

garnishment, bank levies, revocation of your business and/or professional license(s), imposition of a bond on your authority to do business, and the assignment of your debt to a private collection agency.

#### How do I claim a refund on my Vermont withholding or estimated tax payments?

You must file a Vermont Income Tax Return to claim a refund of Vermont withholding or estimated tax payments. You have up to three years from the due date of the return, including extensions, to file a claim for overpayment of tax due.

#### How do I correct a mistake or add information to my Vermont Income Tax Return?

You are required to file an amended Vermont return within 60 days of the following: **1)** you become aware of a change to your Vermont income; **2)** you file an amended return with the IRS; or **3)** you receive a notice of change from the IRS. A late filing penalty will be assessed if the amended Vermont return is not filed within the 60 days.

Check the "AMENDED" box on Form IN-111, Section 1, when filing an amended return for the applicable tax year. Please include the federal Form 1040X and amended federal return with your amended Vermont return.

**NOTE:** If you filed a Property Tax Adjustment Claim or Renter Rebate Claim, you must also amend your income on Schedule HI-144, Household Income, which you should have submitted with your claim.

## Income Tax Form Instructions

### FORM IN-111 Vermont Income Tax

#### Section 1 Taxpayer Information **REQUIRED** entries.

Print your information in **blue or black ink** on all forms and schedules being filed. For best results, file electronically or complete the fillable PDF available on our website. If filing jointly, you must enter the name and Social Security Number of your spouse/civil union partner.

#### Mailing Address

Use the address where you receive mail from the United States Post Office. If you move after you submit your income tax return, see our website to learn how to change your mailing address.

#### Driver's License Number

The Vermont Department of Taxes is now requesting your driver's license information – number and state – as another way to verify your identification and fight identity theft. This will help us process your return and, if applicable, your refund. If you do not have a driver's license, you may leave it blank.

#### Recomputed Federal Return

Check this box if the information for federal line references is from a recomputed federal return.

#### Deceased Taxpayer

Check the applicable box if the taxpayer or spouse/civil union partner died during 2018. Administrator or Executor: To claim an income tax refund on behalf of the deceased, attach the court certificate showing your appointment as administrator or executor and a copy of completed federal Form 1310. Form FIT-161, Vermont Fiduciary Return of Income, should be filed to report the income of an estate or trust. Call 802-828-6820 for information.

#### Vermont School District Code: **REQUIRED** entry.

School district codes are published in the instructions, or you may find them on our website.

- **Vermont residents:** Use the 3-digit school district code for your residence on Dec. 31, 2018.
- **Nonresidents:** Enter 999 as your school district code.

#### 911 Address

Enter your 911 physical street address as of Dec. 31, 2018. We need your physical address, not your mailing address.

#### Section 2 Tax Filing Information

#### Filing Status **REQUIRED** entry.

Check the box to show your Vermont filing status. When filing separately, enter the Social Security Number of your spouse/civil union partner in the spouse area of the return. The Vermont filing status must be the same as your federal filing status *except in the following two situations where federal information may be recomputed for Vermont purposes:*

1. Civil Union (available to same sex couples holding valid civil union certificates): **Recomputed federal income tax information required.**
2. Only one spouse has sufficient nexus to Vermont subject to Vermont's tax jurisdiction: **Recomputed federal income tax information may be used.** Read Technical Bulletin TB-55, Exceptions to Requirement That Vermont Filing Status Must Mirror Federal Filing Status, on our website. If you choose to file your Vermont Income Tax Return as "Married Filing Jointly," you cannot use Schedule IN-113, Vermont Income Adjustment Calculations, Part I, to apportion income of the nonresident spouse. The credit for income tax

paid to another state is available by completing Schedule IN-117, Vermont Credit for Income Tax Paid to Other State or Canadian Province.

### Section 3 Taxable Income

**Line 1** **Adjusted Gross Income REQUIRED entry.** Enter the amount from your federal return or, if applicable, from the recomputed federal return.

**Line 2** **Net Modifications to Federal Adjusted Gross Income.** Enter the amount from Vermont Schedule IN-112, Vermont Tax Adjustments and Credits, Part I, Line 12.

**Line 3** **Federal Adjusted Gross Income with Modifications.** Add Lines 1 and 2.

**Line 4** **Vermont Standard Deduction.** Enter the amount of standard deduction from the chart below. You also receive an additional deduction of \$1,000 for each standard deduction box checked on the federal Form 1040. If you or your spouse was born before Jan. 2, 1954, or you were blind, using the number of standard deduction boxes checked on your federal Form 1040, select the corresponding number to the filing status and enter on Line 4.

	Standard
Single	6,000
Married Filing Jointly or Qualifying Widow(er)	12,000
Married Filing Separately	6,000
Head of Household	9,000

**OR**

For those born before Jan. 2, 1954 or blind			
1	2	3	4
7,000	8,000	n/a	n/a
13,000	14,000	15,000	16,000
7,000	8,000	9,000	10,000
10,000	11,000	n/a	n/a

### Personal Exemptions

**Line 5a** **Yourself.** You may enter "1" on this line if no one can claim you as a dependent on their 2018 personal income tax return.

