$400. You had withholding of \$100 but made no estimated payments. Your total withholding of \$100 and \$0 estimated payments did not equal either last year's tax or 90% of this year's tax. However, your tax (Line 26 less withholding and credits) is less than \$500 so no interest or penalty will be assessed. (3) Your tax last year was \$800. This year it is \$1500. You had withholding of \$400 and made four timely estimated payments of \$100 each. Your total withholding and timely estimated payments equal \$800, which is 100% of last year's tax. No interest or penalty will be assessed. (4) Your tax last year was \$800. This year it is \$600. You had withholding of \$110, but made no estimated payments. Your \$110 in withholding did not equal last year's tax and is less than 90% of this year's tax. However, your tax (Line 26 less withholding and credits), is less than \$500 (\$600 - \$110). No interest or penalty will be assessed. (5) Your tax last year was \$800. This year it is \$1000. You had withholding of \$300, but made no estimated payments. You owe \$700 tax. The \$300 withholding was less than last year's tax and did not equal 90% of this year's tax. Each estimated payment should have been \$200 instead of the \$75 quarter credit from withholding. There is a \$125 underpayment for each quarter. Penalty and interest accrue on the \$125 underpayment from the due date of each payment to the date the tax is paid. (6) Your tax last year was \$800. This year it is \$1000. You had withholding of \$300 and made one estimated payment of \$800 in December. Each estimated payment should have been a minimum of \$200. Your withholding covered \$75 (\$300/4) of the installment. There is an underpayment of \$125. You owe interest and penalty on the \$125 underpayment for the April, June and September due dates up to the December payment date.

**Penalty & Interest Charges:** The underpayment or late payment in each quarter is assessed from the estimated payment due date to the date the tax is paid:

- Interest of 0.5% per month.
- Penalty of 1% per month or portion of month.

**Calculating the Charges:** Use VT Worksheet IN-152 to calculate the amount. Enter the result on Form IN-111, Section 9, Line 36, and include the amount with your tax payment. Payment at the time of filing may reduce the charges as they accrue up to the time of payment. If you have an overpayment but owe underpayment charges, the charges are subtracted from the overpayment.

**NOTE:** The IN-152 and IN-152A worksheets are available on our web site at <http://tax.vermont.gov>

**Annualized Income Installment Method:** Taxpayers using the annualized method for Federal estimated payments should use IN-152A to calculate applicable interest and penalty. Send a copy of all four pages of the completed Federal Form 2210.

**Next Year:** If you made estimated payments for tax year 2008, the Department automatically sends you Form IN-114 voucher booklet for 2009 tax year. Estimated payments are due April 15, June 15, and September 15, 2009 and January 15, 2010. To assure you do not owe more than \$500 tax

next year, you may wish to adjust your withholding, or make estimated payments, or a combination of both.

## OFFSETS OF YOUR INCOME REFUND

Your income tax refund may be taken to pay a bill you or your spouse/civil union partner owe to the VT Department of Taxes and other government agencies such as Internal Revenue Service, Office of Child Support, Department of Corrections, VT courts, student loan agencies, and VT State Colleges. You will receive notification if your refund is offset.

## INJURED SPOUSE CLAIMS

Does your spouse or civil union partner owe money to a VT state or Federal agency and you file a joint tax return? If your spouse is responsible for the debt to the VT state or Federal agency, and you are not, you may file an "injured spouse" claim for your portion of the refund.

You may receive the portion of the income tax refund equal to the percentage of your income to the combined income of you and your spouse or civil union partner.

To make an "injured spouse" claim, send the following in an envelope separate from your return (1) the request letter; (2) copy of Federal Form 8379 if one was filed with the IRS; (3) if self-employed, copy of Federal income tax return with Schedules C and SE. Mail to: VT Department of Taxes, ATTN: Injured Spouse Unit, PO Box 1645, Montpelier, VT 05601-1645. Electronic filers must also send copies of income statements such as W-2, 1099, etc.

➔ You will receive a notice from the Department if the income tax refund is offset. You have 30 days from the date on the notice to submit the injured spouse claim to the Department.

## PAYMENT OPTIONS

**ACH Debit for Electronic Filers:** You can pay your tax at the same time you electronically file or you can schedule a payment date.

**By Credit Card:** Go to <http://tax.vermont.gov> to use **VTPay**. A convenience fee applies to payments over \$200.

**By Check:** Make checks payable to **VT Department of Taxes**

- **Check sent with Return:** Staple the check to Form IN-111 with the W-2s and 1099s to the lower left front of the return. Form IN-116, Payment Voucher, is NOT needed.
- **Check sent separate from Return:** Complete Form IN-116, Payment Voucher. Send voucher and check to the address for tax due returns on page 3.

## FINANCIAL DIFFICULTIES

If you cannot pay your entire VT income tax, file the return on time and pay as much as you can. Then immediately write to the Department to apply for a payment plan. **Do not include this request with your return.** Send the request to: VT Department of Taxes, ATTN: Compliance, PO Box 429, Montpelier, VT 05601-0429.

You may be asked for financial information to determine the appropriate installment payments. Without a payment plan, unpaid income tax results in collection action that may include placement with a commercial collection agency, liens on your property, legal action, or loss or suspension of a professional license.

## NET OPERATING LOSSES

No VT refund is available for a carryback. The VT carryback or carryforward election for a net operating loss must be the same as elected for Federal purposes.



**FIFTY PERCENT BONUS DEPRECIATION PROVIDED IN 2008 FEDERAL ECONOMIC STIMULUS ACT NOT ALLOWED FOR VT INCOME TAX PURPOSES.** See instructions for Form IN-111, Line 12b on page 7.

### CLAIMING A VT REFUND

You must file a VT income tax return to receive a refund of VT withholding or estimated payments. You have up to 3 years from the due date of that tax year's return, including extension. *Example:* You did not file a return for tax year 2005 and now find that you are due a refund. You file the 2005 return on August 10, 2009. Tax year 2005 return was due April 18, 2006. The last time you could file and get a refund for the 2005 tax year was April 18, 2009. You filed after the three year date and no refund is available. If you had an extension of time to file on record with Vermont, the three year period runs to the extended due date.

### AMENDING OR CORRECTING VT INCOME TAX RETURN INFORMATION

*You are required by VT law to file an amended VT return within 60 days of becoming aware of a change to VT income, or 60 days from filing an amended return with the IRS or 60 days from receipt of a notice of the change by the IRS. A late file penalty will be assessed if the amended VT return is not filed within the 60 days.*

- **Change to VT income** An amended return is due even if the change is not the result of filing an amended Federal income tax return or an adjustment made by the Internal Revenue Service. For example, a nonresident or part-year resident may discover the amount of income taxable to VT is different from the amount originally reported.

- **Change of Federal tax information by IRS** You are required to file an amended VT return within 60 days of notification by the Internal Revenue Service when adjustments to your Federal return affect your VT income tax. These adjustments include, but are not limited to, changes in Federal taxable income, capital gains amount, earned income tax credit, the Federal tax credits passed through to VT tax, or any other change that affects your VT tax. Attach a copy of all Federal forms showing changes to the VT amended return. The IRS and VT Department of Taxes routinely share information. Differences in the information on file with the IRS and the VT Department of Taxes, other than those allowed by VT law, are identified and may be audited.

- **Filing an amended Federal tax return** You are required to file an amended VT return within 60 days of filing an amended return with the Internal Revenue Service if VT income is affected. See *Change of Federal tax information by IRS* for examples of changes affecting VT income tax.

### FORM FOR AMENDING VT INCOME TAX RETURN

Check the Amended box on Form IN-111, Section 1 for the applicable tax year. Enter the correct figures as if this were the original filing. Below Section 9, use the amended box to enter the amount originally refunded or paid to arrive at the amount of tax due or amount of refund. Send only the Form IN-111 marked "Amended." Do NOT send a copy of the original.

### TAXPAYER ADVOCATE

The VT Department of Taxes offers this free, confidential service when a taxpayer encounters difficulty resolving tax issues. The Taxpayer Advocate can help if:

- You are experiencing economic harm or hardship from the Department's action, or
- It is taking more than 60 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date promised by the Vermont Department of Taxes.

The Taxpayer Advocate will listen to your situation, independently review the problem, help you understand what needs to be done to resolve it, keep

you updated on the progress of your situation and stay with you until the problem is resolved.

To contact the Taxpayer Advocate:

Telephone: 802-828-2535

Fax: 802-828-2701

Email: [taxpayeradvocate@state.vt.us](mailto:taxpayeradvocate@state.vt.us)

Mail: Vermont Department of Taxes, ATTN: Taxpayer Advocate, PO Box 429, Montpelier, VT 05601-0429

### VT INCOME TAX DEFINITIONS

**Adjusted Gross Income or AGI** means adjusted gross income on your Federal income tax return filed or your recomputed Federal income tax return.

**Adjusted VT Income Tax** means the VT tax calculated on VT Taxable Income as adjusted by certain additions, subtractions, and provisions for exempted income.

**Adjustments to VT Income Tax** are (1) Additions: 24% of the Federal tax on Qualified Retirement Plans including IRA, MSA and other tax favored accounts; Recapture of Federal Investment Tax Credit; and Federal tax on qualified lump-sum distributions from Federal Form 4972; plus any VT tax credit recapture. (2) Subtractions: 24% of the Federal tax credits for Child and Dependent Care Expenses (unless qualified for Low-Income Child & Dependent Care Credit); Credit for Elderly or Disabled; Investment Tax Credit; and VT Farm Income Averaging Credit. (3) Remaining 76% of Federal investment credit for VT-based solar energy included in Investment Tax Credit. (4) Percentage reduction of VT tax for VT exempt income and/or ratio of VT income to non-VT income from Form IN-113.

**Domicile** is the place where you have your permanent home. Establishing a domicile depends on factors such as the location of residences owned or rented, the amount of time spent at the residences, the location of items considered of sentimental or financial value, how and where one's living is earned, an investment in a business or profession in this state, place of voter registration, state issuing driver's license and automobile registration, and the residence of the taxpayer's immediate family. No one factor is conclusive.

You can have only one domicile. Your domicile does not change unless you move to a new location with the intent to make it your permanent home. If you move to a new location but only intend to stay a limited time, your domicile does not change. For more information, see Department Regulation 1.5811.

**Nonresident** means, for purposes of income tax, an individual who is neither domiciled in VT nor has maintained a permanent place of abode in VT where the individual was present for more than 183 days of the taxable year.

**Part-Year Resident** means, for purposes of income tax, an individual who meets the criteria for Residency during a portion of the taxable year.

**Recomputed Federal Income Tax Return** means a Federal income tax return prepared for VT purposes only. You use the recomputed amounts where the VT return requires Federal line information. See *Filing Status* instructions on page 6 for information on when to do a recomputed Federal income tax return.

**Resident** means, for purposes of income tax, an individual who meets the criteria for Residency.

**Residency** means, for purposes of income tax, an individual who in that portion of the taxable year (1) is domiciled in VT; or (2) maintains a permanent place of abode and is present in VT for more than a combined total of 183 days of the taxable year.

**Taxable Year** means the calendar year. Call the Department if you are a fiscal year filer.

**VT Income of Residents** means the *Adjusted Gross Income* of a Resident less the following:

- Income exempted from state taxation under the laws of the United States
- Certain military pay (see page 44)
- Payment by the State of VT to a family for the support of an eligible person with a developmental disability as defined by section 8722(2) of Title 18 of VT Statutes Annotated and when included in Federal adjusted gross income (see page 44)
- Wages received under Federal incentive work programs if wages are required as part of Federal adjusted gross income under Section 280C of the Internal Revenue Code (see page 44)
- Railroad Retirement Income Tier I and Tier II (see page 44)
- Expenditures or expenses incurred on VT property to meet the Americans with Disabilities Act (see page 44)
- VT Telecommunications Authority bond interest (see page 44)

**VT Income of Nonresidents** means the sum of the following items to the extent the items are required to be included in Federal adjusted gross income:

- Rents and royalties from ownership of property located in VT
- Gains from the sale or exchange of VT property, including the sale of timber or timber rights
- Wages, salaries, commissions, or other income received for services performed in VT. Excluded from VT tax are certain military pay (see page 44) and income received for a dramatic performance in a commercial film to the extent such income would be excluded from personal income tax in the state of residence
- Income from every business, trade, profession, or occupation conducted in VT, including money received (1) under an agreement not to compete with a business operation in VT, (2) for goodwill associated with the sale of a VT business, or (3) for contractual services associated with the sale of a VT business unless it is shown that the compensation for services does not constitute income from the sale of the business
- VT income previously deferred under a nonqualified deferred compensation plan and income derived from such previously deferred income
- Lottery winnings from ticket(s) purchased in VT for VT Lottery, Tri-State Lottery, or PowerBall

Not included in VT income for a nonresident is income from activities necessary to create or maintain a worldwide web page or Internet site. For more information, go to <http://tax.vermont.gov>

**VT Income of Part-Year Residents** means any income described in *VT Income of Nonresidents* and all items earned or received during the period of VT residency described in *VT Income of Residents*.

**VT Taxable Income** means Federal taxable income with (1) the addition of interest, dividends or other distributions from non-VT state and local obligations to the extent this income is excluded from Federal adjusted gross income, the capital gain deferral in a previous year for investment in a qualified business upon disposition of the taxpayer's interest in the business, and 50% bonus depreciation taken at Federal level; and (2) subtraction of interest income from U.S. government obligations to the extent such income is included in Federal adjusted, and 40% of capital gains but not to exceed 40% of Federal taxable income.



## INCOME TAX FORM INSTRUCTIONS

### FORM IN-111 VT INCOME TAX

**NOTE:** Forms HS-122 or PR-141 are not required to be filed with the VT income tax return.

PLEASE do not make marks in boxes that you intend to leave blank.

**Section 1 Taxpayer Information** **REQUIRED entries.** If you have a label, put the label in the "Place Label Here" space. Enter Social Security Number(s). If you do not have a label or the label information is incorrect, print your name(s), address and Social Security number(s) on the form.

**Amended Return**  Check here **ONLY** if you are filing an AMENDED 2008 income tax return. See **AMENDING OR CORRECTING VT RETURN INFORMATION** on page 5.

**Deceased Taxpayer**  Check the applicable box if the taxpayer or spouse/civil union partner died during 2008. **Administrator or Executor:** Use Form IN-111 to report the decedent's income from the beginning of 2008 to the time of death. To claim an income tax refund on behalf of the deceased, attach one of the following documents to Form IN-111: the court certificate showing your appointment as administrator or executor (this is not needed if you are a surviving spouse); a completed Form 176 (Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer), or a copy of completed Federal Form 1310. Form FI-161, VT Fiduciary Return of Income, should be filed to report the income of an estate or trust. Call 802-828-2548 for information.

**Line 1 VT School District Code:** **REQUIRED entry.**



Use the School District Code and town of your legal residence. This may be different from your mailing address.

For school district codes, go to <http://tax.vermont.gov> or page 13 of this booklet.

**VT Residents:** Use the 3-digit school district code for your residence on December 31, 2008.

**Nonresidents:** Enter 999 as your school district code.

**Line 2 City/Town of Legal Residence** **REQUIRED entry.** Enter your legal residence as of December 31, 2008. If you live where there is both a city and town with the same name, specify city or town. *For example:* Rutland City or Rutland Town.

### Section 2 Tax Filing Information

**Filing Status** **REQUIRED entry.**  Check your VT filing status box. The VT filing status is the same as your Federal filing status **except for the following two situations that require recomputing Federal information for VT purposes:**

- **CIVIL UNION** (available to same sex couples holding a valid civil union or marriage license): **Recomputed Federal income tax information required.** Use the applicable VT filing status of Civil Union Filing Jointly or Civil Union Filing Separately. Complete a Federal return (for VT purposes only) using the exemptions, deductions and rules allowed by the IRS as if you filed Married Filing Jointly or Married Filing Separately. Exemptions and deductions must be reasonably allocated if filing separately. For instance, one taxpayer cannot claim all exemptions and deductions. Mark this return as **"Recomputed for VT purposes"** and attach a copy of the recomputed return along with a copy of the Federal return actually filed with the IRS. Use the recomputed Federal return information where VT requires Federal information. If filing as Civil Union Filing Separately, enter the other person's name and Social Security number in the space provided in Section 2 at Line 7. Because VT and IRS routinely share information, using the civil union status alerts the Department to expect differences between the IRS filing and VT filing.

- **NON-VT RESIDENT SPOUSE WITH NO VT INCOME: *Recomputed Federal income tax information required.*** If your spouse is a nonresident of VT and has no VT income, you can file Married Filing Separately for VT income tax purposes even though you filed jointly with the Internal Revenue Service. Complete a Federal return (for VT purposes only) using the exemptions, deductions and rules allowed by the IRS as if you filed Married Filing Separately. Exemptions and deductions must be reasonably allocated if filing separately. For instance, one taxpayer cannot claim all exemptions and deductions. Mark this return as "*Recomputed for VT purposes*" and attach a copy of the recomputed return along with a copy of the Federal return actually filed with the IRS. Use the recomputed Federal return information where VT requires Federal information. Enter your spouse's name and Social Security number in the space provided in Section 2 at Line 7.


**Line 9 Exemptions** Enter the number of exemptions claimed on your Federal return or your Recomputed Federal return.

**NOTE:** Federal Forms 1040EZ and 1040NR-EZ only, enter zero if you are claimed as a dependent by another taxpayer in 2008. Enter 1 if you are Single. Enter 2 if you are Married Filing Jointly or Civil Union Filing Jointly.

**Line 10 Adjusted Gross Income** Enter the amount from your Federal return or, if applicable, from the Recomputed Federal return.

### Section 3 Taxable Income

**Line 11 Federal Taxable Income** Enter the amount from your Federal return or, if applicable, from the Recomputed Federal return.

 New 50% Bonus Depreciation at Federal level for S Corporation, LLC, or Partnership is not allowed for VT income tax purposes. See Line 12b.

**NOTE:** If Federal Taxable Income is zero because of a loss and you have an entry for Line 12a or Line 12b, calculate the loss amount. For Federal Form 1040, subtract Line 42 from Line 41. For Federal Form 1040A, subtract Line 26 from Line 25. Enter result on Line 11.  Check the box to the left of the entry box to show a loss amount.

### Additions to Federal Taxable Income

**Line 12a** Enter the calculation of Non-VT State and Local Obligations from Schedule IN-112, VT Calculation A, Part I, Line 3.

**Line 12b Federal Additional 50% Bonus Depreciation** The bonus depreciation is not allowed for Vermont income tax purposes. Depreciation must be calculated using the standard methods for federal income tax purposes prior to the enactment of the Economic Stimulus Act of 2008, regardless of when the asset(s) placed in service. The K-1 or income statement must be recalculated to exclude this depreciation. Attach a copy of the original and recalculated K-1 or income statement.

**Line 13 Federal Taxable Income with Additions** Add Lines 11, 12a and 12b and enter result. To show loss amount,  check the box to the left of the entry box.

### Subtractions from Federal Taxable Income

**Line 14a Interest Income from U.S. Obligations** Interest income from U.S. government obligations (such as U.S. Treasury Bonds, Bills, and Notes) is exempt from VT tax under the laws of the United States. Enter the amount of interest income from U.S. Obligations on this line to reduce your VT taxable income.