**Line 5b** **Spouse or Civil Union Partner.** You may enter "1" on this line as long as no other person can claim your spouse or civil union partner as a dependent on his or her 2018 personal income tax return. Do Not enter "1" if your filing status is Qualifying Widow(er).

**Line 5c** **Other Dependents.** Enter the number of dependents other than yourself or spouse that you are claiming on your 2018 federal Form 1040.

**Line 5d** **Personal Exemptions.** Add Lines 5a through 5c.

**Line 5e** **Vermont Personal Exemption Deduction.** Multiply Line 5d by \$4,150.

**Line 6** **Vermont Standard Deduction plus Personal Exemptions.** Add Lines 4 and 5e.

**Line 7** **Vermont Taxable Income.** Line 3 minus Line 6. If less than zero, enter -0-.

**Line 8** **Vermont Income Tax.** Taxpayers who have a federal adjusted gross income (AGI) greater than \$150,000 must pay a minimum Vermont tax of 3% of federal AGI. If your federal AGI, Line 10, is greater than \$150,000, enter the amount that is higher: **1**) 3% of your federal AGI less interest from U.S. obligations, **or 2**) tax calculated on Vermont Taxable Income, Line 7, using the applicable tax table or rate schedule.  
If your federal AGI, Line 1, is less than or equal to \$150,000, calculate your Vermont tax on Vermont Taxable Income, Line 7, using the applicable tax table or rate schedule and enter the result.

**Line 9** **Net Adjustment to Vermont Tax.** Compute and submit Vermont Schedule IN-119, Vermont Tax Adjustments and Non-Refundable Credits, Part I, to report:

#### Additions to Vermont Income Tax

- Recapture of a Vermont tax credit

#### OR

- 24% of additional federal tax on the following:
  - Qualified Retirement Plan distributions including IRA, HSA & MSA
  - Recapture of federal Investment Tax Credit
  - Lump-sum Distribution from federal Form 4972

#### Subtractions from Vermont Income Tax

- Credit for Child and Dependent Care Expenses (See Form IN-112, Part II, for Low-Income Child and Dependent Care Credit.)
- Credit for the Elderly or the Disabled
- Investment Tax Credit (as defined in IRC Section 46) for Vermont-based portion only
- Farm Income Averaging Credit

**Line 10** **Vermont Income Tax with Adjustments.** Add Lines 8 and 9. If less than zero, enter -0-.

**Vermont Charitable Contribution Credit**

This non-refundable credit is available to all taxpayers of this state even if they elect to itemize at the federal level. The tax credit equals 5% of the first \$20,000 of charitable contributions made during the taxable year that are allowed under 26 U.S.C. § 170. **You may be asked to provide supporting documentation:** statements from the qualified charitable organization.

- Line 11**      **Tax Deductible Charitable Contribution.** Enter the amount contributed to a qualified charity in the taxable year.
- Line 12**      **Multiply Line 11 by 5% (0.05).**
- Line 13**      **Enter the lesser of Line 12 or \$1,000** (\$20,000 times 5%).
- Line 14**      **Vermont Income Tax.** Line 10 minus Line 13.
- Line 15**      **Income Adjustment.** Enter 100% or complete and submit Schedule IN-113 and enter percentage from Line 37.
- Line 16**      **Adjusted Vermont Income Tax.** Multiply Line 14 by the percentage on Line 15. If Line 15 is 100%, Line 16 will be the same as Line 14.
- Line 17**      **Credit for Income Tax Paid To Other State or Canadian Province (For full-year and some part-year residents)** Complete and submit Schedule IN-117 and enter the amount from the schedule here.
- Line 18**      **Vermont Tax Credits.** Complete and submit Schedule IN-119, Part II. Enter the amount from the applicable line here.
- Line 19**      **Total Vermont Credits.** Add Lines 17 and 18 and enter result.

**USE TAX WORKSHEET**

Did you buy taxable items without paying Vermont Sales Tax? This includes orders over the internet, by mail, or by phone on which you did not pay Vermont Sales Tax. This also includes out-of-state purchases on which you paid tax at a rate **less than 6%**, including purchases of liquor to be consumed in Vermont.

- Yes, but I did not keep accurate records.** Go to Part 1.
- Yes, and I kept accurate records.** Go to Part 2.
- No.** Skip to Part 4.

All of the following questions relate only to the type of purchases described above, where Vermont Sales Tax was not charged.

**Part 1 If you did not keep accurate records**

- 1a.** Enter the amount of use tax from the Estimated Use Tax Table below that corresponds to your Adjusted Gross Income from Form IN-111, Line 1 ..... **1a.** \_\_\_\_\_
- 1b.** Did you make purchase(s) of \$1,000 or more per item?
  - Yes.** Go to Part 3.
  - No.** Enter Line 1a amount onto Form IN-111, Line 21 and skip the remainder of this worksheet.

**Estimated Use Tax Table**

Adjusted Gross Income	Use Tax is:	Adjusted Gross Income	Use Tax is:	Adjusted Gross Income	Use Tax is:
Up to \$10,000	.....\$5	\$40,001 - \$50,000	.....\$40	\$80,001 - \$90,000	.....\$80
\$10,001 - \$20,000	.....\$10	\$50,001 - \$60,000	.....\$50	\$90,001 - \$100,000	.....\$90
\$20,001 - \$30,000	.....\$20	\$60,001 - \$70,000	.....\$60	\$100,001 and over	.... 0.1% (0.001) of AGI
\$30,001 - \$40,000	.....\$30	\$70,001 - \$80,000	.....\$70		or \$500, whichever is less.

**Part 2 If you did keep accurate records**

- 2a.** Enter the total amount of all purchases of items **under \$1,000** each ..... **2a.** \_\_\_\_\_
- 2b.** Multiply Line 2a by 6% (0.06). Enter the amount here. .... **2b.** \_\_\_\_\_

**Part 3 Total Use Tax due**

- 3a.** Enter the total amount of all purchases of items **\$1,000 or more** each item ..... **3a.** \_\_\_\_\_
- 3b.** Multiply Line 3a by 6% (0.06). Enter the amount here. .... **3b.** \_\_\_\_\_
- 3c.** Add Line 3b to either Line 1a or Line 2b (the line with a value entered). .... **3c.** \_\_\_\_\_
- 3d.** Enter the amount of sales tax paid to another state for the purchases on Lines 2a and 3a, if any. **3d.** \_\_\_\_\_
- 3e.** Line 3c minus Line 3d. Enter here and on Form IN-111, Line 21. .... **3e.** \_\_\_\_\_

**Part 4 Certification of No Use Tax Due**

You do not owe use tax if: **1)** you did not make any taxable purchases by internet, mail-order, over the phone, or out of state, or **2)** you made purchases using any of these methods but paid at least 6% sales tax at the time of purchase on all of them. If one of the situations above is true, check the box next to Line 21 and enter -0- on that line. The failure to pay use tax may result in the assessment of penalties of up to 100% of the unreported tax and interest.

**Line 20** **Vermont Income Tax After Credits.** Subtract Line 19 from Line 16. If Line 19 is more than Line 16, leave this line blank.

**Line 21** **Use Tax on Out-of-State and Internet Purchases**  
**Online, Phone, and Out-of State Purchases.** Complete the Use Tax Worksheet to calculate the amount to report on Line 21. Do not leave Line 21 blank.

**What is Use Tax?**

When a seller does not charge the buyer Vermont Sales Tax on an item taxable in Vermont, the buyer must pay Vermont Use Tax. Non-taxable items such as food and clothing are excluded. Taxable items sold over the internet, by mail-order, by phone, or bought out-of-state and used in Vermont generally qualify. Use tax applies whether you are a resident or nonresident. The use tax rate is the same as the sales tax rate: 6%.

If you didn't keep records of qualifying purchases, Vermont offers an option for estimating them in Part 1. If you did keep records, you should use Part 2. The total for any purchases that cost over \$1,000 each needs to be reported on Line 3a.

Please note: Act 73 of 2017 requires vendors to report certain transactions on which no sales tax was paid to the Vermont Department of Taxes. Included in these reports is buyer information which will be used in compliance efforts.

Note: Businesses must report use tax on Form SUT-451, Sales and Use Tax Return, or on Form SU-452, Use Tax Return. Individuals may also use Form SU-452 or use this worksheet. Do not include purchases already reported on those forms on this worksheet.

**Line 22** **Total Vermont Taxes.** Add Lines 20 and 21 and enter result.

**Voluntary Contributions**

Learn more about voluntary contributions to these organizations in Vermont at the beginning of the instructions.

**Line 23**  
23a. Green Up Vermont  
23b. Nongame Wildlife Fund  
23c. Children's Trust Fund  
23d. Vermont Veterans Fund

**Line 24** **Total of Vermont Taxes and Voluntary Contributions.** Add Lines 22 and 23e.

**Payments and Credits**

**Line 25a** **2018 Vermont Tax Withheld From W-2, 1099, etc., Statements of Vermont Income Tax Withheld.** Enter the amount of Vermont income tax withheld. Attach the state copy of your W-2, Form 1099, or other payment statements to verify the amount. Failure to enter the withholding on this line and attach the payment statement(s) will delay processing of your return, or you may not receive credit for the withholding against your Vermont tax.

**NOTE:** To claim tax withheld on a real estate sale, use Line 25d. Nonresident partners, members, or shareholders, use Line 25e for estimated taxes paid on your behalf by a business entity on Form WH-435, Estimated Income Tax Payments for Nonresident Shareholders, Partners or Members.

**Line 25b** **2018 Estimated Tax payments, amount carried forward from 2017, and payment made with 2018 extension from Forms IN-114 or IN-151.** Enter the amount of 2018 Vermont estimated income taxes you paid, the amount paid with Form IN-151, Extension of Time to File the 2018 return, and any 2017 Vermont refund credited towards your 2018 taxes. Go to [www.myvtax.vermont.gov](http://www.myvtax.vermont.gov) to obtain the 2018 tax payments the Department has on record for you.