Interest income is exempt when received directly from the U.S. Treasury or from a trust, partnership, or mutual fund that invests in direct obligations of the U.S. government.


➔ Income from the sale of U.S. government obligations is taxable in VT. Income from repurchase agreements, securities of FNMA, FHMC, or GNMA or other investments that are not direct obligations of the U.S.

government are also taxable. See Technical Bulletin 24 for more information.

**Supporting Documentation Required:** No attachment to return required. However, obtain statements for your tax records in the event the Department requests such documentation. Acceptable statements are Federal Schedule B or other listing with amount and description. Summary information from a K-1 or just a statement "U.S. government securities" without further identification is not acceptable.

### Line 14b Capital Gains Deduction from VT Taxable Income from Long-Term Capital Gains

If you used the Federal Qualified Dividends and Capital Gain Tax Worksheet to calculate your federal tax liability, enter the amount from Federal Form 1040, Line 13 or Federal Form 1040A, Line 10 or if applicable, from Recomputed Federal return.

 Qualified Dividends reported for Federal purposes are not eligible for capital gains treatment for VT tax purposes.

Taxpayers using Federal Schedule D, complete the VT Capital Gains Worksheet.

<b>VT CAPITAL GAINS WORKSHEET</b>	
For Lines A - C, enter amounts from Federal Schedule D.	
A. Smaller of Line 15 or 16 .....	A. _____
B. Line 18 .....	_____
C. Line 19 .....	_____
D. Add Lines B and C. If negative, enter zero .....	D. _____
E. Subtract Line D from Line A .....	E. _____
For Lines F, G, I, and J, enter amounts from Federal Form 4952. If you did not file Form 4952, enter amount from Line E above on Line M below.	
F. Line 4g .....	_____
G. Line 4e .....	_____
H. Multiply Line F by Line G .....	H. _____
I. Line 4b .....	_____
J. Line 4e .....	_____
K. Add Lines I and J .....	K. _____
L. Divide Line H by Line K .....	L. _____
M. Subtract Line L from Line E.	_____
<b>Entry cannot be less than zero.</b>	
Also enter on Form IN-111, Section 3, Line 14b . M. _____	

**Line 14c** Multiply the entry on Line 14b by 40% and enter result here.

**Line 14d** Enter the amount from Form IN-111, Line 11. If Line 11 is a loss amount, enter "0".

**Line 14e** Multiply the entry on Line 14d by 40% and enter result here.

**Line 14f** Add Lines 14a and the **smaller** of Line 14c or 14e. The deduction for capital gains cannot exceed 40% of Federal Taxable Income.

**Line 15 VT Taxable Income** Subtract Line 14f from Line 13 and enter amount. If the result is zero or negative, enter "0". **EXCEPTION:** You have a loss on Line 11, entry on Lines 12a or 12b resulting in a loss on Line 13, subtract Lines 14a and 14f from Line 13. Enter that amount and  check the box to the left of the entry to show a loss.

### Section 4 VT Income Tax

**Line 16 VT Income Tax from Tax Table or Tax Rate Schedule** Using the VT Taxable Income amount from Line 15, calculate your VT tax using the applicable table or schedule and enter result.



- If Line 15 is a loss, tax is \$0.
- If Line 15 amount is less than \$75,000 - Use VT Tax Tables.
- If Line 15 amount is \$75,000 or more - Use VT Rate Schedules.

**Line 17 Additions to VT Income Tax** Complete VT Schedule IN-112, VT Calculation A, Part II. Additions to VT Income Tax are:

- recapture of a VT tax credit; or
- additional Federal tax on the following:
  - Qualified Retirement Plans including IRA & MSA
  - Recapture of Federal Investment Tax Credit
  - Lump-sum Distribution from Federal Form 4972

**Line 18 VT Income Tax with Additions** Add Lines 16 and 17 and enter result.

**Line 19 Subtractions from VT Income Tax** Complete VT Schedule IN-112, VT Calculation A, Part II if you filed Federally for:

- Credit for Child and Dependent Care Expenses (See page 9 for Low-Income Child and Dependent Care Credit.)
- Credit for the Elderly or the Disabled
- Investment Tax Credit (as defined in IRC Section 46)
- Farm Income Averaging Credit
- Additional credit for VT-based solar energy investment

**Line 20 VT Income Tax** Subtract Line 19 from Line 18 and enter result. If Line 19 is more than Line 18, enter zero.

**Line 21 Income Adjustment** Enter 100.00% or percent from Schedule IN-113, Line 43. ➔ Entry of less than 100.00% requires filing Schedule IN-113.

Examples of income adjustment less than 100.00%:

- You were a nonresident or part-year resident in 2008.
- You received exempt income as defined under *VT Income of Residents* on page 6.
- You claimed wages or expenses required to be added back to AGI under IRC Sections 280C or 44.

**Line 22 Adjusted VT Income Tax** Multiply Line 20 by the percentage on Line 21. If Line 21 is 100.00%, Line 22 will be the same as Line 20.

### Section 5 Credits and Use Tax

**Line 23 Credit for Income Tax Paid To Other State or Canadian Province** (FOR FULL-YEAR AND PART-YEAR RESIDENTS) Complete Schedule IN-112, VT Calculation B and enter result from Line 6. Attach to Form IN-111.

**Line 24 VT Tax Credits** Enter the amount from Schedule IN-112, VT Calculation D OR Schedule IN-119.

**Line 25 Total VT Credits** Add Lines 23 and 24 and enter result.

**Line 26 VT Income Tax After Credits** Subtract Line 25 from Line 22. If Line 25 is more than Line 22, enter zero.

**Line 27 Use Tax** (FOR FULL-YEAR AND PART-YEAR RESIDENTS) Use this line to report Use Tax except as noted below. Use Tax applies to taxable purchases on which sales tax has not been charged. This includes purchases from a mail-order house or catalog, over the Internet, from an out-of-state retailer, or from any retailer who did not charge sales tax. No Use Tax is due on purchases of food, clothing, prescriptions, or newspapers. Tax applies to most other products including, but not limited to, magazine subscriptions, computers, computer software, furniture, jewelry, audio, video and electronic equipment. *Examples:* In May 2008, you paid \$200 for software delivered through a download to your computer. The company charged no sales tax. You need to report \$12.00 Use Tax (\$200 x 6%). In July 2008, you paid \$100 for books purchased from a mail-order company that shipped the books to your VT home. The

company charged \$7.50 shipping. The company charged no sales tax. You owe \$6.45 Use Tax [(\$100 + \$7.50) x 6%].

You may use the Use Tax Reporting Table if you do not have receipts to calculate the actual Use Tax. The option to use the reporting table applies only to purchases less than \$1,000. **NOTE:** For each purchase with a total invoice amount of \$1,000 or more, you must calculate the use tax and, if also using the reporting table, add that amount to the tax from the table.

Because proof of tax payment is required to register an ATV, dirt bike, boat or snowmobile, use Form SU-452. Form SU-452 is available on the Department web site or by calling 802-828-2515. For more information or assistance, call the Department at 802-828-2551.

**If you have no use tax to report, leave blank or enter zero.**

<b>USE TAX REPORTING TABLE</b>					
Adjusted Gross Income From IN-111, Line 10 is:					
At Least	Up To	Use Tax	At Least	Up To	Use Tax
\$10,000	\$12,999	\$ 4.00	\$38,000	\$39,999	\$15.00
13,000	14,999	5.00	40,000	42,999	16.00
15,000	17,999	6.00	43,000	44,999	17.00
18,000	19,999	7.00	45,000	47,999	18.00
20,000	22,999	8.00	48,000	49,999	19.00
23,000	24,999	9.00	50,000	52,999	20.00
25,000	27,999	10.00	53,000	54,999	21.00
28,000	29,999	11.00	55,000	57,999	22.00
30,000	32,999	12.00	58,000	59,999	23.00
33,000	34,999	13.00	60,000	62,999	24.00
35,000	37,999	14.00	63,000 and more -		
Multiply IN-111 Line 10 by .0004					

➔ If you use the Use Tax Reporting Table, the Department will not assess additional Use Tax unless the total invoice amount of the purchase is \$1,000 or more and is unreported.

➔ Use Tax on items purchased for a business must be reported on Forms SU-451 or SU-452 instead of this form. You cannot use the optional Use Tax Reporting Table.

**Line 28 Total VT Taxes** Add Lines 26 and 27 and enter result.

### Section 6 Voluntary Contributions

Enter the amount on the line(s) for the fund(s) to which you wish to contribute. Your refund will be reduced, or your payment increased, by this amount.

➔ Your refund or payment must cover all contribution amounts or no contribution is made. *Example:* Your return calculations show a \$60 refund and you make a \$30 contribution - \$10 to each fund. Upon processing, the Department discovers a math error and your refund is now \$25. The refund is less than the \$30 contribution. You will receive the \$25 as an income tax refund and no contributions are made.

### Line 29a VT Nongame Wildlife Fund Contribution

The Nongame Wildlife Fund was created to preserve VT's natural wildlife heritage for ourselves and our culture. Many species benefit from your gift, including loons, songbirds, frogs, turtles, bald eagles, butterflies, and peregrine falcons.

This is a convenient way to select wildlife for charitable giving. This gift is deductible on next year's Federal tax return as a charitable contribution. Thank you for caring and giving a "voice" to many of VT's rarest creatures.

To receive a loon decal and annual newsletter featuring projects sponsored by the Nongame Wildlife Fund, contact: Nongame and Natural Heritage Program, VT Fish & Wildlife Department, 103 South Main Street, Waterbury, VT 05671-0501 or call 802-241-3700.





amount by which your payments and credits exceed your income tax, use tax and voluntary contribution entries.

**Line 33a Credit to 2009 Estimated Tax Payment** Enter the amount of refund from Line 32 you want credited toward your 2009 income tax. Your income refund will be reduced by this amount.

The Renter Rebate from Line 31d can be refunded or used to pay 2008 VT tax. It cannot be applied to 2009 income taxes.

**Line 33b Credit to 2009 Homestead Property Tax Bill** If you filed a 2009 VT Homestead Declaration on Form HS-122 and you filed the 2008 income tax return on or before September 1, 2009, you may elect to use all or part of your refund to pay your homestead property tax bill. Your income refund will be reduced by this amount. The State will include an additional 1% to the refund credited to your property taxes.

**Line 34 Refund Amount** Subtract Lines 33a and 33b from Line 32 and enter the result. This is the amount of your refund.

**Section 9 Amount You Owe**

**Line 35** If Line 30 is more than Line 31h, this is the amount you owe. Subtract Line 31h from Line 30 and enter result.

**Line 36 Interest and Penalty on Underpayment of or Failure to Make Estimated Tax Payments** Paying charges at the time of filing may reduce the amount of charges that would be billed later. Use Worksheet IN-152 or IN-152A, available on our website, to calculate the charges. The paper worksheets can be obtained by calling 802-828-2515. If you have a refund, the interest and penalty will be deducted. See page 3 for more information and examples.

**Line 37 Total** Add Lines 35 and 36. Enter amount. This is the amount you owe. See *Payment Options* on page 4. If you are unable to pay all your taxes and want to request a payment plan, see page 4.

**Section 10 Signatures**

**Signature REQUIRED entry.** Sign the return in the space provided. If filing this form jointly, both filers must sign.

**Date** Write the date on which the form was signed.

**Occupation** Enter your occupation. If filing jointly, enter both filers' occupations.

**Age**  Check this box at the applicable signature line if age 65 or older on December 31, 2008.

**Disclosure Authorization** If you wish to give the Department authorization to discuss your 2008 VT income tax return with your tax preparer,  check this box and include the preparer's name.

**Preparer** If you are a paid preparer, you must also sign the return, enter your Social Security Number or PTIN and, if employed by a business, the EIN of the business. If someone other than the filer(s) prepared the return without charging a fee, then that preparer's signature is optional.

**SCHEDULE IN-112 VT TAX ADJUSTMENTS and CREDITS**

Print your name and social security number on this schedule. Use blue or black ink to make all entries.

**VT Calculation A Adjustments to Income or VT Tax**

**Part I Income from State and Local Obligations**

INTEREST AND DIVIDEND INCOME FROM NON-VT STATE AND LOCAL OBLIGATIONS ARE TAXABLE IN VT. A VT obligation is one from the State of VT or a VT municipality.

**Line 1** Enter the total interest and dividend income received from all state and local obligations exempted from Federal tax.

**Line 2** Enter the interest and dividend income from VT obligations. This may have been paid directly to you or through a mutual fund or other legal entity that invests in VT state and local obligations. If you receive this income from a mutual fund that has only a portion of its assets invested in VT state and local obligations, enter only the VT obligation amount.

**Line 3** Subtract Line 2 from Line 1. Enter result here and also on Form IN-111, Section 3, Line 12a. This is the amount of interest and dividend income from non-VT state and local obligations that must be included in VT Taxable Income.

**Part II Adjustments to VT Income Tax**

**Additions to VT Tax**

**Line 4** Tax on Qualified Plans and tax favored accounts, including IRA, HSA and MSA.

**Line 5** Recapture of Federal Investment Tax Credit from Federal Form 4255.

**Line 6** Tax on lump sum distributions from Federal Form 4972.

**Line 7** Add Lines 4 through 6 and enter result.

**Line 8** Multiply Line 7 by 24% and enter result.

**Line 9 Recapture of Vermont tax credit(s).** Contact the Department at 1-866-828-2865 (toll-free in VT) or 802-828-2865 (local or out-of-state) for information on calculating the recapture amount.

**Line 10** Add Lines 8 and 9. Enter result here and on Form IN-111, Section 4, Line 17.

**Subtractions from VT Tax**

**Line 11 Credit for Child and Dependent Care Expenses** from Federal Form 1040, Line 48; 1040A, Line 29. Do not use this line if you qualify for the Low Income Child and Dependent Care Credit. See instructions on page 9. If the Federal tax credit is based on care provided by accredited and non-accredited providers, complete the Low Income Child & Dependent Care Worksheet on page 9 to determine if the Low Income credit or 24% of the total Federal tax credit is more beneficial to you. You cannot take both credits.

**Line 12 Credit for the Elderly or the Disabled** from Federal Form 1040, Line 49 or 1040A, Line 30.

**Line 13 Investment Tax Credit** as defined by IRS Section 46 and claimed on Federal Form 3468.

**Line 14 VT Farm Income Averaging Credit** This credit is available to farmers who calculate Federal tax using Federal Schedule J. Complete the worksheet below.

**VT FARM INCOME AVERAGING WORKSHEET**  
1. Calculate and enter here Federal income tax using Federal Schedule D, Federal Schedule D Worksheet, or Federal tax rate schedules as if Schedule J was not used. 1. \$ \_\_\_\_\_  
*less*  
2. Enter Federal tax from Federal Schedule J Line 22 2. \$ \_\_\_\_\_  
3. Subtract Line 2 from Line 1. This is your VT Farm Income Averaging Credit. Enter the result on Schedule IN-112, Part II, Line 14 ..... 3. \$ \_\_\_\_\_

**Line 15** Add Lines 11 through 14.

**Line 16** Multiply Line 15 by 24% and enter result.

**Line 17 Solar Energy Investment Credit** (For Federal solar energy investment tax credit authorized by Section 48 of the Internal Revenue Code) The solar energy investment included on Line 13 receives a VT credit equal to 24% of the entire investment credit. Beginning with tax year 2008, VT allows a tax credit equal to 100% of the Federal credit for solar

energy investment in VT. Enter only the remaining 76% of the Federal solar energy investment credit in VT on this line.

**Line 18** Add Lines 16 and 17. Enter result here and on Form IN-111, Section 4, Line 19.

**VT Calculation B Credit for Income Tax Paid to Other State or Canadian Province** (FOR FULL-YEAR AND SOME PART-YEAR VT RESIDENTS ONLY)

*See Technical Bulletin 38 if you have capital gain, business income, or made adjustments to arrive at Federal Adjusted Gross Income.*

**Part-Year Residents** - Go to our web site at <http://tax.vermont.gov> or contact the Department for information on how to file for income earned in another state while a VT resident.

**Supporting Documents Required:** Copy of 2008 tax return filed in the other state(s). For Canadian Province(s), a copy of 2008 provincial tax return filed, copy of Federal Form 1116 (Foreign Tax Credit) and Revenue Canada income tax return. ➔ Convert amounts on Canadian returns to U.S. dollars.

A credit may be allowed against 2008 VT income tax for income tax paid in this tax year to another state or Canadian province on income taxed by both VT and the other taxing jurisdiction. The credit does not include city or county taxes. Credit for Canadian provincial income tax excludes the portion used as a foreign tax credit on Federal Form 1040.

**More Than One State or Province?**

- Complete a VT Calculation B for each state or Canadian province. Do not combine the income and credit of all states or Canadian provinces on one Schedule IN 112.
- Add Line 6 from each VT Calculation B to get the tax credit entry on Form IN-111, Section 5, Line 23.
- Attach a Schedule IN-112, VT Calculation B for each state or Canadian province as well as a copy of each state or Canadian provincial income tax return to your VT income tax return.

**Line 1a** Enter your adjusted gross income from sources outside VT in 2008. Include only income that is taxed by VT and also taxed by another state or Canadian province.

**Line 1b** Enter the long-term capital gains from Form IN-111, the smaller of Line 14c or 14e for the gain included in Line 1a. The capital gain included in Line 1a cannot be greater than capital gain on Federal Form 1040, Lines 13 and/or 14. The capital gain exclusion is limited to the long-term capital gain reported on Federal Form 1040, Line 13. See Technical Bulletin 38.

**Line 1c** Subtract Line 1b from Line 1a and enter result.

**Line 2a** Enter the adjusted gross income from Form IN-111, Line 10.

**Line 2b** Enter Capital Gains exclusion from Form IN-111 (the smaller of Line 14c or 14e).

**Line 2c** Subtract Line 2b from Line 2a and enter result.

**Line 3** Enter the VT Income Tax from Form IN-111, Section 4, Line 20.

**Line 4** Divide Line 1c by Line 2c; then multiply the answer by Line 3, and enter result. This is the amount of VT tax that would have been due on the income taxed in another state or Canadian province.

**Line 5** Enter the amount of 2008 tax year income tax paid to the other state or Canadian province on the income reported on Line 1c of this schedule. ➔ County and city taxes cannot be included. Use only the tax paid; withholding is not the income tax liability.

**Line 6** Enter the lesser of Line 4 or Line 5. This is the allowable tax credit. Enter this amount on Form IN-111, Section 5, Line 23.

**VT Calculation C VT Earned Income Tax Credit** (FOR FULL-YEAR AND PART-YEAR VT RESIDENTS ONLY)

Taxpayers Not Eligible for credit:

- Nonresidents of VT
- Those with filing status of Married Filing Separately or Civil Union Filing Separately.

**Supporting Documents Required:** Evidence of earned income such as W-2 or self-employment schedule(s). Part-Year Residents must also file Schedule IN-113.