**NOTE:** Nonresident partners, members or shareholders, use Line 25e for estimated taxes paid on your behalf by a business entity on Form WH-435, Estimated Income Tax Payments for Nonresident Shareholders, Partners or Members. For tax withheld on real estate transactions, use Line 25d.

**Line 25c** **Refundable Credits.** (Schedule IN-112, Vermont Tax Adjustments and Credits, Part II)  
**Low Income Child and Dependent Care credit (for full-year Vermont residents)**  
**Renter Rebate Claimed to pay tax liability (for full-year Vermont residents)**  
**Vermont Earned Income Tax Credit (for full-year and part-year Vermont residents)** Enter the amount from Schedule IN-112, Part II, Line 12. Attach the completed Schedule IN-112 to Form IN-111.

**Line 25d** **From Form RW-171, Vermont Real Estate Withholding.** If you sold real estate in Vermont during 2018 and the buyer withheld Vermont income tax from the sales price, enter the amount withheld shown on Form RW-171, Vermont Withholding Tax Return for Transfer of Real Property, Schedule A, Line 12. Do not enter this amount on Line 31a or 31b. For information on installment sales, read Technical Bulletin TB-10, Installment Sales of Real Estate, on our website.

**Line 25e** **From Form WH-435, Estimated Payments Made on Your Behalf by a Business Entity.** Nonresidents enter the estimated income tax payments made on your behalf by a partnership, limited liability company, or S Corporation toward your 2018 Vermont income tax. The entity would have made these payments on Form WH-435, Estimated

Income Tax Payments for Nonresident Shareholders, Partners or Members. Read Technical Bulletin TB-06, Estimated Payments by S Corporation, Partnerships, and Limited Liability Companies on Behalf of Shareholders, Partners and Members, on our website. Do not enter this amount on Line 31a or 31b.

**Line 25f** **Total Payments and Credits.** Add Lines 25a through 25e.

**Refund**

**Line 26** **Overpayment.** If Line 24 is less than Line 25f, you have a refund. Subtract Line 24 from Line 25f and enter the result here. You may apply all or a portion of the overpayment towards your 2019 estimated payment or your 2019/2020 Vermont homestead property tax bill.

**Line 27a** **Credit to 2019 Estimated Tax Payment.** Enter the amount of your refund from Line 26 that you want credited toward your 2019 income tax. Your income tax refund will be reduced by this amount.

**Line 27b** **Credit to 2019/2020 Homestead Property Tax Bill.** If your property is a declared homestead and you filed the 2018 income tax return on or before Oct. 15, 2019, you may choose to use all or part of your income tax refund to pay your homestead property tax bill. Your refund will be reduced by this amount. The state will include an additional 1% to the refund credited to your property taxes. For details of this credit, read “State Property Tax Incentive” in Vermont law at 32 V.S.A. § 6066(h).

**Line 28** **Refund Amount.** Subtract the sum of Lines 27a and 27b from Line 26 and enter the result. This is the amount of the refund to be sent to you. If you owe interest and penalty for underpayment of estimated income tax payment, this amount will be subtracted from the refund. *Direct deposit is available for most electronically filed returns.*

**NOTE:** If you owe taxes or a debt to another state agency, all or part of the refund may be taken to pay the bill.

**Amount You Owe**

**Line 29** If Line 24 is more than Line 25f, subtract Line 25f from Line 24 and enter the result.

**Line 30** **Interest and Penalty on Underpayment of or Failure to Make Estimated Tax Payments.** Paying underpayment charges at the time of filing may reduce the amount that will be billed later. To calculate the charges, use Worksheet IN-152, Underpayment of 2018 Estimated Individual Income Tax, or Worksheet IN-152A, Annualized Income Installment Method for Underpayment of 2018 Estimated Tax by Individuals, Estates, and Trusts. Both worksheets are available on our website. The paper worksheets can be obtained by calling 802-828-2515. If you have a refund, the underpayment, interest, and penalty will be deducted. Estimated tax payments must either be: **1)** equal to 100% of last year’s tax liability **OR 2)** 90% of this year’s tax liability. If the tax liability due, less withholding, is less than \$500, you will not be subject to penalty or interest charges. In order to avoid underpayment of estimated tax, see instructions on Form IN-114, Individual Income Estimated Tax Payment Voucher.

**Line 31** **Total.** Add Lines 29 and 30. Enter the amount. This is the amount you owe.  
Electronic payment options available at [www.myvtax.vermont.gov](http://www.myvtax.vermont.gov):  
- ACH debit (no fee)  
- Credit card (3% service fee applies)  
You may also pay by check or money order payable to the Vermont Department of Taxes

For information on payment plans, see “Financial Difficulties” in the General Instructions section.

**Signatures REQUIRED entry.** Sign the return in the space provided. If filing your return jointly, both filers must sign.

**Date** Enter the date on which you sign the return.

**Date of Birth** Enter your date of birth.

**Telephone Number** Enter the number where you can be reached during the day.

**Disclosure Authorization** If you wish to give the Department authorization to discuss the information on your 2018 Vermont 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 Federal Employer Identification Number of the business.

**FILING THE RETURN**

**E-file:** Go to our website for information on electronic filing. Some taxpayers may be eligible for free electronic filing through Free File.

**Paper Filing:**

**REFUND OR NO TAX DUE**

**Mail your return to:**

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

**BALANCE DUE**

**Attach your check to the lower left side of the return and mail to:**

**Vermont Department of Taxes  
PO Box 1779  
Montpelier, VT 05601-1779**

**FOLLOW THE PROCESSING OF YOUR RETURN**

You may check the status of your return by visiting [www.myvtax.vermont.gov](http://www.myvtax.vermont.gov).

**SCHEDULE IN-112 Vermont Tax Adjustments and Credits**

**Who Must File Schedule IN-112**

You must file Schedule IN-112 if you:

- Have interest income from state and local obligations (Part I)
  - Federal bonus depreciation
  - Adjustment to bonus depreciation
  - Interest Income from US obligations
  - Capitol Gains exclusion
  - taxable refunds of state and local income tax
- Are claiming Vermont Refundable Credits (Part II)
  - Low Income Child & Dependent Care
  - Vermont Earned Income Tax Credit

Print your name and Social Security Number on this schedule. Please use **blue or black ink** to make all entries.

**Part I Additions to Federal Adjusted Gross Income**

Interest and dividend income from non-Vermont state and local obligations are taxable in Vermont. A Vermont obligation is one from the state of Vermont or a Vermont municipality.

**Line 1** Enter the total interest and dividend income received from all state and local obligations exempted from federal tax as reported on federal Form 1040, U.S. Individual Income Tax Return.

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

**Line 3** Subtract Line 2 from Line 1. This is the amount of interest and dividend income from non-Vermont state and local obligations that must be included in Vermont Taxable Income.

**Line 4** **Federal Bonus Depreciation.** Vermont does not recognize the bonus depreciation allowed under federal law. Enter the difference between the depreciation calculated by standard MACRS methods and the depreciation calculated using the federal bonus depreciation for assets placed in service in 2018. Read Technical Bulletin TB-44, Disallowance of Bonus Depreciation Provisions of Federal Economic Stimulus Act of 2008, on our website for information on calculating the amount to add back to taxable income.

**Line 5** **Total Federal Adjusted Gross Income Additions.** Add Lines 3 and 4.

**Subtractions From Federal Adjusted Gross Income**

**Line 6** **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 Vermont tax under the laws of the United States. Enter the amount of interest income from U.S. Obligations on this line. Read Technical Bulletin TB-24, Exemption of Income of U.S. Government Obligations, on our website.

**Line 7** **Capital Gains Exclusion.** See Schedule IN-153, Capital Gains Exclusion Calculation, and instructions to calculate the capital gains exclusion for 2018. Read Department regulation § 1.5811(21)(B)(ii) and Technical Bulletin TB-60, Taxation of Gain on the Sale of Capital Assets, on our website to help determine your capital gain exclusion. Complete and submit Schedule IN-153.

**Line 8** **Adjustment for Bonus Depreciation on Prior Year Property.** Enter the difference between the depreciation calculated by standard MACRS methods and the depreciation calculated at the federal level. For information on calculating the amount that can be subtracted from taxable income, read Technical Bulletin TB-44 on our website.

**Line 9** **Taxable Refunds of State and Local Income Taxes.** Enter the amount reported on your federal Form 1040.

**Line 10** **Social Security Benefits Exempt from Vermont Taxation.** See the worksheet on the next page.

**Line 11** **Total Federal Adjusted Gross Income Subtractions.** Add Lines 6 through 10.

## **SOCIAL SECURITY EXEMPTION WORKSHEET**

**Instructions:** It is important that you answer the questions in Section I to determine if you qualify for a full or partial exemption. If you qualify for a partial exemption, you may move on to Section II to calculate the amount of the exemption.

### **SECTION I: Do you qualify for the Vermont Social Security full or partial exemption?**

1. Did you report an amount on federal Form 1040, U.S. Individual Income Tax Return, Line 5b, earning Social Security benefits that were taxable in the current tax year?
  - No.** You do not qualify for this exemption.
  - Yes.** Proceed to question 2.
  
2. If you are:
  - Married filing jointly, is your adjusted gross income (AGI) on Form IN-111, Vermont Income Tax Return, Line 1, less than \$70,000?
  - Single, head of household, qualifying widow(er), or married filing separately, is your AGI on Form IN-111, Line 1, less than \$55,000?
    - No.** You do not qualify for this exemption.
    - Yes.** You qualify for Vermont's Social Security exemption. Proceed to question 3.
  
3. If you are:
  - Married filing jointly, is your AGI less than \$60,000?
  - Single, head of household, qualifying widow(er), or married filing separately, is your AGI less than \$45,000?
    - No.** Please proceed to Section II of this worksheet.
    - Yes.** You qualify for a **full exemption**. Please enter the full amount from federal Form 1040, Line 5b, on Schedule IN-112, Line 10.

### **SECTION II: Calculating your Social Security Partial Exemption**

This section is for married joint filers with an adjusted gross income (AGI) between \$60,000-\$70,000 and for single, head of household, qualifying widow(er), or married separate filers with an AGI between \$45,000-\$55,000.