Complete the Federal earned income tax credit worksheet before doing the VT calculation. A taxpayer must be allowed the Federal earned income tax credit to be eligible for the VT earned income tax credit. Vermont uses the Federal earned income tax credit definitions and rules.

➔ Eligibility questions A and B must be answered. The claim will be disallowed if the questions are not answered.

For Line 1 or Line 7: Use entry from Federal Form 1040, Line 64a; or Form 1040A, Line 40a; or Form 1040EZ, Line 8a.

**Full-Year Residents Only**

**Line 1** Enter the amount of your Federal earned income tax credit.

**Line 2** Multiply Line 1 by 32%. Enter the result and also enter on Form IN-111, Section 7, Line 31c. This is the VT earned income tax credit.

**Part-Year Residents Only**

**Line 3** Enter the amount of wages, salaries, tips, etc. from Schedule IN-113, Part I, Line 1, Columns A and B respectively.

**Line 4** Other earned income includes income from a business, partnership, or farm. Add the amounts on Schedule IN-113, Part I, Lines 6, 10, and 12, Columns A and B respectively.

**Line 5, Column A** Add Lines 3 and 4 in Column A and enter result.

**Line 5, Column B** Add Lines 3 and 4 in Column B and enter result.

**Line 6** Divide Line 5, Column B by Line 5, Column A. Enter the result as a percentage carried out to two decimal places. This is the percentage of 2008 income earned in VT that is eligible for the VT earned income tax credit.

*Example*  $\frac{\$1,200 \text{ (Line 5, Column B)}}{\$3,300 \text{ (Line 5, Column A)}} = .3636 \text{ or } 36.36\%$

**NOTE:** Adjustment can never be more than 100.00%.

**Line 7** Enter the amount of your Federal earned income tax credit.

**Line 8** Multiply Line 7 by 32% and enter result.

**Line 9** Multiply Line 8 by Line 6. Enter the result and also enter on Form IN-111, Section 7, Line 31c. This is your VT earned income tax credit.

**VT Calculation D VT Income Tax Credits**

**Line 1 VT Higher Education Investment Plan (VHEIP)**

**Supporting Document Required:** Statement or certificate from VT Student Assistance Corporation or administrator of the investment plan.

You may be eligible for a tax credit on contributions made during calendar year 2008 to the VT Student Assistance Corporation higher education investment plan. The tax credit equals 10% of the first \$2,500 of contributions per beneficiary. For jointly filed returns, each spouse can contribute to a beneficiary's account and each spouse may claim the credit for his or her contributions. Contributions made by another person not listed as the account owner (except spouses filing jointly) are not eligible for the credit.

*Example:* Canute and Olga, husband and wife, file a joint income tax return. Canute opens a VHEIP account for Junior, a grandchild, with a \$2,500 contribution in 2008. Canute also opens a VHEIP account for Sissy, a grandchild, with a \$1,000 in 2008. Olga contributes \$1,000 to Junior's account and



contributes \$3,000 to Sissy's account. Canute's contributions provide a tax credit of \$350 (10% of \$2,500 + 10% of \$1,000). Olga's tax credit is \$350 (10% of \$1,000 + 10% of \$2,500 max). The tax credit available to the joint return is \$700. The contributions may come from the spouse's joint bank account or their individual accounts.

*Example:* Ollie and Lena, husband and wife, file married separately income tax returns. Ollie opens a VHEIP account for Olaf, his son, with a \$2,500 contribution in 2008. Ollie also opens a VHEIP account for Freida, his daughter, with a \$1,000 in 2008. Lena contributes \$1,000 to Olaf's account and \$3,000 to Freida's account. Ollie's tax credit is \$350 (10% of \$1,000 + 10% of \$2,500 max). Since Lena is not a named account holder and filing separately, she cannot claim a credit.

*Example:* Briget opens an account for Arkin, her son. She contributes \$2,500 to the account in 2008. Uncle Jim also makes a \$1,000 contribution to Arkin's account. Briget's contribution provides a \$250 tax credit for her. Since Uncle Jim is not the owner of the account, he cannot claim a credit.

For more information on the VT Higher Education Investment plan, go to the VSAC website at [www.vsac.org](http://www.vsac.org) or call 1-800-637-5860 Monday through Friday, 8 a.m. to 8 p.m.

**Taxpayers receiving tax credit for Lines 2, 4 & 5 through S corporations, LLCs, LLPs, or partnerships, enter the name of each entity and its FEIN on the schedule.**

**Line 2 Angel Venture Capital Credit** A taxpayer may earn a tax credit by investing a capital gain in an eligible venture capital business. The tax credit is equal to 3% of the capital gain income invested. For more information, go to Tax Credits topic on our web site at <http://tax.vermont.gov> in the Individual section.

**Line 3 Commercial Film Production** A taxpayer may receive a credit against VT income tax if the taxpayer's state of residence also taxes income received from a dramatic performance in a commercial film production. The credit equals the difference between the income taxed at the VT tax rate and the income taxed at the other state's highest personal income tax rate.

**Line 4 Charitable Housing** A taxpayer making an investment in an eligible housing charity may receive a credit against VT income tax. The credit is the difference between the net income that would have been earned by the charitable threshold rate and the actual net income received, but not more than three percent of the average outstanding principal balance of the investment during the taxable year. The Commissioner of Housing and Community Affairs calculates the credit.

**Line 5 Qualified Sale of Mobile Home Park** A taxpayer may receive a credit against VT income tax equal to seven percent of the taxpayer's gain subject to Federal income tax on a qualified sale of a mobile home park. A qualified sale means the sale is made to a group made up of a majority of the mobile home park tenants or to a nonprofit organization representing such group. Credit exceeding the tax liability may be carried forward for up to three years.

**Line 6 Total Credits** Add entries from Lines 1-5 in Column C. Enter on Form IN-111, Line 24, **unless you claim income tax credits on Schedule IN-119**. For Schedule IN-119 filers, enter on the appropriate Schedule IN-119 line(s). To obtain Schedule IN-119, go to our web site at <http://tax.vermont.gov> or call 802-828-2515.

## SCHEDULE IN-113 INCOME ADJUSTMENT

**Supporting Documents Required:** Copies of pages 1 and 2 of Federal income tax return and any Federal schedules reporting VT income or loss.

➔ If you recomputed the Federal return for VT purposes only, use the recomputed amounts and send a copy of the Federal income tax return filed with the IRS and the recomputed return for VT tax purposes.

➔ For Married Filing Separately or Civil Union Filing Separately, all income of the individual filing must be included in Column A – not just VT income. The adjustment calculation excludes the non-VT income.

**Residents:** Use Part II to adjust for income exempt from VT income tax.

**Part-Year Residents and Nonresidents:** Complete Parts I and II. Part-Year Residents may, in some cases, be able to adjust VT income by both the VT percentage of income and credit for income tax paid to another state. The income tax paid to the other state must be for income earned in VT while a VT resident. Go to our web site at <http://tax.vermont.gov> or contact the Department for information on how to file for income earned in another state while a VT resident. See page 6 for a definition of nonresident and part-year VT income.

**PART I** (For Nonresident and some Part-Year VT Resident)

**Lines 1 - 15, Column A** Enter the income for these categories of adjusted gross income as shown on your Federal income tax return.

**NOTE:** For Line 3A - Use amount from 1040, Line 9a or 1040A, Line 9a.  
For Line 15A - Use amounts from 1040, Lines 14 and 21.  
Nonresidents: Use this line to adjust for non-VT state and local obligations and U.S. obligation interest.

**Lines 1 - 15, Column B** Enter the VT portion of your Federal adjusted gross income that is included in adjusted gross income on your Federal income tax return.

**NOTE:** For Line 3B - Use the amount of ordinary dividends received while a VT resident.  
For Line 15B - Use the amount of other income earned or received from Vermont sources.

**See examples for Line 17, Column B for proration of deductions to VT for Lines 18, 19, 21, 23, 24 and 26.**

**Line 16, Column A** Examples of other income: gambling winnings including lotteries, raffles or lump-sum payment from sale of right to receive future lottery annuity; reimbursement this year for items itemized last year such as medical expenses; interest; income from rental of personal property; taxable distributions from Coverdell ESA or Qualified Tuition Plan, medical savings account or Archer MSA.

**Line 16, Column B** Enter the portion of Other Income earned or received from VT sources.

**Line 17, Column A** Enter the Federal adjustment for Keogh, SEP, or SIMPLE deduction from 1040 Line 28; IRA deduction from 1040, Line 32 or 1040A, Line 17.

**Line 17, Column B** Enter the VT portion. This is determined by using the percentage of VT earned income to the amount of earned income reported on the Federal return. *Examples:* 1) Charles moves to VT in July. His total Federal wages are \$20,000. Charles is a VT resident for six months. He earned \$10,000 in VT. The VT portion is 50% as he earned 50% of his income in VT. Charles has an IRA deduction of \$1,000. The amount to enter in this column is 50% of \$1,000 or \$500. For a joint return, use the same allocation method, but do a separate calculation for each spouse. 2) Charlene lives in NH and earns her income in VT. Her total Federal and VT wages are \$20,000 with an IRA deduction of \$1,000. The amount to enter in this column is \$1,000. 3) Chuck lives in NH and earns income in VT. His total Federal wages are \$20,000 with \$15,000 from VT. He has a \$1,000 IRA deduction. The amount to enter in this column is 75% (\$15,000/\$20,000) of \$1,000 or \$750.

*Instructions continued on page 44*



## VT SCHOOL DISTRICT CODES

**Homeowners:** For Form IN-111, use the school district code where you owned and resided on December 31, 2008. For Form HS-122, use the school district code where you owned and resided on April 1, 2009.

**Renters:** Use the school district code where you lived on December 31, 2008. Check with your landlord or local school officials if you are not sure which code to use. Enter the school district code on Form IN-111 (if you are required to file that form) and PR-141.

**Nonresidents:** Enter **999** for the school district code on Form IN-111.

### Definitions

**HIP** (Household Income Percentage) is the percentage of your household income you pay for homestead school property tax. You pay 1.8% for statewide school property tax. Any percentage above 1.8% means your town or school district authorized spending above the State per-pupil amount.

**HEV** (Homestead Exclusion Value) is the amount of school property tax at the homestead rate on \$15,000 assessed value.

**\$200K Homestead** is the amount of school property tax at the homestead rate on \$200,000 value.

VT SCHOOL CODE	SCHOOL DISTRICT NAME	HIP HOUSEHOLD INCOME %	HEV EXEMPTION VALUE	HOMESTEAD SCHOOL TAX ON \$200K
001	ADDISON	2.94%	\$213	\$2,846
002	ALBANY	2.35%	\$170	\$2,268
003	ALBURGH	2.39%	\$174	\$2,314
004	ANDOVER	2.61%	\$189	\$2,522
005	ARLINGTON	2.75%	\$199	\$2,654
006	ATHENS	2.53%	\$184	\$2,451
255	AVERILL	1.80%	\$131	\$1,740
256	AVERY'S GORE	1.80%	\$131	\$1,740
007	BAKERSFIELD	2.27%	\$165	\$2,199
008	BALTIMORE	2.31%	\$167	\$2,233
009	BARNARD	2.90%	\$210	\$2,806
010	BARNET	2.75%	\$199	\$2,654
011	BARRE CITY	2.05%	\$149	\$1,984
012	BARRE TOWN	2.08%	\$151	\$2,019
013	BARTON	2.46%	\$178	\$2,373
014	BELVIDERE	3.32%	\$240	\$3,205
015	BENNINGTON	2.39%	\$173	\$2,310
016	BENSON	2.30%	\$168	\$2,235
017	BERKSHIRE	2.16%	\$156	\$2,083
018	BERLIN	2.68%	\$195	\$2,596
019	BETHEL	2.91%	\$211	\$2,812
020	BLOOMFIELD	1.93%	\$140	\$1,867
021	BOLTON	2.63%	\$191	\$2,542
022	BRADFORD	2.42%	\$176	\$2,341
023	BRAINTREE	2.71%	\$196	\$2,618
024	BRANDON	2.56%	\$186	\$2,480
025	BRATTLEBORO	3.08%	\$223	\$2,970
026	BRIDGEWATER	2.57%	\$186	\$2,484
027	BRIDPORT	2.95%	\$214	\$2,856
028	BRIGHTON	2.13%	\$154	\$2,054
029	BRISTOL	2.57%	\$187	\$2,496
030	BROOKFIELD	2.77%	\$201	\$2,680
031	BROOKLINE	2.51%	\$182	\$2,430
032	BROWNINGTON	2.21%	\$160	\$2,130
033	BRUNSWICK	1.80%	\$131	\$1,740
252	BUEL'S GORE	1.80%	\$131	\$1,740
034	BURKE	2.56%	\$186	\$2,473
035	BURLINGTON	2.14%	\$155	\$2,072
036	CABOT	2.74%	\$198	\$2,645
037	CALAIS	2.73%	\$198	\$2,634
038	CAMBRIDGE	2.82%	\$204	\$2,722
039	CANAAN	2.24%	\$162	\$2,165
040	CASTLETON	2.46%	\$178	\$2,379
041	CAVENDISH	3.05%	\$222	\$2,960
042	CHARLESTON	2.27%	\$165	\$2,196
043	CHARLOTTE	2.83%	\$205	\$2,730
044	CHELSEA	2.51%	\$182	\$2,429
045	CHESTER	2.49%	\$181	\$2,409
046	CHITTENDEN	2.54%	\$184	\$2,458
047	CLARENDON	2.73%	\$198	\$2,641
048	COLCHESTER	2.36%	\$171	\$2,285
049	CONCORD	2.42%	\$176	\$2,341
050	CORINTH	2.58%	\$187	\$2,490
051	CORNWALL	2.92%	\$212	\$2,822
052	COVENTRY	2.29%	\$166	\$2,217
053	CRAFTSBURY	3.09%	\$224	\$2,987
054	DANBY	2.57%	\$186	\$2,484
055	DANVILLE	2.61%	\$189	\$2,526
056	DERBY	2.15%	\$156	\$2,077

VT SCHOOL CODE	SCHOOL DISTRICT NAME	HIP HOUSEHOLD INCOME %	HEV EXEMPTION VALUE	HOMESTEAD SCHOOL TAX ON \$200K
057	DORSET	2.67%	\$193	\$2,576
058	DOVER	2.87%	\$208	\$2,778
059	DUMMERSTON	3.30%	\$239	\$3,184
060	DUXBURY	2.53%	\$184	\$2,451
061	EAST HAVEN	2.34%	\$169	\$2,259
062	EAST MONTPELIER	2.64%	\$191	\$2,551
063	EDEN	2.90%	\$210	\$2,803
064	ELMORE	2.02%	\$147	\$1,955
065	ENOSBURG	2.41%	\$175	\$2,328
066	ESSEX JUNCTION	2.80%	\$203	\$2,707
067	ESSEX TOWN	2.87%	\$208	\$2,777
070	FAIR HAVEN	2.47%	\$179	\$2,383
068	FAIRFAX	2.14%	\$155	\$2,073
069	FAIRFIELD	2.22%	\$161	\$2,151
071	FAIRLEE	2.87%	\$181	\$2,413
072	FAYSTON	2.72%	\$198	\$2,636
257	FERDINAND	1.80%	\$131	\$1,740
073	FERRISBURGH	2.62%	\$190	\$2,535
074	FLETCHER	2.39%	\$174	\$2,315
075	FRANKLIN	2.06%	\$149	\$1,989
076	GEORGIA	2.26%	\$164	\$2,184
258	GLASTENBURY	1.80%	\$131	\$1,740
077	GLOVER	2.40%	\$174	\$2,317
078	GOSHEN	2.21%	\$160	\$2,136
079	GRAFTON	2.41%	\$175	\$2,328
080	GRANBY	2.02%	\$146	\$1,953
081	GRAND ISLE	2.53%	\$183	\$2,443
082	GRANVILLE	3.10%	\$225	\$2,995
083	GREENSBORO	2.84%	\$206	\$2,745
084	GROTON	2.56%	\$185	\$2,470
085	GUILDHALL	2.03%	\$148	\$1,967
086	GUILFORD	3.02%	\$219	\$2,920
087	HALIFAX	2.24%	\$162	\$2,161
088	HANCOCK	2.58%	\$187	\$2,498
089	HARDWICK	2.70%	\$196	\$2,610
090	HARTFORD	2.57%	\$186	\$2,486
091	HARTLAND	2.82%	\$205	\$2,729
092	HIGHGATE	2.17%	\$158	\$2,102
093	HINESBURG	2.84%	\$206	\$2,748
094	HOLLAND	2.18%	\$158	\$2,104
095	HUBBARDTON	2.26%	\$164	\$2,188
096	HUNTINGTON	2.60%	\$189	\$2,514
097	HYDE PARK	2.69%	\$196	\$2,608
098	IRA	2.75%	\$199	\$2,658
099	IRASBURG	2.15%	\$156	\$2,082
100	ISLE LA MOTTE	2.39%	\$173	\$2,309
101	JAMAICA	2.74%	\$198	\$2,643
102	JAY	2.37%	\$173	\$2,300
103	JERICO	2.53%	\$184	\$2,452
253	JERICO ID	2.53%	\$184	\$2,448
104	JOHNSON	2.60%	\$188	\$2,513
185	KILLINGTON	3.05%	\$221	\$2,943
105	KIRBY	2.82%	\$204	\$2,725
106	LANDGROVE	2.84%	\$206	\$2,743
107	LEICESTER	2.72%	\$197	\$2,630
108	LEMINGTON	2.11%	\$153	\$2,039
259	LEWIS	1.80%	\$131	\$1,740
109	LINCOLN	2.54%	\$184	\$2,457
110	LONDONDERRY	2.95%	\$213	\$2,846