4. If you are:
  - Married filing jointly, enter \$70,000.
  - All other filing statuses, enter \$55,000. .... **4.** \_\_\_\_\_
5. Enter your AGI from Form IN-111, Line 1. .... **5.** \_\_\_\_\_
6. Subtract Line 5 from Line 4. If Line 5 is greater than Line 4, enter -0-. .... **6.** \_\_\_\_\_
7. Divide Line 6 by \$10,000. This value will be a decimal. Please round to the second decimal place (*Example:* .481 would round to .48). .... **7.** \_\_\_\_\_
8. Enter the lesser of Line 7 or the value 1 (This line should not be greater than 1). .... **8.** \_\_\_\_\_
9. Enter the amount from federal Form 1040, Line 5b. .... **9.** \_\_\_\_\_
10. Amount of **partial exemption**. Multiply Line 9 by Line 8.  
Enter this amount on Schedule IN-112, Line 10. .... **10.** \_\_\_\_\_

**Note about civil unions:** If you are in a civil union and filing jointly, you should file for this exemption as married filing jointly. If you are a civil union and filing separately, you should file as married filing separately.

**Line 12**      **Net Modifications to Federal Adjusted Gross Income.** Subtract Line 11 from Line 5. If Line 5 is less than Line 11, check the box to the left of the entry line to indicate a negative. Enter on Form IN-111, Vermont Income Tax Return, Line 2.

### **Part II Refundable Credits**

**Line 1**      **Low Income Child & Dependent Care Credit** (Vermont Residents only)  
 If care expenses are from both accredited and non-accredited providers, complete the worksheet to calculate the credit.  
 Eligible taxpayers receive 50% of the federal Child and Dependent Care Credit as a refundable Vermont income tax credit instead of the non-refundable 24% credit from Schedule IN-119, Vermont Tax Adjustments and Non-Refundable Credits.

## VERMONT SCHOOL DISTRICT CODES

**Homeowners:** For Form IN-111, use the school district code where you owned a home and resided last Dec. 31. For Form HS-122, use the school district code where you own a home and reside on April 1 this year.

**Renters:** Use the school district code where you rented last Dec. 31. 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 Form PR-141.

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

VT SCHOOL CODE	SCHOOL DISTRICT NAME	VT SCHOOL CODE	SCHOOL DISTRICT NAME	VT SCHOOL CODE	SCHOOL DISTRICT NAME	VT SCHOOL CODE	SCHOOL DISTRICT NAME
001	ADDISON	064	ELMORE	125	MONTGOMERY	190	SPRINGFIELD
002	ALBANY	065	ENOSBURG	126	MONTPELIER	191	STAMFORD
003	ALBURGH	066	ESSEX JUNCTION	127	MORETOWN	192	STANNARD
004	ANDOVER	067	ESSEX TOWN	128	MORGAN	193	STARKSBORO
005	ARLINGTON	070	FAIR HAVEN	129	MORRISTOWN	194	STOCKBRIDGE
006	ATHENS	068	FAIRFAX	130	MOUNT HOLLY	195	STOWE
255	AVERILL	069	FAIRFIELD	131	MOUNT TABOR	196	STRAFFORD
256	AVERY'S GORE	071	FAIRLEE	135	NEW HAVEN	197	STRATTON
007	BAKERSFIELD	072	FAYSTON	132	NEWARK	198	SUDBURY
008	BALTIMORE	257	FERDINAND	133	NEWBURY	199	SUNDERLAND
009	BARNARD	073	FERRISBURGH	134	NEWFANE	200	SUTTON
010	BARNET	074	FLETCHER	136	NEWPORT CITY	201	SWANTON
011	BARRE CITY	075	FRANKLIN	137	NEWPORT TOWN	202	THETFORD
012	BARRE TOWN	076	GEORGIA	138	NORTH BENNINGTON ID	203	TINMOUTH
013	BARTON	258	GLASTENBURY	140	NORTH HERO	204	TOPSHAM
014	BELVIDERE	077	GLOVER	139	NORTHFIELD	205	TOWNSHEND
015	BENNINGTON	078	GOSHEN	141	NORTON	206	TROY
016	BENSON	079	GRAFTON	142	NORWICH	207	TUNBRIDGE
017	BERKSHIRE	080	GRANBY	143	ORANGE	208	UNDERHILL ID
018	BERLIN	081	GRAND ISLE	144	ORLEANS	209	UNDERHILL TOWN
019	BETHEL	082	GRANVILLE	145	ORWELL	210	VERGENNES
020	BLOOMFIELD	083	GREENSBORO	146	PANTON	211	VERNON
021	BOLTON	084	GROTON	147	PAWLET	212	VERSHIRE
022	BRADFORD	085	GUILDHALL	148	PEACHAM	213	VICTORY
023	BRAINTREE	086	GUILFORD	149	PERU	214	WAITSFIELD
024	BRANDON	087	HALIFAX	150	PITTSFIELD	215	WALDEN
025	BRATTLEBORO	088	HANCOCK	151	PITTSFORD	216	WALLINGFORD
026	BRIDGEWATER	089	HARDWICK	152	PLAINFIELD	217	WALTHAM
027	BRIDPORT	090	HARTFORD	153	PLYMOUTH	218	WARDSBORO
028	BRIGHTON	091	HARTLAND	154	POMFRET	261	WARNER'S GRANT
029	BRISTOL	092	HIGHGATE	155	POULTNEY	219	WARREN
030	BROOKFIELD	093	HINESBURG	156	POWNAI	262	WARREN'S GORE
031	BROOKLINE	094	HOLLAND	157	PROCTOR	220	WASHINGTON
032	BROWNINGTON	095	HUBBARDTON	158	PUTNEY	221	WATERBURY
033	BRUNSWICK	096	HUNTINGTON	159	RANDOLPH	222	WATERFORD
252	BUEL'S GORE	097	HYDE PARK	160	READING	223	WATERVILLE
034	BURKE	098	IRA	161	READSBORO	224	WEATHERSFIELD
035	BURLINGTON	099	IRASBURG	162	RICHFORD	225	WELLS
036	CABOT	100	ISLE LA MOTTE	163	RICHMOND	226	WELLS RIVER
037	CALAIS	101	JAMAICA	164	RIPTON	227	WEST FAIRLEE
038	CAMBRIDGE	102	JAY	165	ROCHESTER	230	WEST HAVEN
039	CANAAN	103	JERICHO	166	ROCKINGHAM	234	WEST RUTLAND
040	CASTLETON	253	JERICHO ID	167	ROXBURY	235	WEST WINDSOR
041	CAVENDISH	104	JOHNSON	168	ROYALTON	228	WESTFIELD
042	CHARLESTON	185	KILLINGTON	169	RUPERT	229	WESTFORD
043	CHARLOTTE	105	KIRBY	170	RUTLAND CITY	231	WESTMINSTER
044	CHELSEA	106	LANDGROVE	171	RUTLAND TOWN	232	WESTMORE
045	CHESTER	107	LEICESTER	172	RYEGATE	233	WESTON
046	CHITTENDEN	108	LEMINGTON	173	SAINTE ALBANS CITY	236	WEYBRIDGE
047	CLARENDON	259	LEWIS	174	SAINTE ALBANS TOWN	237	WHEELOCK
048	COLCHESTER	109	LINCOLN	175	SAINTE GEORGE	238	WHITING
049	CONCORD	110	LONDONDERRY	176	SAINTE JOHNSBURY	239	WHITINGHAM
050	CORINTH	111	LOWELL	177	SALISBURY	240	WILLIAMSTOWN
051	CORNWALL	112	LUDLOW	178	SANDGATE	241	WILLISTON
052	COVENTRY	113	LUNENBURG	179	SEARSBURG	242	WILMINGTON
053	CRAFTSBURY	114	LYNDON	180	SHAFTSBURY	243	WINDHAM
054	DANBY	115	MAIDSTONE	254	SHAFTSBURY ID	244	WINDSOR
055	DANVILLE	116	MANCHESTER	181	SHARON	245	WINHALL
056	DERBY	117	MARLBORO	182	SHEFFIELD	246	WINOOSKI
057	DORSET	118	MARSHFIELD	183	SHELBURNE	247	WOLCOTT
058	DOVER	119	MENDON	184	SHELDON	248	WOODBURY
059	DUMMERSTON	120	MIDDLEBURY	186	SHOREHAM	249	WOODFORD
060	DUXBURY	121	MIDDLESEX	187	SHREWSBURY	250	WOODSTOCK
061	EAST HAVEN	122	MIDDLETOWN SPRINGS	260	SOMERSET	251	WORCESTER
062	EAST MONTPELIER	123	MILTON	188	SOUTH BURLINGTON		
063	EDEN	124	MONKTON	189	SOUTH HERO		

Taxpayers must meet the following requirements:

- Your income must be either:
  - less than \$30,000 federal Adjusted Gross Income for taxpayers filing as Single, Head of Household, Married Filing Separately, Civil Union Filing Separately
  - OR**
  - less than \$40,000 federal Adjusted Gross Income for taxpayers filing as Married Filing Jointly, Civil Union Filing Jointly, Qualifying Widow(er)
- Care in 2018 must be provided by a home or facility located in Vermont accredited by the Vermont Agency of Human Services. Include a copy of your federal Form 2441, Child and Dependent Care Expenses. To determine if your care provider is accredited, go to our website or call the Department of Children and Families at 800-649-2642.

**LOW INCOME CHILD & DEPENDENT CARE  
WORKSHEET**

1. Accredited care provider amount . . . . . 1. \_\_\_\_\_

2. Total care amount . . . . . 2. \_\_\_\_\_

3. Divide Line 1 by Line 2 . . . . . 3. \_\_\_\_\_

\$ \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_ x 50% = \$ \_\_\_\_\_

Federal Credit    Line 3 above    Eligible Credit    Low Income Credit  
(1040, Line 49;    1040A, Line 31)    IN-111, Line 31g.