VT SCHOOL CODE	SCHOOL DISTRICT NAME	HIP HOUSEHOLD INCOME %	HEV EXEMPTION VALUE	HOMESTEAD SCHOOL TAX ON \$200K
111	LOWELL	1.91%	\$138	\$1,839
112	LUDLOW	2.78%	\$201	\$2,684
113	LUNENBURG	2.14%	\$155	\$2,065
114	LYNDON	2.41%	\$175	\$2,333
115	MAIDSTONE	2.90%	\$210	\$2,806
116	MANCHESTER	2.74%	\$199	\$2,653
117	MARLBORO	2.64%	\$191	\$2,550
118	MARSHFIELD	2.33%	\$169	\$2,255
119	MENDON	1.98%	\$144	\$1,915
120	MIDDLEBURY	2.99%	\$217	\$2,898
121	MIDDLESEX	2.72%	\$197	\$2,632
122	MIDDLETOWN SPRINGS	2.73%	\$198	\$2,639
123	MILTON	2.42%	\$176	\$2,344
124	MONKTON	2.65%	\$192	\$2,565
125	MONTGOMERY	2.09%	\$152	\$2,022
126	MONTPELIER	2.59%	\$188	\$2,505
127	MORETOWN	2.68%	\$195	\$2,595
128	MORGAN	2.22%	\$161	\$2,146
129	MORRISTOWN	2.15%	\$156	\$2,077
130	MOUNT HOLLY	2.75%	\$199	\$2,658
131	MOUNT TABOR	2.22%	\$161	\$2,147
135	NEW HAVEN	2.68%	\$195	\$2,602
132	NEWARK	2.42%	\$176	\$2,342
133	NEWBURY	2.45%	\$178	\$2,377
134	NEWFANE	2.60%	\$188	\$2,509
136	NEWPORT CITY	2.35%	\$170	\$2,270
137	NEWPORT TOWN	2.45%	\$178	\$2,369
138	NORTH BENNINGTON ID	2.74%	\$199	\$2,651
140	NORTH HERO	2.70%	\$196	\$2,614
139	NORTHFIELD	2.64%	\$191	\$2,551
141	NORTON	1.80%	\$131	\$1,740
142	NORWICH	3.02%	\$219	\$2,918
143	ORANGE	2.59%	\$188	\$2,502
144	ORLEANS	2.58%	\$187	\$2,494
145	ORWELL	2.56%	\$186	\$2,477
146	PANTON	2.63%	\$191	\$2,541
147	PAWLET	2.27%	\$165	\$2,197
148	PEACHAM	2.71%	\$197	\$2,620
149	PERU	2.91%	\$211	\$2,808
150	PITTSFIELD	2.58%	\$187	\$2,497
151	PITTSFORD	2.65%	\$192	\$2,558
152	PLAINFIELD	2.33%	\$169	\$2,255
153	PLYMOUTH	2.56%	\$185	\$2,471
154	POMFRET	2.86%	\$207	\$2,766
155	POULTNEY	2.89%	\$210	\$2,797
156	POWNAI	2.69%	\$195	\$2,597
157	PROCTOR	2.94%	\$213	\$2,839
158	PUTNEY	2.92%	\$212	\$2,822
159	RANDOLPH	2.66%	\$193	\$2,568
160	READING	2.96%	\$215	\$2,864
161	READSBORO	1.80%	\$131	\$1,740
162	RICHFORD	2.24%	\$163	\$2,167
163	RICHMOND	2.46%	\$179	\$2,382
164	RIPTON	2.96%	\$214	\$2,857
165	ROCHESTER	2.70%	\$196	\$2,607
166	ROCKINGHAM	2.73%	\$198	\$2,636
167	ROXBURY	2.62%	\$190	\$2,536
168	ROYALTON	2.35%	\$171	\$2,273
169	RUPERT	2.40%	\$174	\$2,323
170	RUTLAND CITY	2.36%	\$171	\$2,281
171	RUTLAND TOWN	2.70%	\$196	\$2,607
172	RYEGATE	2.56%	\$185	\$2,470
173	SAINT ALBANS CITY	2.37%	\$173	\$2,301
174	SAINT ALBANS TOWN	2.38%	\$173	\$2,301
175	SAINT GEORGE	2.42%	\$176	\$2,344
176	SAINT JOHNSBURY	2.51%	\$182	\$2,430
177	SALISBURY	2.98%	\$216	\$2,881
178	SANDGATE	3.19%	\$231	\$3,085
179	SEARSBURG	1.91%	\$139	\$1,848
180	SHAFTSBURY	2.66%	\$192	\$2,563
254	SHAFTSBURY ID	2.74%	\$199	\$2,651
181	SHARON	2.64%	\$191	\$2,549

VT SCHOOL CODE	SCHOOL DISTRICT NAME	HIP HOUSEHOLD INCOME %	HEV EXEMPTION VALUE	HOMESTEAD SCHOOL TAX ON \$200K
182	SHEFFIELD	2.36%	\$171	\$2,279
183	SHELburne	2.67%	\$194	\$2,582
184	SHELDON	2.31%	\$167	\$2,228
186	SHOREHAM	3.01%	\$219	\$2,913
187	SHREWSBURY	2.44%	\$177	\$2,358
260	SOMERSET	1.80%	\$131	\$1,740
188	SOUTH BURLINGTON	2.81%	\$204	\$2,718
189	SOUTH HERO	2.47%	\$179	\$2,386
190	SPRINGFIELD	2.66%	\$193	\$2,573
191	STAMFORD	1.83%	\$133	\$1,773
192	STANWARD	2.57%	\$186	\$2,483
193	STARSBORO	2.64%	\$191	\$2,548
194	STOCKBRIDGE	2.57%	\$186	\$2,482
195	STOWE	2.74%	\$199	\$2,651
196	STRAFFORD	2.59%	\$188	\$2,502
197	STRATTON	2.86%	\$207	\$2,765
198	SUDBURY	2.72%	\$197	\$2,627
199	SUNDERLAND	2.91%	\$211	\$2,812
200	SUTTON	2.50%	\$181	\$2,418
201	SWANTON	2.20%	\$159	\$2,124
202	THETFORD	2.99%	\$217	\$2,895
203	TINMOUTH	2.79%	\$202	\$2,699
204	TOPSHAM	2.58%	\$187	\$2,490
205	TOWNSHEND	2.72%	\$197	\$2,626
206	TROY	2.05%	\$148	\$1,978
207	TUNBRIDGE	2.30%	\$167	\$2,226
208	UNDERHILL ID	2.53%	\$184	\$2,448
209	UNDERHILL TOWN	2.52%	\$183	\$2,444
210	VERGENNES	2.60%	\$189	\$2,516
211	VERNON	2.96%	\$216	\$2,914
212	VERSHIRE	2.87%	\$208	\$2,777
213	VICTORY	2.10%	\$152	\$2,027
214	WAITSFIELD	2.61%	\$189	\$2,522
215	WALDEN	2.31%	\$168	\$2,236
216	WALLINGFORD	2.81%	\$204	\$2,718
217	WALTHAM	2.64%	\$192	\$2,554
218	WARDSBORO	2.68%	\$194	\$2,591
261	WARNER'S GRANT	1.80%	\$131	\$1,740
219	WARREN	2.60%	\$189	\$2,518
262	WARREN'S GORE	1.80%	\$131	\$1,740
220	WASHINGTON	2.23%	\$162	\$2,158
221	WATERBURY	2.50%	\$182	\$2,420
222	WATERFORD	2.44%	\$177	\$2,359
223	WATERVILLE	2.79%	\$202	\$2,694
224	WEATHERSFIELD	3.01%	\$218	\$2,907
225	WELLS	2.33%	\$169	\$2,257
226	WELLS RIVER	2.56%	\$185	\$2,470
227	WEST FAIRLEE	2.87%	\$208	\$2,777
230	WEST HAVEN	2.09%	\$152	\$2,024
234	WEST RUTLAND	2.47%	\$179	\$2,383
235	WEST WINDSOR	2.76%	\$200	\$2,667
228	WESTFIELD	2.11%	\$153	\$2,043
229	WESTFORD	2.47%	\$179	\$2,390
231	WESTMINSTER	2.75%	\$199	\$2,653
232	WESTMORE	2.75%	\$199	\$2,656
233	WESTON	2.92%	\$211	\$2,813
236	WEYBRIDGE	2.82%	\$204	\$2,726
237	WHEELOCK	2.36%	\$171	\$2,279
238	WHITING	2.64%	\$192	\$2,560
239	WHITINGHAM	2.92%	\$212	\$2,822
240	WILLIAMSTOWN	2.41%	\$175	\$2,330
241	WILLISTON	2.58%	\$187	\$2,494
242	WILMINGTON	2.89%	\$209	\$2,790
243	WINDHAM	2.89%	\$210	\$2,799
244	WINDSOR	2.62%	\$190	\$2,529
245	WINHALL	2.90%	\$210	\$2,803
246	WINDSOR	2.40%	\$174	\$2,319
247	WOLCOTT	2.41%	\$174	\$2,326
248	WOODBURY	2.74%	\$199	\$2,655
249	WOODFORD	2.06%	\$149	\$1,990
250	WOODSTOCK	2.89%	\$210	\$2,797
251	WORCESTER	2.74%	\$199	\$2,650

# Instructions for Form HS-122

Complete Section A to declare a homestead.

Section B must also be completed to claim a property tax adjustment.

## Homestead Declaration AND Property Tax Adjustment Claim

**WITHDRAWING A HOMESTEAD DECLARATION OR PROPERTY TAX ADJUSTMENT CLAIM:** If you file Form HS-122 before April 1, 2009 and then sell your home before April 1, 2009, you must file HS-122W to withdraw this form. If the Homeowner files HS-122 but dies before April 1, 2009, see page 46.

**BUYING A HOME:** If you buy a home on or before April 1, 2009, you are responsible for filing the homestead declaration. If you buy a home after April 1, 2009, the seller is responsible for filing a homestead declaration if the seller used the property as a principle home. The property tax adjustment amount is allocated to the seller upon closing unless the parties agree otherwise.

**DUE DATE** File Form HS-122 as early as possible. Due date is APRIL 15, 2009. Form HS-122 may be filed separately from your income tax return. **No extension of time to file is available and an extension of time to file an income tax return does not apply to the Form HS-122.** See *Late Filed Forms* for additional filing opportunity.

**TIMELY FILING** A return mailed through the U.S. Post Office is considered timely if received at the Department within 3 business days of the due date. Electronic filing or bringing the return to the Department in person requires that the return be received by the Department on or before the due date to be timely.

**LATE FILED FORMS** Filings after April 15 but on or before September 1 are late but you can still declare a homestead and claim property tax adjustment. Homeowners filing after September 1 are taxed at the higher school tax rate and are ineligible to claim property tax adjustment. Late filing penalties apply to all forms filed after April 15. See page 45 for description of late filing penalties.

**Form HS-122 Section A, VT Homestead Declaration, must be filed** even if past the September 1 due date when the property was your principal home April 1, 2009.

**AMENDING FORM HS-122** See page 46.

SEE PAGES 46-48 OF THE BOOKLET FOR information on *Homestead, Nonresidential Property, Selling the Property, and Special Situations and Ownership.*

### LINE-BY-LINE INSTRUCTIONS

#### SECTION A 2009 VT HOMESTEAD DECLARATION

##### ALL RESIDENT VT HOMEOWNERS MUST FILE SECTION A.

The Declaration identifies property as the homestead of a VT resident and the property is taxed at the homestead school property tax rate. A different school property tax rate applies to nonresidential properties.

**Who Must File:** You must file a declaration if you: 1) Expect to be a VT resident on April 1, 2009; and 2) Own and occupy the VT property as your principal home on April 1, 2009. Only one eligible owner needs to file the Homestead Declaration.

Individuals holding a life estate or living in the home they transferred to a revocable trust also file the declaration. If homeowner is deceased, see page 46. The declaration must be filed even if you are not required to file an income tax return, you do not claim a property tax adjustment, or you miss the September 1 due date.

**Homeowner Information:** Enter your Social Security number, name, and address and, if applicable, the Social Security number and name for your spouse or civil union partner. Enter your date of birth. *Example:* Enter March 27, 1946 as 03 27 1946

**Location:** Enter the physical location of the homestead (street or road name). *Examples:* 123 Maple Street 276 Route 12A

Please do not enter post office box, "same", "see above", or town name here.

**Line A1 VT School District Code:** Enter the 3-digit school district code where you lived on April 1, 2009. Most towns print this code on the property tax bill. A school district code chart is available on our web site at <http://tax.vermont.gov> or see page 13. If you are not sure of your school district code, check with your town clerk. ➔ Be sure to use the school district code and town where your housesite is located. This may be different from the town used as your mailing address.

**Line A2 Legal Residence:** Enter the town or city name of legal residence. If you live where there is both a city and town with the same name, please specify city or town. *Examples:* Rutland City or Rutland Town Barre City or Barre Town

**Line A3 SPAN (School Property Account Number):** This is a unique identification number assigned by the town. Enter the 11-digit number printed on your property tax bill located in the Housesite information. Be sure to verify your SPAN as your property tax adjustment is credited to the property tax bill for the SPAN entered on this form.

➔ Use whole numbers and round to the nearest percentage for Lines A4 and A5.

**Line A4 Business Use of Home:** Enter percentage used for business. Enter 00.00%

if there is no business use or the business use is 25% or less. See page 47 for further information.

**Line A5 Rental Use of Home:** Enter percentage rented out. Any rental use is required; there is NO exempt threshold like business use. See page 47 for further information.

**Line A6 Business or Rental Use of Improvements and Other Buildings on the Property:**  Check the applicable "Yes" or "No" box. Check the "Yes" box if any improvements or other buildings are rented out or used for business.

**Lines A7-A10 Special Situations:**  Check the box if one of these situations applies to you. Homes on farm property are defined in 32 V.S.A. §5401(7). See page 48 for information on trusts and life estates.

#### SECTION B PROPERTY TAX ADJUSTMENT

➔ Section B must be completed to claim a property tax adjustment.

**Supporting Documents Required:** Schedule HI-144, Household Income. If applicable, include Landlord Certificate for Line B10 entry, OR the statement from your land trust, cooperative, or nonprofit mobile home park for property tax allocated to your lot or portion of property for Lines B11 and B12 entries.

#### Lines B1 - B3 Eligibility Questions

➔ **ALL questions must be answered to process return.**

Check the appropriate "Yes" or "No" box for B1, B2, and B3 to determine your eligibility.

**Line B4 Housesite Value** as of April 1, 2008 from the 2008/2009 property tax bill. See page 48 for information on a home purchased in 2008 or new construction.

➔ For household income of \$90,000 or more, the adjustment will be calculated using the property tax on a \$200,000 housesite value.

**Line B5 Housesite Education Property Tax** Enter the housesite education property tax shown on your 2008/2009 property tax bill.

**Line B6 Housesite Municipal Property Tax** Enter the housesite municipal property tax shown on your 2008/2009 property tax bill.

**Line B7 Total Parcel Acres** Enter the total number of acres shown on your 2008/2009 property tax bill. If you have more than 2 acres and are eligible for an adjustment, you receive \$10 per acre, up to 5 acres, on land over the housesite 2 acres. Payment is made on whole acres only. **NOTE:** Household incomes of \$90,000 or more are not eligible for this acreage payment.

**Line B8 Ownership Interest** If you and the members of your household are the only owners, enter 100.00% on this line. If someone other than a member of the household is an owner, see *Ownership Situations* on page 47.

**Line B9 Household Income** Enter the amount from Schedule HI-144, Line t. See page 48 for information on extended income tax returns and household income.

If applicable, complete Line B10 OR Lines B11 and B12, but not all three.

**Line B10 Mobile Home Lot Rent** If your mobile home is located in a for-profit park, use the amount from Line 16 or Line 22 from the Landlord Certificate, LC-142.

**Lines B11 & B12 Allocated Property Tax from Land Trust, Cooperative, or Nonprofit Mobile Home Park** Obtain a statement from your land trust, cooperative, or nonprofit mobile home park showing the education and municipal property tax allocable to your housesite. Enter the amounts on these lines and include the statement with this form.

**Maximum 2009 property tax adjustment is \$8,000.** A worksheet on page 43 is available to calculate your property tax adjustment.

The property tax adjustment is a credit towards your 2009/2010 property tax bill. The town issues you a property tax bill for the balance due.

#### SECTION C SIGNATURE REQUIRED

**Date** Write the date on which the form was signed.

**Disclosure Authorization** To give the Department authorization to discuss your 2009 VT Homestead Declaration and Property Tax Adjustment with your tax preparer,  check this box and include the preparer's name.

**Preparer** If you are a paid preparer, you must also sign the claim, enter your Social Security number or PTIN and, if employed by a business, the EIN of the business. If someone other than the filer(s) prepared the return without charging a fee, then that preparer's signature is optional.



# Instructions for Form PR-141 Renter Rebate Claim

The Renter Rebate Program refunds to eligible renters the portion of rent paid that exceeds an established percentage for household income.

**LANDLORD'S CERTIFICATE** The law requires landlords with more than 4 residential rental units to provide you with a completed certificate by January 31. Landlords with 4 or less residential rental units provide the certificate upon your request. Landlords complete the section on property taxes only upon request. You must have a Landlord's Certificate, LC-142, completed by the landlord for each rental unit occupied in calendar year 2008.

**UNABLE TO GET A CERTIFICATE FROM YOUR LANDLORD?** You may still file a renter rebate claim. Complete a Landlord's Certificate including your landlord's name, address, and telephone number, attach copies of your cancelled checks or receipts for rent paid, and attach a letter explaining why you could not get a Landlord's Certificate. To obtain a Landlord's Certificate, contact the Department at 802-828-2515, or e-mail [taxforms@state.vt.us](mailto:taxforms@state.vt.us) or fax to 802-828-2701.

**DUE DATE: APRIL 15, 2009** Claims may be filed up to SEPTEMBER 1, 2009. **Returns filed after September 1st cannot be accepted regardless of the reason the claim could not be filed.** Claims may be filed separately from your income tax return, Form IN-111.

**TIMELY FILING** The Department considers a renter rebate claim timely filed when it is mailed through the U.S. Post Office and the Department receives it within 3 business days of the due date. If you bring the renter rebate claim to the Department in person, you must deliver it on or before the return due date.

**REQUESTS FOR ADDITIONAL INFORMATION** You may be asked to supply additional information to clarify items on your claim. The request does not mean you filed improperly or that your claim has been selected for an audit.

**MISSING INFORMATION OR INCOMPLETE FILING** Claims with incomplete or missing information are not considered filed. The information must be provided by the September 1 filing deadline or our request date, whichever is later. Information received after that time cannot be accepted.

**OFFSET OF REBATE OR INJURED SPOUSE CLAIMS** Do you or your spouse or civil union partner owe tax or money to a VT state agency? VT law allows a claim against your renter rebate for unpaid bills for tax or other VT State agencies. Other agencies include Office of Child Support, Department of Corrections, VT courts, student loan agencies, and VT State Colleges.

If your spouse is responsible for the bill, and you are not, you need to file an "injured spouse" claim for your portion of the renter rebate. You may receive the portion of the renter rebate equal to the percentage of your income to the combined income of you and your spouse or civil union partner. See page 4 for filing an "injured spouse" claim.

➔ The Department will notify you if the renter rebate is offset. You have 30 days from the date on the notice to submit the injured spouse claim to the Department.

**AMENDING or CHANGING RENTER REBATE INFORMATION** Correcting household income is the only amendment or change allowed. See page 48 for more information.

## ELIGIBILITY FOR RENTER REBATE

You must meet ALL of the following eligibility requirements:

- You were a legal resident of VT for the entire calendar year 2008; and
- You were not claimed in 2008 as a dependent of another taxpayer; and
- Your household income in 2008 does not exceed \$47,000; and
- You are the only person in the household making a renter rebate claim; **and**
- You rented for all 12 months in 2008. See page 47 for the one exception.

➔ **DECEASED RENTER:** You may not file a claim on behalf of a deceased person. The right to file a renter rebate claim is personal to the Claimant and does not survive the Claimant's death.

➔ **NURSING OR RESIDENTIAL CARE HOME:** The Renter Rebate Claim is for room charge only. Services such as heat, electricity, personal services, medical services, etc., are deducted from the total. Generally, the room charge is 25% of the home's total charges to the person. For a percentage greater than 25%, the nursing home or residential care home must provide a breakout of costs. Payments by Medicaid on behalf of the Claimant to the nursing home are not part of rent paid.

**NOTE:** A person residing in a nursing or residential care home owning a homestead with a sibling or spouse can claim a renter rebate if the sibling or spouse does not make a property tax adjustment claim.

## LINE-BY-LINE INSTRUCTIONS

➔ Complete Schedule HI-144 FIRST. If Line t is more than \$47,000, you are ineligible.

**Supporting Documents Required:** Schedule HI-144 and LC-142

**Claimant's Date of Birth** Enter your date of birth (you are the claimant). *Example:* March 31, 1946, enter as 03 31 1946.

**Claimant Information** **REQUIRED entries.** Enter your name, your spouse or civil union partner (if applicable) name, mailing address and Social Security number(s). The rebate is issued to the name(s) and address on record. The Claimant is the leaseholder or the person responsible for the rent. **Only one claim per household allowed.**

**Line 1 VT School District Code: REQUIRED entry.** Go to the table on page 13 and select the three-digit school district code for the town where you lived on December 31, 2008.

**Line 2 Legal Residence: REQUIRED entry.** Enter your legal residence as of December 31, 2008. Your legal residence is where you live and may be different from your mailing address. If you live where there is both a city and town with the same name, please specify the one in which you reside. *For example:* St. Albans City or St. Albans Town.

**Location of Rental Property: REQUIRED entry.** Enter the physical location of the homestead. *Examples:* 133 Main Street, Apt 2C; 425 Farm Road 210 US Rt 7N Please do NOT enter post office box, "same", "see above," or the town name.

**Eligibility Questions** **REQUIRED entries.** Check the appropriate "Yes" or "No" box for Q1 and Q2 to determine your eligibility.

## Rebate Calculation

**Line 3 Allocable Rent** Enter from the Landlord's Certificate, LC-142, the greater of Line 16 or Line 22. **MORE THAN ONE LANDLORD'S CERTIFICATE:** Add the greater of Line 16 or Line 22 from each certificate and enter on this line. File all LC-142s with your claim.

**NOTE:** Renter rebate claims based on the rental unit's property tax will be adjusted if your landlord charges you rent below market rate because you are related to the landlord, you hold an ownership interest in the rental unit, or for any other reason. The property tax will be adjusted to reflect the ratio of the rent charged to the fair market rent established by the Federal Housing and Urban Development Agency. See Technical Bulletin TB-28.

**Line 4 Home Use** If you use more than 25% of your rental unit's floor space for business purposes, the allowable rent amount is adjusted. The percentage of business use is generally the same percentage used on your Federal income tax return when there is more than 25% business use. To calculate business use, divide the square feet used for business by the total square feet in the rental unit. *Example:* You use an 11' x 12' room for an office and inventory storage. Your rental unit is 484 square feet (including the business use). Your business use is  $11 \times 12 = 132 \text{ sf} / 484 = 27.00$  business use. Entry on Line 4 for home use is 73.00 (100% - 27%). If all home use, or business use is 25% or less, enter 100.00% on Line 4.

**Line 5 Allowable Rent for Rebate Claim** Multiply Line 3 by Line 4.

**Line 6 Household Income** Enter the amount from Schedule HI-144, Line t. See page 48 for definition of household income.

**Line 7 Maximum Percentage of Income for Rent** Use the chart to find your household income group and applicable percentage. Enter that percentage here.

**Line 8 Maximum Allowable Rent for Household Income** Multiply Line 6 by Line 7. If Line 8 is more than or the same as Line 5, you are not eligible.

**Line 9 Renter Rebate Amount** Subtract Line 8 from Line 5. This is your 2008 renter rebate. ➔ If you are filing the renter rebate claim with your 2008 VT income tax return, also enter this amount on Form IN-111, Section 7, Line 31d. You will be issued one check combining any income refund or rebate due you.

**Signature** **REQUIRED** Sign the claim.

**Date** Write the date on which the claim form was signed.

**Disclosure Authorization** If you wish to give the Department authorization to discuss your 2008 Renter Rebate Claim with your tax preparer,  check this box and include the preparer's name.

**Preparer** If you are a paid preparer, you must also sign the claim, enter your Social Security number or PTIN and, if employed by a business, the EIN of the business. If someone other than the filer(s) prepared the return without charging a fee, then that preparer's signature is optional.



# *Instructions for Lifeline Telephone Service Credit*

## **What is the Lifeline Telephone Credit?**

The Lifeline program provides a credit of at least \$13.00 on the monthly telephone bills of income-eligible Vermont residents.

## **Who is eligible for the Lifeline Telephone Credit?**

Two groups of Vermont residents with telephone service are eligible for the credit. You are eligible if you reside in Vermont, have phone service, and

- you will be 65 or older by June 15, 2009 and your household income is less than \$24,500;

**OR**

- you are under 65 and your household income is less than \$21,000

You need to submit an application for Lifeline credit each year.

## **What income must be included?**

You must include your Adjusted Gross Income (Federal Form 1040, Line 37; or 1040A, Line 21; or 1040EZ, Line 4). This is before deduction of any loss from a trade or business, partnership, small business corporation, rental property or capital loss. This is added to all other taxable and non-taxable income such as alimony, support money, cash public assistance and relief, cost of living allowance, serviceman's dependent allowances, gross amount of pensions and annuities, railroad retirement benefits, Social Security payment, veteran's benefit act payments, nontaxable interest received from Federal or state instrumentality, unemployment and worker's compensation, gross amount of "lost time" insurance and total capital gains. It does not include gifts from nongovernmental sources, food stamps, relief in kind supplied by a government agency, or payments made by the State for foster care or care of a developmentally disabled person.

## **When and how do you apply?**

All eligible telephone subscribers should mail the completed application on or before June 15, 2009 to:

**Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401**

Electronic submissions are not accepted. Applications submitted after June 15, 2009 will not be considered for the credit this year. To request a waiver of this deadline by the Agency of Human Services, applicants must submit in writing the reason for failure to meet the June 15, 2009 deadline.

The application may be submitted with your Vermont tax forms. If you are not required to file, you may send just this application to the VT Department of Taxes.

The VT Agency of Human Services processes your application. Your telephone company will receive notice of your eligibility and apply the credit to the telephone account of the name, telephone number and customer code you write on this application. It is very important the information on the application matches the information with your telephone company. **Before mailing your application, check your telephone bill for the spelling of your name, your telephone number, and the customer code that follows your telephone number.** If it is convenient, attach a copy of your telephone bill to this application.

## **When will the Lifeline Credit begin?**

If this is the first time you applied for the Lifeline credit, it may take up to three (3) months for the credit to appear on your telephone bill.

## **Do all telephone companies participate in Lifeline?**

No. Only the companies listed in "Company Codes" below must offer the Lifeline discount. Other companies may offer a Lifeline discount, but are not required to do so and do not get reimbursed for their Lifeline costs.

## **Company Codes for participating telephone companies**

FairPoint Northern New England . . . . .	001
FairPoint Telecom . . . . .	002
Franklin Telephone . . . . .	003
Ludlow TDS . . . . .	004
Northfield TDS . . . . .	005
Perkinsville TDS . . . . .	006
Shoreham Telephone . . . . .	007
Topsham Telephone . . . . .	008
Unicel . . . . .	009
Vermont Telephone . . . . .	010
Waitsfield CV Telecom . . . . .	011

## **How can I get answers to my questions about Lifeline?**

For more information about the application or the credit

- Seniors call the Senior HelpLine at 1-800-642-5119 to reach your local area agency on aging;
- Under 65 call the AHS Economic Services Division (formerly PATH) at 1-800-287-0589.

Persons who receive Reach Up, Food Stamps, Medicaid, or Fuel Assistance benefits may be eligible to apply year-round for Lifeline through the AHS Economic Services Division. To apply, contact your Economic Services Division district office.

**YOU MUST REAPPLY FOR LIFELINE EACH YEAR.**

# PROPERTY TAX ADJUSTMENT WORKSHEET

YOU MAY USE THIS WORKSHEET TO ESTIMATE YOUR PROPERTY TAX ADJUSTMENT. PLEASE NOTE THAT IF YOU DESIGNATE ANY OF YOUR INCOME TAX REFUND TO PAY YOUR PROPERTY TAX, OR IF YOU OWE A DEBT TO THE STATE OR FEDERAL GOVERNMENT, THE ADJUSTMENT AMOUNT SENT TO YOUR TOWN WILL DIFFER FROM THE AMOUNT CALCULATED ON THIS FORM. THE DEPARTMENT WILL NOTIFY YOU IN JULY OF THE ADJUSTMENT AMOUNT SENT TO THE TOWN.

UNLESS OTHERWISE SPECIFIED, LINE REFERENCES ARE TO THIS WORKSHEET.

HIP (from chart on page 13) ..... **HIP.** \_\_\_\_\_

HEV (from chart on page 13) ..... **HEV.** \_\_\_\_\_

200K Homestead School Tax (from chart on page 13) ..... **200K.** \_\_\_\_\_

## EDUCATION PROPERTY TAX ADJUSTMENT CALCULATION (Adjustments phase out at approximately \$97,000 household income)

1. Housesite Education Tax ..... 1. \_\_\_\_\_  
 If Household Income (Form HS-122, Line B9) is *less than \$90,000*, enter total of amounts from Form HS-122, Lines B5 and B11.  
 If Household Income (Form HS-122, Line B9) is *\$90,000 or more*, enter **lesser of** the total of amounts from Form HS-122, Lines B5 and B11 **OR** \$200,000 value (200K) above.

2. Adjustment of Housesite Education Tax for Ownership (Multiply Line 1 by Form HS-122, Line B8) ..... 2. \_\_\_\_\_

3. Income-sensitized Housesite Education Tax (Multiply Form HS-122, Line B9 by HIP above) ..... 3. \_\_\_\_\_

4. Housesite Education Tax Adjustment (Subtract Line 3 from Line 2).  
 If Line 3 is more than Line 2, enter "0" ..... 4. \_\_\_\_\_

5. Acreage Adjustment ..... 5. \_\_\_\_\_  
 If Household Income (Form HS-122, Line B9) is *\$90,000 or more*, enter zero.  
 If Line 4 is *more than zero AND* Household Income is *less than \$90,000*, multiply up to 5 **additional acres** not included in housesite by \$10.

6. Education Property Tax Adjustment amount (Add Lines 4 and 5, but not more than \$8,000) ..... 6. \_\_\_\_\_

## ADDITIONAL ADJUSTMENT FOR CLAIMANTS WITH HOUSEHOLD INCOME OF \$47,000 OR LESS

7. Value Method and Ownership Adjustment (Multiply HEV above by Form HS-122, Line B8) ..... 7. \_\_\_\_\_

8. Subtract Line 7 from Line 2 ..... 8. \_\_\_\_\_

9. Housesite Education Tax Adjustment (Subtract the **lesser of** Line 3 or 8 from Line 2) ..... 9. \_\_\_\_\_

10. Education and Municipal Housesite Tax (Add Form HS-122, Lines B5, B6, B11, and B12) ..... 10. \_\_\_\_\_

11. Ownership adjustment (Multiply Line 10 by Form HS-122, Line B8)..... 11. \_\_\_\_\_

12. Plus property tax allocable from mobile home lot rent (Add amounts from Line 11 and Form HS-122, Line B10) ..... 12. \_\_\_\_\_

13. Maximum property tax for income (Multiply Form HS-122, Line B9 by percentage from chart below that corresponds to your income level)..... 13. \_\_\_\_\_

If Household Income is:	\$0 - 9,999	\$10,000 - 24,999	\$25,000 - 47,000
Use this %:	2.0%	4.5%	5.0%

14. Property Tax Exceeding Household Income Percentage (Subtract Line 13 from Line 12) ..... 14. \_\_\_\_\_

15. Enter the larger of Line 9 or Line 14 ..... 15. \_\_\_\_\_

16. Acreage Adjustment ..... 16. \_\_\_\_\_  
 If Line 14 is *more than zero*, multiply up to 5 **additional acres** not included in housesite by \$10.

17. Property Tax Adjustment to be credited towards your 2008/2009 property tax bill.  
 Add Lines 15 and 16, but not more than \$8,000 ..... 17. \_\_\_\_\_

**Line 18, Column A** Enter the amount for Student Loan Interest from 1040, Line 33 or Form 1040A, Line 18.

**Line 18, Column B** Enter the portion of Student Loan Interest paid while a VT resident.

**Line 19, Column A** Enter the amount of expenses for reservists, performing artists or fee-basis government officials from 1040, Line 24.

**Line 19, Column B** Enter the portion of the Employee Deductions paid or incurred while a VT resident.

**Line 20, Column A** Enter the combined amounts of self-employment tax from 1040, Line 27, self-employed health insurance from 1040, Line 29.

**Line 20, Column B** Enter the VT portion of these self-employment deductions. Entries are based on where tax or insurance was imposed.

**Line 21, Column A** Enter the deduction amount for Health Savings Account from 1040, Line 25.

**Line 21, Column B** Enter the VT portion paid while a VT resident.

**Line 22, Column A** Enter the amount for moving expenses from 1040, Line 26.

**Line 22, Column B** The VT portion for moving expenses are expenses incurred for a move into VT.

**Line 23, Column A** Enter the amount for penalty on early withdrawal of savings from 1040, Line 30.

**Line 23, Column B** The VT portion of penalty on early withdrawal of savings is the penalty imposed during VT residency.

**Line 24, Column A** Enter the amount for Alimony from 1040, Line 31a.

**Line 24, Column B** The VT portion is the alimony paid during VT residency.

**Line 25, Column A** Enter the amount for Domestic Production Activities from 1040, Line 35.

**Line 25, Column B** If you used the Domestic Production Activities deduction, go to <http://tax.vermont.gov> or contact the Department for instructions on calculating the VT portion.

**Line 26, Column A** Enter the combined amounts of Educator Expenses from 1040, Line 23 or 1040A, Line 16, and Tuition and fees from 1040, Line 34 or 1040A, Line 19.

**Line 26, Column B** The VT portion of Educator Expenses and Tuition and fees during VT residency.

**Deductions not listed but included on 1040, Line 36 or 1040A, Line 20**

**Line 27, Column A** Enter deduction(s) to AGI that are included in the total on Form 1040, Line 36 or Form 1040A, Line 20. *Examples:* repayment of supplemental unemployment compensation, certain attorney or court costs for unlawful discrimination claim. See Federal instructions for Form 1040, Line 36 or 1040A, Line 20 for other deductions and more information.

**Line 27, Column B** Enter the portion of the deductions paid or incurred during your VT residency or resulting from VT income earned or received.

**Dates of VT Residency in 2008** Enter the dates you lived in VT in 2008.

**Name of State(s) During Non-VT Residency** Write the names of the other states, Canadian provinces, or countries where you were a resident in 2008.

## **PART II Adjustment for VT Exempt Income**

**Line 32** If Part I completed, enter the amount on Line 29. Otherwise, enter Adjusted Gross Income from Form IN-111, Section 2, Line 10.

**Line 33 Part-Year Residents and Nonresidents:** Enter the amount from Part I, Line 31. **Full-Year Residents:** Enter 0.

**Line 34** Enter the amount of VT exempt military pay received in 2008 that is included in your Federal adjusted gross income. Exempt military pay is:

I. Wages earned from the armed services for full-time active duty outside of VT. **Supporting Documents Required:** Copy of active duty orders.

II. Up to \$2,000 for National Guard or U.S. Reserve training pay earned in VT if your adjusted gross income for tax year 2008 is less than \$50,000. **Supporting Documents Required:** Copy of DFAS form or certification statement from unit that all training was completed during the calendar year.

III. Student loan repayment can be taken only if the amount is included in your adjusted gross income. Enter the repayment benefit made under 10 U.S.C. Chapters 109 and 1609 for 2008 year. **Supporting Documents Required:** Certification statement from armed services showing your name, address, social security number, amount of student loan repayment, and payment date.

➔ Deployed members of the National Guard or U.S. Reserve may be eligible for exemption of both full-time military pay and monthly training.

➔ Persons assigned by their employer to work on a military project are not members of the armed services.

**Line 35 Federal Employment Opportunity** Enter the amount of wages or expenses required to be added back to Federal AGI under IRC Sections 280C or 44.

**Line 36** Enter the amount you received in 2008 for Regular Railroad Retirement Benefits (Tier 1) and Supplemental Railroad Annuity Payments (Tier 2). This income is taxable at the Federal level, but exempt from VT income tax. If you receive social security that includes Tier 1 or Tier 2 benefits, enter only the portion included in your Federal adjusted gross income. **Supporting Documents Required:** Copy of 1099, 1099RB, WP-4 or any other document you received showing payment of these benefits.

**Line 37** Enter the amount paid by the State of VT to a family for the support of an eligible person with a developmental disability, as defined in 18 V.S.A. §8722(2). This exclusion does not apply to income of caretakers or contractors hired by the family or guardian of the person with a developmental disability, even if the payment comes directly from the State. ➔ This amount may be excluded only if the payment is included in your adjusted gross income.

**Line 38** Enter the amount or the portion eligible for VT business expenses made to comply with the Americans with Disabilities Act under Internal Revenue Code §44. **Supporting Documents Required:** Copy of Federal form.

**Line 39 (For Nonresidents Only)** Enter the amount of VT income earned for a dramatic performance in a commercial film production that is excluded from income tax in your state of legal residence.

**Line 40** Enter the amount of interest or income you received from a bond or note of the VT Telecommunications Authority.

**Line 41** Add Lines 33 through 40 and enter result. This is the total amount of income not subject to VT income tax. ➔ No entry is needed on this line if you did not have entries on Lines 33 - 40.

**Line 42** Subtract Line 41 from Line 32. This is the VT income subject to tax.

**Line 43** Divide Line 42 by Line 32. Enter result and also on Form IN-111, Section 4, Line 21.

➔ Carry out to two decimal places.

*Example:*  $\frac{\text{Line 42 } \$ 4,000}{\text{Line 32 } \$18,000} = .2222 \times 100 = 22.22\%$

**NOTE:** If Line 42 (VT income) equals or exceeds Line 32 (adjusted gross income), enter 100.00% and also on Form IN-111, Section 4, Line 21.

If Line 32, 33, 41, or 42 is negative, go to the Department web site at <http://tax.vermont.gov> or call 866-828-2865 (toll-free in VT) or 802-828-2865 for instructions.

## SCHEDULE IN-119 VT TAX CREDITS

Schedule IN-119 is not included in this booklet. Use Schedule IN-119 if you have a tax credit not listed on Schedule IN-112, VT Calculation D. This schedule may be downloaded from forms on <http://tax.vermont.gov> or mailed to you by calling 802-828-2515. See tax credit information on our web site for more information.



## SCHOOL PROPERTY TAX RATES AND PROPERTY TAX ADJUSTMENT

(FOR FULL-YEAR VT RESIDENTS ONLY)

The State of VT funds public education through a statewide property tax. VT offers property tax relief to eligible homeowners based on a percentage of their household income.

### GENERAL INFORMATION

**School Property Tax Rates** VT towns classify property on their grand lists as either homestead or nonresidential. A different school property tax rate applies to homestead and nonresidential properties.

**Homestead Property** is owned and occupied by a VT resident as his or her principal home on April 1, and declared as a homestead on Form HS-122, Section A, that is filed with the VT Department of Taxes. A Homestead Declaration must be filed each year.

**Nonresidential Property** is (1) property used for commercial purposes, or as a camp, second home or summer cottage, (2) property not declared as a homestead by the due date, or (3) property not used as a homestead on April 1.

**VT Homestead Declaration** A Homestead Declaration must be filed each year by VT resident homeowners who own and occupy property as their principal home on April 1. Persons who hold a life estate to their home or who transferred the home into a revocable trust also file a Homestead Declaration. To declare a homestead, complete Section A of Form HS-122 and file it with the VT Department of Taxes. Property tax adjustment is available only for properties declared as homestead.

**Property Tax Adjustment** The property tax adjustment assists VT residents to pay property tax and is based on a percentage of household income. Homeowners eligible for an adjustment are those who (1) owned and occupied the property as a principal home on April 1; (2) were a VT resident all of calendar year 2008; (3) were not claimed as a dependent by another taxpayer for tax year 2008; and (4) household income is \$97,000 or less in 2008. The adjustment is credited to your property tax and the town issues a bill for any balance due. The 2009 property tax adjustment is based on 2008 household income and 2008/2009 property taxes. To make a claim for property tax adjustment, file Form HS-122, Section B with the VT Department of Taxes.

**WITHDRAWING THE HOMESTEAD DECLARATION OR PROPERTY TAX ADJUSTMENT CLAIM:** Use Form HS-122W for the following situations:

- You file Form HS-122 before April 1, 2009 and sell your home before April 1, 2009. See page 48 for *Buying and Selling Property*.
- The homeowner files Form HS-122 but dies prior to April 1, 2009

and the spouse, civil union partner, or other owner of the property is not living in the homestead. See page 46 for *Deceased Homeowner*.

**BUYING A HOME:** If you buy a home on or before April 1, 2009, you are responsible for filing the homestead declaration. If you buy a home after April 1, 2009, the seller is responsible for filing a homestead declaration, if applicable. The property tax adjustment amount is allocated to the seller upon closing unless the parties agree otherwise.

**FORM HS-122 Declaration of VT Homestead and Property Tax Adjustment Claim**

**TIMELY FILING** Form HS-122 is due April 15, 2009. **No extension of time is available.** A return mailed through the US Post Office will be considered timely if it is received by the Department within 3 business days of the due date. If you file electronically or bring the return to the Department in person, the Department must receive the return on or before the due date to be timely.

**Filing Form HS-122 on or before April 15, 2009:**

- The property will be classified as a homestead on the town grand list and taxed at the homestead school property tax rate
- Eligible homeowners will receive a credit on their 2009/2010 property tax on July 1, 2009
- Eligible homeowners will receive a property tax bill from the town for any balance due

**EXTENSION OF TIME NOT AVAILABLE** An extension of time to file an income tax return does NOT apply to Form HS-122. Property tax adjustment claims are accepted only up to September 1, 2009.

**DETERMINING HOUSEHOLD INCOME WHEN YOU HAVE AN EXTENSION OF TIME TO FILE YOUR INCOME TAX RETURN** If you are not able to determine your household income, complete Schedule HI-144 household income using the best information available and complete Section B of Form HS-122 no later than September 1, 2009. You are responsible for filing an amended Schedule HI-144 when your income is known. See page 48 for information on amending or changing household income.

**LATE FILING** A Form HS-122 filed after April 15, 2009 is late, but you can file a late Form HS-122 up to September 1, 2009 and still declare a homestead and make a property tax adjustment claim.

**Filing a late Form HS-122 between April 15 and September 1, 2009 means:**

- The property will be classified as a homestead on the town grand list and taxed at the homestead school property tax rate
- Late filing penalties will be charged
- Eligible homeowners will receive a credit on their 2009/2010 property tax on September 15, 2009
- Depending on when your town sends property tax bills, you may receive a revised property tax bill in September

**Filing a late Form HS-122 after September 1, 2009 means:**

- The property will remain classified as nonresidential on the town grand list and taxed at the higher of the school property tax rates
- No property tax adjustment claim may be made
- Late filing penalties will be charged

**LATE FILING PENALTIES** apply as follows:

**Filing a late Form HS-122 Declaration after April 15**

- 1% of the correct school property tax will be billed and collected by the town

**Filing a late Form HS-122 adjustment claim after April 15, 2009**

- A \$15 reduction in the property tax adjustment amount

**APPEALING THE LATE FILING PENALTY** The late filing penalty must be appealed to the town. The law provides for a hardship appeal.



Hardship is defined as full-time active military duty outside of VT; serious illness or disability of the homestead owner; or serious illness, disability or death of an immediate family member of the homestead owner.

**REQUESTS FOR ADDITIONAL INFORMATION** You may be asked to supply additional information on your Form HS-122. Such a request does not necessarily mean that you filed improperly. These requests are a routine part of processing returns.

**MISSING INFORMATION OR INCOMPLETE FILING** Returns with incomplete or missing information are not considered filed. You will be given an opportunity to complete the return. The information must be provided by September 1, 2009 or our request date, whichever is later. Information received after that time cannot be accepted and the return will be considered unfiled.

**INJURED SPOUSE CLAIMS** Does your spouse or civil union partner owe money to a VT state agency and you filed a joint property tax adjustment claim? The property tax adjustment may be used to pay the bill. If your spouse is responsible for the bill, and you are not, you need to file an "injured spouse" claim for your portion of the property tax adjustment. You may receive the portion of the property tax adjustment equal to your ownership percentage of the homestead.

To make an "injured spouse" claim, send in an envelope separate from your return (1) the request letter; (2) copy of Federal Form 8379 (if you filed one with the IRS); (3) documentation of your ownership interest to: VT Department of Taxes, ATTN: Injured Spouse Unit, PO Box 1645, Montpelier VT 05601-1645. Electronic filers also send copies of statement of income such as W-2, 1099, etc.

➔ The Department will notify you if the property tax adjustment will be used to pay a bill to the State of VT. You have 30 days from the date on the notice to submit the injured spouse claim to the Department.

**AMENDING or CHANGING PROPERTY TAX PROGRAM RETURNS** Only household income reported on Schedule HI-144 can be amended or changed. See page 48 for more information.

### **PROPERTY TAX ADJUSTMENT CALCULATION FOR HOUSEHOLD INCOMES**

**Household Income \$47,000 or less** Eligible homeowners receive an adjustment to education property tax based on a percentage of household income OR the education property tax on \$15,000, whichever is more. These homeowners may also be eligible for additional adjustments on municipal property tax.

**Household Income between \$47,001 and \$89,999** Eligible homeowners receive an adjustment to education property tax based on a percentage of household income.

**Household Income \$90,000 or more** Eligible homeowners receive an adjustment to education property tax based on a percentage of household income. Eligible property tax for adjustment is limited to a maximum of \$200,000 housesite value. Generally, homeowners with household income of \$97,000 or more do not receive an adjustment.

**Maximum property tax adjustment for 2009 is \$8,000.**

### **DEFINITIONS FOR PROPERTY TAX ADJUSTMENT CLAIM**

**Allocable Mobile Home Lot Rent** means rent for a lot in a for-profit mobile home park as calculated on LC-142, Landlord's Certificate.

**Allowable Property Tax** means the property tax on the portion of the housesite you own and occupy as a home. See property tax adjustment calculation for household income for limitation. If the housesite is owned by you and other person(s), see *Ownership Situations* on page 47.

**Cooperative** means a housing corporation organized under 11 V.S.A. Chapter 14.

**Domiciled** means, for purposes of declaring a VT homestead, that VT is your home state, and you own and occupy the property as your principal home on April 1, 2009. For purposes of a property tax adjustment claim, the homeowner must also have been domiciled in VT all of 2008. For

factors considered when determining domicile, see VT Department of Taxes Regulation 1.5811.

**Education Tax Allocated from Land Trust, Co-Op or Nonprofit Mobile Home Park** means the education property tax on the portion of land owned by one of these entities that is part of your housesite.

**Homeowner** means a person who owns and occupies the housesite as his or her principal home and meets the eligibility requirements for a property tax adjustment. Only one homeowner need file the homestead declaration. One claim for property tax adjustment per household is allowed. There can be joint homeowners if both homeowners own and occupy the housesite as his or her principal home. See definition of *Joint Homeowners*.

**Homestead** means your principal home and improvements and all contiguous land. (**NOTE:** A separate parcel contiguous to your homestead requires a separate declaration for each parcel.)

**Household and Household Income** See page 48.

**Housesite** means the portion of the homestead that is the home owned and occupied by the Homeowner as his/her primary home plus improvements and up to two acres of land.

**Joint Homeowners** means *Homeowners* who jointly own and occupy the homestead as their principal home.

**Land Trust** means a nonprofit corporation or community land trust exempt under Section 501(c)(3) of the Internal Revenue Code. The corporation's purpose must be the creation or retention of affordable housing for lower income Vermonters and its bylaws must require that such housing be maintained as affordable housing for lower income Vermonters on a perpetual basis.

**Legal Separation** means an order that discusses the financial obligations and disposition of assets of the parties that is issued by a court that may grant an absolute divorce or civil union dissolution. A preliminary order in a divorce case or civil union dissolution may also be accepted as evidence of legal separation

**Municipal Tax Allocated from Land Trust, Co-Op or Nonprofit Mobile Home Park** means the municipal property tax on the portion of land owned by one of these entities that is used as part of your housesite.

**Nonprofit Mobile Home Park** means a corporation exempt under Section 501(c)(3) of the Internal Revenue Code, or its wholly owned subsidiary which has as its purpose the preservation of housing for low income families; or a housing cooperative organized under 11 V.S.A. Chapter 14.

**Nonresidential Property** means all property not properly declared as a homestead, and property used for commercial, rental, business, or vacation purposes such as a camp or second home.

**Spouse** means the husband, wife, or civil union partner of the *Homeowner*.

### **SPECIAL SITUATIONS**

**Deceased Homeowner** An estate may file a Homestead Declaration on behalf of a deceased homeowner if the property was the decedent's homestead at the time of death and, from the date of death through the next April 1, the property is held by the estate of the decedent and not rented.

An estate cannot make a Property Tax Adjustment Claim on behalf of a deceased Homeowner. If a Homeowner files a property tax adjustment claim but dies prior to April 1, the estate must withdraw the claim and repay any adjustment issued. If a Homeowner dies on or after April 1 after filing a timely property tax adjustment claim, the commissioner may pay the adjustment to the town on behalf of another member of the household with ownership interest.

A surviving spouse or civil union partner who owns and lives in the homestead and meets the eligibility requirements can become the Homeowner.

**Delinquent Property Tax** The 2009 property tax adjustment applies first to the current year property tax. The municipality may use any remaining adjustment towards penalties, interest, or prior year property taxes.

**Homestead and Nonresidential Property Use** A property may be classified as both homestead and nonresidential. When a portion of the property is a homestead and a portion is used for business purposes or rented out, the following rules apply:

**Business Use:** No business use or business use of 25% or less: the entire property will be taxed at the homestead school property tax rate. Enter 00.00% on Form HS-122, Section A, Line A4. More than 25% business use: enter the appropriate percentage on Form HS-122, Section A, Line A4. Your property tax bill will show both a homestead and nonresidential school property tax rate. Generally, the business use percentage is the same as reported on your Federal income tax return. Examples for calculating nonresidential use are: (a) 1,800 square foot home with 635 square feet used as a home office and inventory storage. The 35.28% is business use (635/1,800) is rounded to 35.00%. The portion used for business is taxed at the nonresidential rate. (b) 1,200 square foot home with 250 square feet used as a home office. The 20.83% business use (250/1,200) is rounded to 21%. Because this is less than 25%, enter 00.00%.

**Rental Use:** The portion of your home that you rent to another person is not part of your home and is taxed at the nonresidential tax rate. All rental use must be reported. **There is no 25% allowance for rentals.** When there is rental use, your property tax bill will show both a homestead and nonresidential school property tax rate. The rental use percentage is generally the same as reported on your Federal income tax return. Enter the percentage on Form HS-122, Section A, Line A5. Example for calculating nonresidential rental use is: 1,800 square foot home with 365 square feet rented. The 20.27% rental use (365/1,800) is rounded to 20.00%. Eighty percent of your home will be taxed at the homestead rate and twenty percent at the nonresidential rate.

**Nursing Home or Residential Care for Other Owner** If the Homeowner is age 62 or older and the other owner of the housesite is the Homeowner's sibling or spouse who has moved indefinitely from the housesite to a nursing home or a residential care facility, the Homeowner treats his or her claim as if he or she is the only owner, provided the sibling or spouse does not make a claim for the same housesite or does not file a Renter Rebate Claim.

**Renting at the End of the Year** If you owned a VT homestead in 2008, sold the homestead before April 1, 2008, rented on December 31, 2008, and your 2008 household income is \$47,000 or less, you may be eligible for a renter rebate for rent paid in 2008. **NOTE:** This is the only situation where a renter rebate can be for less than 12 months rental.

## **OWNERSHIP SITUATIONS**

**Age 62 or Older in 2008** If the Homeowner shares ownership of the housesite with his or her descendant(s), the full housesite value and property tax may be claimed, even if the other owners (descendants) are not members of the household. A letter of explanation may be requested.

**Divorced or Legally Separated Joint Owners** If you are (1) divorced or legally separated from your spouse, and (2) the name of your former spouse or spouse from whom you are separated remains on the deed, and (3) you are awarded possession of the home, you can claim the percentage of the housesite property tax for which you are responsible under the final divorce decree or court order. If the divorce decree or court order does not specify responsibility for the property taxes, the person residing in the home declares the property as his or her homestead and is allowed 50% ownership of the housesite. The person not living in

the home cannot make a property tax adjustment claim. *Examples:* (1) Dan and Lynn are divorced/legally separated but both names stay on the deed. Lynn is given possession of the home and 100% responsibility for the property taxes. Lynn declares the property as her homestead on Form HS-122, Section A. She uses the housesite value and housesite property taxes from the property tax bill and enters 100% ownership interest on Form HS-122, Section B, Line B8. (2) Ethan and Myrna are divorced/legally separated but both names stay on the deed. Myrna has possession of the home and Ethan has 100% responsibility for the property taxes. Myrna declares the property as her homestead on Form HS-122, Section A. She cannot claim property tax adjustment as she is not responsible for the property taxes. Ethan cannot claim property tax adjustment as he does not live in the home. (3) James and Elizabeth are divorced/legally separated but both names stay on the deed. Elizabeth lives in the home, but the divorce decree/court order does not say who is responsible for the property taxes. Elizabeth declares the property as her homestead on Form HS-122, Section A. She uses the housesite value and housesite property taxes from the property tax bill and enters 50% ownership interest on Form HS-122, Section B, Line B8. James cannot claim property tax adjustment as he does not live in the home. These rules also apply to ex-Civil Union partners upon dissolution.

You may be asked for a copy of the portions of the court document showing the court, date filed, signature page, and the housesite-related provisions.

**Duplex Housing BOTH OWNERS OCCUPY THE BUILDING AS THEIR PRINCIPAL HOME**, the eligible housesite property tax is the tax on the portion owned by each Homeowner. If the town issues a property tax bill to each Homeowner for only his or her portion of the housesite, use the housesite value and property tax information on the bill. If the property tax bill is for the total property, the Homeowner uses the housesite value and property taxes pro rated for his or her ownership interest. *Examples:* (1) Jack and Jill own a duplex and each occupy half as their principal home. The town sends them a property tax bill for their respective units. Jack and Jill declare the property as their homestead on Form HS-122, Section A. They use the housesite value and housesite property taxes from their property tax bill and enter 100% ownership on Form HS-122, Section B Line B8. (2) Sally and Sara own a duplex home and each occupies their half as their principal home. The town sends one property tax bill. Either Sally or Sara declares the property as a homestead on Form HS-122, Section A. They file separate property tax adjustments and use half of the housesite value on Form HS-122, Section B, Line B4, half the housesite property tax on Form HS-122, Section B, Line B5 (and if applicable B6) and enter 100% ownership interest on Form HS-122, Section B, Line B8.

**ONE OWNER DOES NOT OCCUPY HIS OR HER PART OF THE BUILDING AS A PRINCIPAL HOME**, the owner occupying the building as his or her principal home pro rates ownership interest by the other owner's interest. *Examples:* (1) Tom and Jerry own a duplex. Tom lives in the duplex but Jerry moved out and rents out his portion. The town issues a property tax bill to each owner. Tom declares the property as his homestead on Form HS-122, Section A. Since Jerry holds a half ownership interest in Tom's property, Tom uses the housesite value and housesite property tax from his property tax bill and enters 50% ownership on Form HS-122, Section B, Line B8. (2) Jane and her brother Dick own a duplex. Dick occupies his portion of the property as his principal home. Jane rents her side of the duplex to others. The town issues one property tax bill for the property. Dick declares his portion of the property as a homestead on Form HS-122, Section A and enters 50% rental use on Form HS-122, Section A, Line A5. He uses half the housesite value and housesite property tax from the property bill on Form HS-122, Section B, Line B5 (and if applicable B6) and enters 50% ownership interest on Form HS-122, Section B Line B8 to adjust for Jane's 50% ownership in his property.

**Entity Ownership** When an entity such as a C or S corporation, partnership or limited liability company owns the property, the property cannot be claimed as an individual's homestead. There is an exception for entity ownership of a farm. See Reg. 1.5401.

**Life Estate** A person who holds a life estate interest in a property that he or she occupies as a principal home must declare the property as a homestead. Check Box A8 in Section A of Form HS-122. A life estate is an interest in the property conveyed through a deed and recorded in the town records. The deed does not have to be attached to Form HS-122 but must be available for review upon Department request.

**Shared Ownership of the Housite** When a housesite is owned by someone other than the Homeowner and member(s) of the household, the eligible property tax or housesite value is the percentage owned by the household members. *Examples:* (1) James, Grace and Lucinda jointly own a home and all live in the home. Lucinda is the Homeowner. She declares the property as a homestead on Section A of Form HS-122. She enters the amount found on the property tax bill for the housesite value on Form HS-122, Section B, Line B4, the housesite property tax on Form HS-122, Section B, Line B5 (and if applicable B6) and enters 100% ownership interest on Section B, Line B8 as all owners live in the home; (2) Tim and Dan own a home. Tim lives in the home. Dan does not. Tim is the Homeowner. He declares the property as his homestead on Form HS-122, Section A. He enters the amount found on the property tax bill for the housesite value on Form HS-122, Section B, Line B4, the housesite property tax on Form HS-122, Section B, Line B5 (and if applicable B6) and enters 50% ownership interest on Form HS-122, Section B, Line B8 to adjust for ownership interest of Dan who does not live in the household.

**Trust Ownership** A home owned by a trust is not a homestead unless it is the principal home of the grantor and sole beneficiary of the trust, and the trust is revocable or becomes irrevocable solely by reason of the grantor's death. The term "sole beneficiary" is satisfied if a husband and wife or civil union partners together are the only beneficiaries of the trust. Check the box on Form HS-122, Section A, Line A7 if trust ownership meets this definition. The trust document does not have to be attached to Form HS-122 but must be available for review upon Department request.

## **BUYING AND SELLING PROPERTY**

➔ **Buying after April 1, 2008** If the property was declared a homestead as of April 1, 2008 by the seller, use the property tax bill issued to the previous owner. If the property was not declared as a homestead as of April 1, 2008 but you can declare it as your homestead on April 1, 2009, request the town clerk to provide the housesite value and 2008 property tax information for the property as if it were a homestead on April 1, 2008.

➔ **Buying on or before April 1, 2009** If you buy the property that you will use as your principal home, you are responsible for filing a 2009 homestead declaration on this property by the due date.

➔ **Selling the Property on or Before April 1, 2009** If you filed Form HS-122, but sell the property on or before April 1, 2009, you are responsible for withdrawing the homestead declaration and property tax adjustment claim. You will be responsible for repayment of a property tax adjustment if issued. Use Form HS-122W available at <http://tax.vermont.gov> or calling 802-828-2515. **NOTE:** If you purchase, own and occupy a new home by April 1, 2009, you are the one responsible for filing Form HS-122 for your new home.

➔ **Selling the Property after April 1, 2009** If you filed the Form HS-122, but sold the property after April 1, 2009, the property tax adjustment amount is allocated to the seller upon closing unless the parties agree otherwise. The property tax adjustment is your payment on the 2009 property taxes and needs to be considered at the closing when pro-rating the property taxes.

## **NEW CONSTRUCTION**

➔ **2008 New Construction** If you are declaring as your homestead a newly constructed home in 2008, use the value of any site improvements

or structure in existence and up to two acres of land recorded on the town's grand list as of April 1, 2008.

## **SCHEDULE HI-144 HOUSEHOLD INCOME**

Complete this schedule first. If your household income is within the limits, complete Form HS-122, Sections A and B for property tax adjustment or Form PR-141 for renter rebate.

**AMENDING or CHANGING HOUSEHOLD INCOME** You can amend, or change, the household income reported on Schedule HI-144 that accompanied original filing of Form HS-122 or Form PR-141. The amendment must be done within three years from either the April or September due date on which you filed the original form.

Use Schedule HI-144 for the applicable year to amend household income. Enter the correct household income and mark on the top of the HI-144 "AMENDED." Send the amended HI-144 separately from any other returns being filed with the Department.

**EXTENDED INCOME TAX RETURN** Extension of time to file the income tax return does **NOT** apply to Form HS-122, Declaration of VT Homestead and Property Tax Adjustment Claim or Form PR-141, Renter Rebate Claim. If you cannot determine your household income (for instance, self-employed, K-1 statements, or other information is not yet available) by the due date for the property tax adjustment or renter rebate claim, file Form PR-141 or HS-122 and complete Schedule HI-144 with the best information available. See above for amending or changing household income. **You are responsible for filing an amended HI-144 when you know your actual household income.**

### **Definitions**

**Adjusted Gross Income** means the amount on your Federal income tax return 1040 Line 37, Form 1040A Line 21, or 1040EZ Line 4.

**Cash Equivalent** means stocks, bonds, treasury obligations, certificates of deposit or other instrument convertible to cash.

**Claimant** means the person who makes a renter rebate claim. The Claimant is the eligible person responsible for paying the rent or the leaseholder. Only one claim for renter rebate can be made per household, but there may be joint Claimants.

**Gifts from a Nongovernmental Source** means aid or assistance by a nonprofit organization (for example a church, the Red Cross, Salvation Army etc.) to help the recipient meet a living expense. The gift may be food, clothing, fuel, or cash to pay a utility or the rent. This is different from gifts of cash or cash equivalents.

**Homeowner** means a person who owns and occupies the housesite as his or her principal dwelling and meets the eligibility requirements for a property tax adjustment. Only one claim for property tax adjustment can be made per household.

**Household** means the Homeowner or Claimant, his or her Spouse or CU Partner, and Other Persons who lived in the home at any time during calendar year 2008.

**Homesharing Agreement** means a written agreement issued through a Homeshare VT agency that specifies the terms and obligations of the homeowner and person sharing the home. The homeowner and home sharer must submit an application to the agency. See <http://www.ddas.vermont.gov/ddas-programs/programs-residential-alternatives/ddas-programs-default-page> at the VT Department of Disability, Aging and Independent Living under Housing and Residential Support for more information on homesharing.

**Household Income** means the Federal Adjusted Gross Income with additions or subtractions of specified taxable and nontaxable income for you, your Spouse or CU Partner, and all *Other Persons* for the time they lived



with you during calendar year 2008. *Example:* If a roommate resides from September to December 2008, you include the income he or she received during those months.

**ADDITIONS:** Before the deduction of any trade or business loss, loss from a partnership, loss from a small business or "subchapter S" corporation, loss from a rental property, or capital loss: (1) alimony received; (2) support money other than gifts; (3) gifts of cash or cash equivalents received by the household that exceed \$6,500.00; (4) cash public assistance and relief; (5) cost of living allowances paid to federal employees; (6) allowances received by dependents of servicemen and women; (7) the earnings from Roth IRA investment included in distribution but not included in adjusted gross income; (8) railroad retirement benefits; (9) payments received under the federal Social Security Act; (10) all benefits under Veterans' Acts; (11) federal pension and annuity benefits not included in adjusted gross income; (12) nontaxable interest received from the state or federal government or any of its instrumentalities; (13) workers' compensation; (14) gross amount of "loss of time" insurance; (15) amount of capital gains excluded from adjusted gross income; (16) income of a Spouse or CU Partner from whom you are not legally separated even if that Spouse or CU Partner does not live in the household; (17) all income from members of the household that is not specifically excluded below; and (18) room and board paid to you by a member of the household.

➔ For capital gain and loss, see instructions for Line i.

➔ Contact the Department or go to the website for information on when the income of a grantor to a trust may need to be included.

**EXCLUSIONS:** (1) Property tax adjustment or renter rebate from the State of VT; (2) first \$6,500 of income earned by a full-time student who qualifies as your dependent; (3) first \$6,500 of income received by a parent who qualifies as your dependent; (4) first \$6,500 of income received by an adult disabled child who qualifies as your dependent; (5) payment made by the State of VT for foster care pursuant to Chapters 49 and 55 of Title 33; (6) payment made by State of VT or an agency designated in Section 8 of Title 18 for flexible family funding or adult foster care payments (formerly difficulty of care payments) to an individual for support of an eligible person with a developmental disability as defined under subdivision 8722(2) of Title 18; (7) gifts from nongovernmental sources; (8) surplus food or other relief in kind supplied by a government agency; (9) the contribution portion of a pension or annuity distribution if the contribution was included in adjusted gross income in the year of contribution; (10) the income of a person living in the household under a written homesharing agreement; (11) income of a person living in the household who is a bona fide employee hired to provide personal care to a household member and is not related to the person to whom the care is provided; (12) income of a Spouse age 62 or older on December 31, 2008 who does not live in the household and has moved permanently to a nursing home or other care facility; and (13) income of a person residing with the homeowner who is age 62 or is disabled for the primary purpose of providing attendant care services or homemaker services or companionship services that allow the homeowner to remain in his or her home or to avoid institutionalization.

**ADJUSTMENTS:** You may subtract from household income (1) Social Security and Medicare taxes withheld, and self-employment taxes paid by the individual; (2) child support money paid if substantiated by receipts or other evidence as required; and (3) adjustments to Federal Adjusted Gross Income from 1040 Line 36 or 1040A Line 20. **Self-employed - See instructions for Lines o and q.**

**Household Living Expenses** are costs associated with maintaining the household such as mortgage, rent, food, utilities, etc.

**Other Persons** means children, relatives, friends, housemates, domestic partners, or any other persons who lived with you at any time during calendar year 2008.

**Support Money** means cash, payment of housing expenses for the Homeowner or Claimant, or other financial assistance that provides the

means for the Homeowner or Claimant to live in the homestead or rental unit. This is different from gifts of cash or cash equivalents.

## INSTRUCTIONS

**Homeowner / Claimant Information** *This is a REQUIRED entry.* Write your name and your spouse's or civil union partner's name (if applicable) and Social Security number(s) in the entry boxes provided.

Write the name(s) and Social Security number(s) of *Other Persons* who had income and lived in the household in calendar year 2008. Attach additional sheet of paper if needed.

**Lines a through m** Enter the income in the appropriate column for all members of the household in calendar year 2008. This is both taxable and nontaxable income. Entries cannot be less than zero (i.e. negative or loss amount).

**Line n** Add Lines a through m for each column and enter the results in the appropriate column entry boxes.

### Special Notes

**Line g** Report alimony, child support payments, support money received and used for personal living expenses, and gift(s) of cash or cash equivalent that exceed \$6,500 per household.

**Line h** Enter the amount of income you had from a business. ➔ If you have a loss, enter 0. You can net a business loss against a capital gain if it occurred in the same tax year and for the same business.

**Line i** A business may be eligible to net a loss against a capital gain on the sale of business property if (1) the Internal Revenue Code would require the income to be reported if the sale had been a capital gain; (2) the loss and capital gain were both realized in 2008 tax year; and (3) the loss and gain are for the same business. When netting a loss creates negative capital gain, enter 0. ➔ Capital gains excluded from adjusted gross income must be reported as household income. This includes the capital gain from the sale of your dwelling that is excluded from Federal tax.

**Line j** Report taxable distributions of retirement and deferred compensation plans and accounts, and annuities as household income. Distribution from a Roth IRA is not reported as household income, but the income from earnings of a Roth IRA investment is reported when that income is not included in adjusted gross income. Non-qualified distributions from retirement and deferred compensation accounts or annuities that become subject to Federal tax must be reported as household income. Federal pension and annuity benefits, taxable and nontaxable, are reported as household income in the year received.

**Lines k and l** Enter the income from rent on Line k. Enter the income from farming or distribution from a pass-through entity on Line l. ➔ If you have a loss, enter 0. You can net a business loss against a capital gain if it occurred in the same tax year and for the same business.

**Line m** Enter other types of household income not specifically listed. Examples include but are not limited to: prizes and awards, gambling or lottery winnings, director's fees, employer allowances, taxable refunds, allowances received by dependents of armed service personnel, military subsistence payments, and any other items of income not specifically excluded whether taxable or nontaxable. ➔ Do not include your renter rebate or your property tax adjustment.

### Adjustments

**Entries cannot be less than zero (i.e. negative or loss amount).**

**Line o** See Technical Bulletin 42. You may deduct Social Security and Medicare taxes withheld from the wages included in household income. See W-2 box for Social Security tax withheld and Medicare tax withheld.

**Exceptions:** Do NOT use the amounts on the W-2 for 1) Deferred compensation that is not reported in Federal adjusted gross income but upon which Social Security and Medicare taxes have been withheld. Reduce this adjustment by 7.65% of the deferred amount. *Example:* You

participate in a deferred compensation plan. Total wages of \$55,000 (including the deferred amount) are subject to Social Security/Medicare tax. Social Security/Medicare tax withholding is \$4,125. You deferred \$5,000 which is not required to be reported in household income. The Social Security/Medicare tax on the \$5,000 cannot be used on this line. Multiply the deferred amount by 7.65% and subtract that amount from the Social Security and Medicare taxes on the W-2 or 1099. 2) Portion of income exempted from household income that is reported in Federal adjusted gross income upon which Social Security and Medicare taxes have been withheld. The Social Security and Medicare taxes are reduced to the amount reported in household income. *Example:* The first \$6,500 of income earned by a full-time student who qualifies as your dependent is exempted. The student earns \$10,000 and has \$750 withheld for Social Security/Medicare taxes. You may deduct the Social Security/Medicare taxes on the \$3,500 included in household income. Multiply the \$3,500 by the Social Security/Medicare tax withholding rate ( $\$3,500 * 7.65\% = \$268$ ); 3) Self-employed homeowners or claimants may deduct the self-employment tax paid on Federal Form 1040, Line 27 provided the income is included in household income. Include a copy of Federal Schedule SE.

**Self-employment tax reported on this line must be subtracted from the adjustments reported on Line q.** *Example:* Taxpayer pays \$1,500 self-employment tax on Federal Form 1040, Line 27. Taxpayer's spouse

had \$1,000 Social Security and Medicare taxes withheld from wages. The entry on Line o is \$2,500. When Taxpayer reports the \$3,000 adjustments from Federal Form 1040, Line 36 or 1040A, Line 20, the entry on Line q of HI-144 is \$1,500 (\$3,000 less \$1,500 self-employment reported on Line o of HI-144).

**NOTE:** The deduction is for taxes only. Medicare premiums withheld from Social Security payments are not an allowable adjustment. If you are not required to file a VT income tax return, include copies of your W-2 or 1099 forms.

**Line p** Child support payments made in 2008 by any member of your household may be deducted from household income when documentation is provided. Documentation includes proof of payment (cancelled checks, receipts, statement from Office of Child Support) and the name and Social Security number of the parent receiving the payment.

**Line q** Adjustments from Federal Form 1040, Line 36 or 1040A, Line 20 are deducted here. For returns filed with married filing jointly or recomputed civil union filing jointly, enter the adjustment to Federal AGI in the Homeowner or Claimant's column. **Self-employment tax reported on Line o must be subtracted from the adjustments reported on this line.**

**Line t** If net of Columns for Line s is negative, enter zero.

## 2008 VT Rate Schedules

### Schedule X

Use if your filing status is:  
Single

If VT Taxable Income is Over	But Not Over	VT Base Tax is	Plus	of the amount over
0	32,550	0.00	3.60%	0
32,550	75,000	1,172.00	7.20%	32,550
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	78,850	4,228.00	7.20%	75,000
78,850	164,550	4,505.00	8.50%	78,850
164,550	357,700	11,790.00	9.00%	164,550
357,700	-	29,174.00	9.50%	357,700

### Schedule Y-1

Use if your filing status is:  
Married Filing Jointly; Qualifying Widow(er); or Civil Union Filing Jointly

If VT Taxable Income is Over	But Not Over	VT Base Tax is	Plus	of the amount over
0	54,400	0.00	3.60%	0
54,400	75,000	1,958.00	7.20%	54,400
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	131,450	3,441.00	7.20%	75,000
131,450	200,300	7,505.00	8.50%	131,450
200,300	357,700	13,357.00	9.00%	200,300
357,700	-	27,523.00	9.50%	357,700

### Schedule Y-2

Use if your filing status is:  
Married Filing Separately; or Civil Union Filing Separately

If VT Taxable Income is Over	But Not Over	VT Base Tax is	Plus	of the amount over
0	27,200	0.00	3.60%	0
27,200	65,725	979.00	7.20%	27,200
65,725	75,000	3,753.00	8.50%	65,725
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	100,150	4,541.00	8.50%	75,000
100,150	178,850	6,679.00	9.00%	100,150
178,850	-	13,762.00	9.50%	178,850

### Schedule Z

Use if your filing status is:  
Head of Household

If VT Taxable Income is Over	But Not Over	VT Base Tax is	Plus	of the amount over
0	43,650	0.00	3.60%	0
43,650	75,000	1,571.00	7.20%	43,650
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	112,650	3,828.00	7.20%	75,000
112,650	182,400	6,539.00	8.50%	112,650
182,400	357,700	12,468.00	9.00%	182,400
357,700	-	28,245.00	9.50%	357,700

*Example:* VT Taxable Income is \$82,000 (Form IN-111, Section 3, Line 15). Filing Status is Married Filing Jointly. Use Schedule Y-1. Base Tax is \$3,441.00. Subtract \$75,000 from \$82,000. Multiply the result (\$7,000) by 7.2%. Add this amount (\$504.00) to Base Tax (\$3,441.00) for VT Tax of \$3,945.00. Enter \$3,945.00 on Form IN-111, Section 4, Line 16.





If Taxable Income is –		And your filing status is –				If Taxable Income is –		And your filing status is –				If Taxable Income is –		And your filing status is –				
At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	
		Then your VT Tax is –						Then your VT Tax is –						Then your VT Tax is –				
<b>15,000</b>																		
15,000	15,100	542	542	542	542	20,000	20,100	722	722	722	722	25,000	25,100	902	902	902	902	
15,100	15,200	545	545	545	545	20,100	20,200	725	725	725	725	25,100	25,200	905	905	905	905	
15,200	15,300	549	549	549	549	20,200	20,300	729	729	729	729	25,200	25,300	909	909	909	909	
15,300	15,400	553	553	553	553	20,300	20,400	733	733	733	733	25,300	25,400	913	913	913	913	
15,400	15,500	556	556	556	556	20,400	20,500	736	736	736	736	25,400	25,500	916	916	916	916	
15,500	15,600	560	560	560	560	20,500	20,600	740	740	740	740	25,500	25,600	920	920	920	920	
15,600	15,700	563	563	563	563	20,600	20,700	743	743	743	743	25,600	25,700	923	923	923	923	
15,700	15,800	567	567	567	567	20,700	20,800	747	747	747	747	25,700	25,800	927	927	927	927	
15,800	15,900	571	571	571	571	20,800	20,900	751	751	751	751	25,800	25,900	931	931	931	931	
15,900	16,000	574	574	574	574	20,900	21,000	754	754	754	754	25,900	26,000	934	934	934	934	
<b>16,000</b>																		
16,000	16,100	578	578	578	578	21,000	21,100	758	758	758	758	26,000	26,100	938	938	938	938	
16,100	16,200	581	581	581	581	21,100	21,200	761	761	761	761	26,100	26,200	941	941	941	941	
16,200	16,300	585	585	585	585	21,200	21,300	765	765	765	765	26,200	26,300	945	945	945	945	
16,300	16,400	589	589	589	589	21,300	21,400	769	769	769	769	26,300	26,400	949	949	949	949	
16,400	16,500	592	592	592	592	21,400	21,500	772	772	772	772	26,400	26,500	952	952	952	952	
16,500	16,600	596	596	596	596	21,500	21,600	776	776	776	776	26,500	26,600	956	956	956	956	
16,600	16,700	599	599	599	599	21,600	21,700	779	779	779	779	26,600	26,700	959	959	959	959	
16,700	16,800	603	603	603	603	21,700	21,800	783	783	783	783	26,700	26,800	963	963	963	963	
16,800	16,900	607	607	607	607	21,800	21,900	787	787	787	787	26,800	26,900	967	967	967	967	
16,900	17,000	610	610	610	610	21,900	22,000	790	790	790	790	26,900	27,000	970	970	970	970	
<b>17,000</b>																		
17,000	17,100	614	614	614	614	22,000	22,100	794	794	794	794	27,000	27,100	974	974	974	974	
17,100	17,200	617	617	617	617	22,100	22,200	797	797	797	797	27,100	27,200	977	977	977	977	
17,200	17,300	621	621	621	621	22,200	22,300	801	801	801	801	27,200	27,300	981	981	983	981	
17,300	17,400	625	625	625	625	22,300	22,400	805	805	805	805	27,300	27,400	985	985	990	985	
17,400	17,500	628	628	628	628	22,400	22,500	808	808	808	808	27,400	27,500	988	988	997	988	
17,500	17,600	632	632	632	632	22,500	22,600	812	812	812	812	27,500	27,600	992	992	1004	992	
17,600	17,700	635	635	635	635	22,600	22,700	815	815	815	815	27,600	27,700	995	995	1011	995	
17,700	17,800	639	639	639	639	22,700	22,800	819	819	819	819	27,700	27,800	999	999	1019	999	
17,800	17,900	643	643	643	643	22,800	22,900	823	823	823	823	27,800	27,900	1003	1003	1026	1003	
17,900	18,000	646	646	646	646	22,900	23,000	826	826	826	826	27,900	28,000	1006	1006	1033	1006	
<b>18,000</b>																		
18,000	18,100	650	650	650	650	23,000	23,100	830	830	830	830	28,000	28,100	1010	1010	1040	1010	
18,100	18,200	653	653	653	653	23,100	23,200	833	833	833	833	28,100	28,200	1013	1013	1047	1013	
18,200	18,300	657	657	657	657	23,200	23,300	837	837	837	837	28,200	28,300	1017	1017	1055	1017	
18,300	18,400	661	661	661	661	23,300	23,400	841	841	841	841	28,300	28,400	1021	1021	1062	1021	
18,400	18,500	664	664	664	664	23,400	23,500	844	844	844	844	28,400	28,500	1024	1024	1069	1024	
18,500	18,600	668	668	668	668	23,500	23,600	848	848	848	848	28,500	28,600	1028	1028	1076	1028	
18,600	18,700	671	671	671	671	23,600	23,700	851	851	851	851	28,600	28,700	1031	1031	1083	1031	
18,700	18,800	675	675	675	675	23,700	23,800	855	855	855	855	28,700	28,800	1035	1035	1091	1035	
18,800	18,900	679	679	679	679	23,800	23,900	859	859	859	859	28,800	28,900	1039	1039	1098	1039	
18,900	19,000	682	682	682	682	23,900	24,000	862	862	862	862	28,900	29,000	1042	1042	1105	1042	
<b>19,000</b>																		
19,000	19,100	686	686	686	686	24,000	24,100	866	866	866	866	29,000	29,100	1046	1046	1112	1046	
19,100	19,200	689	689	689	689	24,100	24,200	869	869	869	869	29,100	29,200	1049	1049	1119	1049	
19,200	19,300	693	693	693	693	24,200	24,300	873	873	873	873	29,200	29,300	1053	1053	1127	1053	
19,300	19,400	697	697	697	697	24,300	24,400	877	877	877	877	29,300	29,400	1057	1057	1134	1057	
19,400	19,500	700	700	700	700	24,400	24,500	880	880	880	880	29,400	29,500	1060	1060	1141	1060	
19,500	19,600	704	704	704	704	24,500	24,600	884	884	884	884	29,500	29,600	1064	1064	1148	1064	
19,600	19,700	707	707	707	707	24,600	24,700	887	887	887	887	29,600	29,700	1067	1067	1155	1067	
19,700	19,800	711	711	711	711	24,700	24,800	891	891	891	891	29,700	29,800	1071	1071	1163	1071	
19,800	19,900	715	715	715	715	24,800	24,900	895	895	895	895	29,800	29,900	1075	1075	1170	1075	
19,900	20,000	718	718	718	718	24,900	25,000	898	898	898	898	29,900	30,000	1078	1078	1177	1078	

\* This column also applies to qualifying widow(er) and civil union filing jointly status

\*\* This column also applies to civil union filing separately status



If Taxable Income is –		And your filing status is –				If Taxable Income is –		And your filing status is –				If Taxable Income is –		And your filing status is –				
At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	
		Then your VT Tax is –						Then your VT Tax is –						Then your VT Tax is –				
<b>45,000</b>																		
45,000	45,100	2072	1622	2264	1672	50,000	50,100	2432	1802	2624	2032	55,000	55,100	2792	2005	2984	2392	
45,100	45,200	2079	1625	2271	1679	50,100	50,200	2439	1805	2631	2039	55,100	55,200	2799	2012	2991	2399	
45,200	45,300	2086	1629	2279	1686	50,200	50,300	2446	1809	2639	2046	55,200	55,300	2806	2019	2999	2406	
45,300	45,400	2094	1633	2286	1693	50,300	50,400	2454	1813	2646	2053	55,300	55,400	2814	2026	3006	2413	
45,400	45,500	2101	1636	2293	1701	50,400	50,500	2461	1816	2653	2061	55,400	55,500	2821	2034	3013	2421	
45,500	45,600	2108	1640	2300	1708	50,500	50,600	2468	1820	2660	2068	55,500	55,600	2828	2041	3020	2428	
45,600	45,700	2115	1643	2307	1715	50,600	50,700	2475	1823	2667	2075	55,600	55,700	2835	2048	3027	2435	
45,700	45,800	2122	1647	2315	1722	50,700	50,800	2482	1827	2675	2082	55,700	55,800	2842	2055	3035	2442	
45,800	45,900	2130	1651	2322	1729	50,800	50,900	2490	1831	2682	2089	55,800	55,900	2850	2062	3042	2449	
45,900	46,000	2137	1654	2329	1737	50,900	51,000	2497	1834	2689	2097	55,900	56,000	2857	2070	3049	2457	
<b>46,000</b>																		
46,000	46,100	2144	1658	2336	1744	51,000	51,100	2504	1838	2696	2104	56,000	56,100	2864	2077	3056	2464	
46,100	46,200	2151	1661	2343	1751	51,100	51,200	2511	1841	2703	2111	56,100	56,200	2871	2084	3063	2471	
46,200	46,300	2158	1665	2351	1758	51,200	51,300	2518	1845	2711	2118	56,200	56,300	2878	2091	3071	2478	
46,300	46,400	2166	1669	2358	1765	51,300	51,400	2526	1849	2718	2125	56,300	56,400	2886	2098	3078	2485	
46,400	46,500	2173	1672	2365	1773	51,400	51,500	2533	1852	2725	2133	56,400	56,500	2893	2106	3085	2493	
46,500	46,600	2180	1676	2372	1780	51,500	51,600	2540	1856	2732	2140	56,500	56,600	2900	2113	3092	2500	
46,600	46,700	2187	1679	2379	1787	51,600	51,700	2547	1859	2739	2147	56,600	56,700	2907	2120	3099	2507	
46,700	46,800	2194	1683	2387	1794	51,700	51,800	2554	1863	2747	2154	56,700	56,800	2914	2127	3107	2514	
46,800	46,900	2202	1687	2394	1801	51,800	51,900	2562	1867	2754	2161	56,800	56,900	2922	2134	3114	2521	
46,900	47,000	2209	1690	2401	1809	51,900	52,000	2569	1870	2761	2169	56,900	57,000	2929	2142	3121	2529	
<b>47,000</b>																		
47,000	47,100	2216	1694	2408	1816	52,000	52,100	2576	1874	2768	2176	57,000	57,100	2936	2149	3128	2536	
47,100	47,200	2223	1697	2415	1823	52,100	52,200	2583	1877	2775	2183	57,100	57,200	2943	2156	3135	2543	
47,200	47,300	2230	1701	2423	1830	52,200	52,300	2590	1881	2783	2190	57,200	57,300	2950	2163	3143	2550	
47,300	47,400	2238	1705	2430	1837	52,300	52,400	2598	1885	2790	2197	57,300	57,400	2958	2170	3150	2557	
47,400	47,500	2245	1708	2437	1845	52,400	52,500	2605	1888	2797	2205	57,400	57,500	2965	2178	3157	2565	
47,500	47,600	2252	1712	2444	1852	52,500	52,600	2612	1892	2804	2212	57,500	57,600	2972	2185	3164	2572	
47,600	47,700	2259	1715	2451	1859	52,600	52,700	2619	1895	2811	2219	57,600	57,700	2979	2192	3171	2579	
47,700	47,800	2266	1719	2459	1866	52,700	52,800	2626	1899	2819	2226	57,700	57,800	2986	2199	3179	2586	
47,800	47,900	2274	1723	2466	1873	52,800	52,900	2634	1903	2826	2233	57,800	57,900	2994	2206	3186	2593	
47,900	48,000	2281	1726	2473	1881	52,900	53,000	2641	1906	2833	2241	57,900	58,000	3001	2214	3193	2601	
<b>48,000</b>																		
48,000	48,100	2288	1730	2480	1888	53,000	53,100	2648	1910	2840	2248	58,000	58,100	3008	2221	3200	2608	
48,100	48,200	2295	1733	2487	1895	53,100	53,200	2655	1913	2847	2255	58,100	58,200	3015	2228	3207	2615	
48,200	48,300	2302	1737	2495	1902	53,200	53,300	2662	1917	2855	2262	58,200	58,300	3022	2235	3215	2622	
48,300	48,400	2310	1741	2502	1909	53,300	53,400	2670	1921	2862	2269	58,300	58,400	3030	2242	3222	2629	
48,400	48,500	2317	1744	2509	1917	53,400	53,500	2677	1924	2869	2277	58,400	58,500	3037	2250	3229	2637	
48,500	48,600	2324	1748	2516	1924	53,500	53,600	2684	1928	2876	2284	58,500	58,600	3044	2257	3236	2644	
48,600	48,700	2331	1751	2523	1931	53,600	53,700	2691	1931	2883	2291	58,600	58,700	3051	2264	3243	2651	
48,700	48,800	2338	1755	2531	1938	53,700	53,800	2698	1935	2891	2298	58,700	58,800	3058	2271	3251	2658	
48,800	48,900	2346	1759	2538	1945	53,800	53,900	2706	1939	2898	2305	58,800	58,900	3066	2278	3258	2665	
48,900	49,000	2353	1762	2545	1953	53,900	54,000	2713	1942	2905	2313	58,900	59,000	3073	2286	3265	2673	
<b>49,000</b>																		
49,000	49,100	2360	1766	2552	1960	54,000	54,100	2720	1946	2912	2320	59,000	59,100	3080	2293	3272	2680	
49,100	49,200	2367	1769	2559	1967	54,100	54,200	2727	1949	2919	2327	59,100	59,200	3087	2300	3279	2687	
49,200	49,300	2374	1773	2567	1974	54,200	54,300	2734	1953	2927	2334	59,200	59,300	3094	2307	3287	2694	
49,300	49,400	2382	1777	2574	1981	54,300	54,400	2742	1957	2934	2341	59,300	59,400	3102	2314	3294	2701	
49,400	49,500	2389	1780	2581	1989	54,400	54,500	2749	1962	2941	2349	59,400	59,500	3109	2322	3301	2709	
49,500	49,600	2396	1784	2588	1996	54,500	54,600	2756	1969	2948	2356	59,500	59,600	3116	2329	3308	2716	
49,600	49,700	2403	1787	2595	2003	54,600	54,700	2763	1976	2955	2363	59,600	59,700	3123	2336	3315	2723	
49,700	49,800	2410	1791	2603	2010	54,700	54,800	2770	1983	2963	2370	59,700	59,800	3130	2343	3323	2730	
49,800	49,900	2418	1795	2610	2017	54,800	54,900	2778	1990	2970	2377	59,800	59,900	3138	2350	3330	2737	
49,900	50,000	2425	1798	2617	2025	54,900	55,000	2785	1998	2977	2385	59,900	60,000	3145	2358	3337	2745	

\* This column also applies to qualifying widow(er) and civil union filing jointly status

\*\* This column also applies to civil union filing separately status



If Taxable Income is –		And your filing status is –				If Taxable Income is –		And your filing status is –				If Taxable Income is –		And your filing status is –				
At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	
		Then your VT Tax is –						Then your VT Tax is –						Then your VT Tax is –				
<b>60,000</b>																		
60,000	60,100	3152	2365	3344	2752	65,000	65,100	3512	2725	3704	3112	70,000	70,100	3872	3085	4121	3472	
60,100	60,200	3159	2372	3351	2759	65,100	65,200	3519	2732	3711	3119	70,100	70,200	3879	3092	4129	3479	
60,200	60,300	3166	2379	3359	2766	65,200	65,300	3526	2739	3719	3126	70,200	70,300	3886	3099	4138	3486	
60,300	60,400	3174	2386	3366	2773	65,300	65,400	3534	2746	3726	3133	70,300	70,400	3894	3106	4146	3493	
60,400	60,500	3181	2394	3373	2781	65,400	65,500	3541	2754	3733	3141	70,400	70,500	3901	3114	4155	3501	
60,500	60,600	3188	2401	3380	2788	65,500	65,600	3548	2761	3740	3148	70,500	70,600	3908	3121	4163	3508	
60,600	60,700	3195	2408	3387	2795	65,600	65,700	3555	2768	3747	3155	70,600	70,700	3915	3128	4172	3515	
60,700	60,800	3202	2415	3395	2802	65,700	65,800	3562	2775	3755	3162	70,700	70,800	3922	3135	4180	3522	
60,800	60,900	3210	2422	3402	2809	65,800	65,900	3570	2782	3764	3169	70,800	70,900	3930	3142	4189	3529	
60,900	61,000	3217	2430	3409	2817	65,900	66,000	3577	2790	3772	3177	70,900	71,000	3937	3150	4197	3537	
<b>61,000</b>																		
61,000	61,100	3224	2437	3416	2824	66,000	66,100	3584	2797	3781	3184	71,000	71,100	3944	3157	4206	3544	
61,100	61,200	3231	2444	3423	2831	66,100	66,200	3591	2804	3789	3191	71,100	71,200	3951	3164	4214	3551	
61,200	61,300	3238	2451	3431	2838	66,200	66,300	3598	2811	3798	3198	71,200	71,300	3958	3171	4223	3558	
61,300	61,400	3246	2458	3438	2845	66,300	66,400	3606	2818	3806	3205	71,300	71,400	3966	3178	4231	3565	
61,400	61,500	3253	2466	3445	2853	66,400	66,500	3613	2826	3815	3213	71,400	71,500	3973	3186	4240	3573	
61,500	61,600	3260	2473	3452	2860	66,500	66,600	3620	2833	3823	3220	71,500	71,600	3980	3193	4248	3580	
61,600	61,700	3267	2480	3459	2867	66,600	66,700	3627	2840	3832	3227	71,600	71,700	3987	3200	4257	3587	
61,700	61,800	3274	2487	3467	2874	66,700	66,800	3634	2847	3840	3234	71,700	71,800	3994	3207	4265	3594	
61,800	61,900	3282	2494	3474	2881	66,800	66,900	3642	2854	3849	3241	71,800	71,900	4002	3214	4274	3601	
61,900	62,000	3289	2502	3481	2889	66,900	67,000	3649	2862	3857	3249	71,900	72,000	4009	3222	4282	3609	
<b>62,000</b>																		
62,000	62,100	3296	2509	3488	2896	67,000	67,100	3656	2869	3866	3256	72,000	72,100	4016	3229	4291	3616	
62,100	62,200	3303	2516	3495	2903	67,100	67,200	3663	2876	3874	3263	72,100	72,200	4023	3236	4299	3623	
62,200	62,300	3310	2523	3503	2910	67,200	67,300	3670	2883	3883	3270	72,200	72,300	4030	3243	4308	3630	
62,300	62,400	3318	2530	3510	2917	67,300	67,400	3678	2890	3891	3277	72,300	72,400	4038	3250	4316	3637	
62,400	62,500	3325	2538	3517	2925	67,400	67,500	3685	2898	3900	3285	72,400	72,500	4045	3258	4325	3645	
62,500	62,600	3332	2545	3524	2932	67,500	67,600	3692	2905	3908	3292	72,500	72,600	4052	3265	4333	3652	
62,600	62,700	3339	2552	3531	2939	67,600	67,700	3699	2912	3917	3299	72,600	72,700	4059	3272	4342	3659	
62,700	62,800	3346	2559	3539	2946	67,700	67,800	3706	2919	3925	3306	72,700	72,800	4066	3279	4350	3666	
62,800	62,900	3354	2566	3546	2953	67,800	67,900	3714	2926	3934	3313	72,800	72,900	4074	3286	4359	3673	
62,900	63,000	3361	2574	3553	2961	67,900	68,000	3721	2934	3942	3321	72,900	73,000	4081	3294	4367	3681	
<b>63,000</b>																		
63,000	63,100	3368	2581	3560	2968	68,000	68,100	3728	2941	3951	3328	73,000	73,100	4088	3301	4376	3688	
63,100	63,200	3375	2588	3567	2975	68,100	68,200	3735	2948	3959	3335	73,100	73,200	4095	3308	4384	3695	
63,200	63,300	3382	2595	3575	2982	68,200	68,300	3742	2955	3968	3342	73,200	73,300	4102	3315	4393	3702	
63,300	63,400	3390	2602	3582	2989	68,300	68,400	3750	2962	3976	3349	73,300	73,400	4110	3322	4401	3709	
63,400	63,500	3397	2610	3589	2997	68,400	68,500	3757	2970	3985	3357	73,400	73,500	4117	3330	4410	3717	
63,500	63,600	3404	2617	3596	3004	68,500	68,600	3764	2977	3993	3364	73,500	73,600	4124	3337	4418	3724	
63,600	63,700	3411	2624	3603	3011	68,600	68,700	3771	2984	4002	3371	73,600	73,700	4131	3344	4427	3731	
63,700	63,800	3418	2631	3611	3018	68,700	68,800	3778	2991	4010	3378	73,700	73,800	4138	3351	4435	3738	
63,800	63,900	3426	2638	3618	3025	68,800	68,900	3786	2998	4019	3385	73,800	73,900	4146	3358	4444	3745	
63,900	64,000	3433	2646	3625	3033	68,900	69,000	3793	3006	4027	3393	73,900	74,000	4153	3366	4452	3753	
<b>64,000</b>																		
64,000	64,100	3440	2653	3632	3040	69,000	69,100	3800	3013	4036	3400	74,000	74,100	4160	3373	4461	3760	
64,100	64,200	3447	2660	3639	3047	69,100	69,200	3807	3020	4044	3407	74,100	74,200	4167	3380	4469	3767	
64,200	64,300	3454	2667	3647	3054	69,200	69,300	3814	3027	4053	3414	74,200	74,300	4174	3387	4478	3774	
64,300	64,400	3462	2674	3654	3061	69,300	69,400	3822	3034	4061	3421	74,300	74,400	4182	3394	4486	3781	
64,400	64,500	3469	2682	3661	3069	69,400	69,500	3829	3042	4070	3429	74,400	74,500	4189	3402	4495	3789	
64,500	64,600	3476	2689	3668	3076	69,500	69,600	3836	3049	4078	3436	74,500	74,600	4196	3409	4503	3796	
64,600	64,700	3483	2696	3675	3083	69,600	69,700	3843	3056	4087	3443	74,600	74,700	4203	3416	4512	3803	
64,700	64,800	3490	2703	3683	3090	69,700	69,800	3850	3063	4095	3450	74,700	74,800	4210	3423	4520	3810	
64,800	64,900	3498	2710	3690	3097	69,800	69,900	3858	3070	4104	3457	74,800	74,900	4218	3430	4529	3817	
64,900	65,000	3505	2718	3697	3105	69,900	70,000	3865	3078	4112	3465	74,900	75,000	4225	3438	4537	3825	

If your taxable income is \$75,000 or more, please go to the tax rate schedules.

\* This column also applies to qualifying widow(er) and civil union filing jointly status

\*\* This column also applies to civil union filing separately status

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**VERMONT DEPARTMENT OF TAXES**  
**133 STATE STREET**  
**MONTPELIER VT 05633-1401**