You may wish to also calculate your VT tax credit using 24% of the full Federal credit and compare to the credit calculated on this worksheet to determine which credit is best for you. **NOTE: You cannot take both credits.**

**Line 2 Renter Rebate Claim** (Vermont residents only)  
Enter the amount from Form PR-141, Renter Rebate Claim, Line 9, only if you are using the renter rebate to pay your Vermont tax liability.

**Part III Vermont Earned Income Tax Credit (for Full-Year and Part-Year Vermont Residents Only)**

**Supporting Documents Required:** Evidence of earned income such as W-2 or self-employment schedule(s). Eligibility questions A, B, and C must be answered. The Claim will be disallowed if the questions are not answered.

**Full-Year Residents**

**Line 3** Enter the amount of your federal Earned Income Tax Credit.

**Line 4** Multiply Line 3 by 36%. Enter the result.

**Part-Year Residents**

**Line 5A** Enter the federal amount of wages, salaries, tips, etc.

**Line 5B** Enter the portion of federal wages, salaries, tips, etc. earned while a Vermont resident.

**Lines 6A & 6B** Other earned income includes income from a business, partnership, or farm.

**Line 7A** Add Lines 3 and 4 in Column A and enter result.

**Line 7B** Add Lines 3 and 4 in Column B and enter result.

**Line 8** Divide Line 7, Column B, by Line 7, Column A. Enter the result as a percentage carried out to two decimal places. This is the percentage of 2018 income earned in Vermont that is eligible for the Vermont Earned Income Tax Credit.

**Line 9** Enter the amount of your federal Earned Income Tax Credit.

**Line 10** Multiply Line 9 by 36% and enter result

**Line 11** Multiply Line 10 by Line 8. Enter the result.

**Line 12 TOTAL REFUNDABLE CREDITS**  
(Add Lines 1 and 2 to Line 4 or Line 11. Enter this amount on the IN-111, Line 25c)

**SCHEDULE IN-113 Income Adjustment**

**WHO MUST FILE IN-113**

You must file Schedule IN-113 if you are either:

- a nonresident or part-year resident and earned or received Vermont income,
- OR**
- a Vermont resident claiming income exempt from Vermont income tax

**Nonresident:** Complete both Parts I and II to determine the allocation of Vermont income. Visit our website for definition of nonresident income.

**Resident:** Complete Part II to adjust for the following income exempt from Vermont income tax: military pay, federal railroad retirement income, or bond/note income from qualified investments.

**Part-Year Resident:** Part-year residents may, in some cases, be able to adjust Vermont income by both the Vermont percentage of income and claim a credit for income tax paid to another tax jurisdiction. The income tax paid must be for income earned in Vermont while a Vermont resident. Visit our website for information.

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

**Supporting Documents Required:** Copies of the federal Form 1040, U.S. Individual Income Tax Return, and any federal schedules reporting Vermont income or loss.

**Dates of Vermont Residency in 2018** Enter the dates you lived in Vermont in 2018. Leave blank if you did not live in Vermont.

**Name of State(s) During Non-Vermont Residency** Write the names of the other states, Canadian provinces, or countries where you were a resident in 2018.

## **PART I (For Nonresidents and Some Part-Year Vermont Residents)**

Unless otherwise indicated in the line instruction, the Vermont portion is the income received from Vermont or received while a Vermont resident.

**Lines 1 - 13, Column A** Enter the income for these categories as shown on your federal income tax return.

**NOTE:** For **Line 3A** - Use taxable amount "Ordinary dividends" from federal Form 1040, U.S. Individual Income Tax Return.

For **Line 10A** - Use amount from federal Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., *before* recalculation for exclusion of bonus depreciation.

For **Line 12A** - Use amount reported on federal Form 1040.

For **Line 13A** - Use amounts from federal Form 1040, Schedule 1, lines reporting "other gains and losses" and "other income."

**Nonresidents:** Use Line 13A to adjust for non-Vermont state and local obligations and U.S. obligation interest.

**Line 13, 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 Education Savings Account or Qualified Tuition Plan, medical savings account or Archer Medical Savings Account.

**Lines 1 - 13, Column B** Enter the Vermont portion of these categories from your federal income tax return.

**NOTE:** For **Line 3B** - Use the amount of ordinary dividends received while a Vermont resident.

For **Line 9B** - Include amount from Line 2 of Vermont Schedule K-1VT, Shareholder, Partner, or Member Information plus all additional Vermont-sourced capital gains.

For **Line 10B** - Use sum of Line 1 and Line 3 of Schedule K-1VT *before* recalculation for exclusion of bonus depreciation.

For **Line 12B** - Enter total amount received for Vermont unemployment.

For **Line 13B** - Use the amount of other income earned or received from federal Form 1040, Schedule 1, lines reporting "other gains and losses" and "other income," from Vermont sources.

**Nonresidents:** Do not include tax-exempt interest here to adjust for non-Vermont state and local obligations and U.S. obligation interest.

**Lines 15 - 23, Column A** Enter the amount for these categories as shown on your federal Form 1040.

**Lines 15 - 23, Column B** Enter the portion of the deductions paid or incurred during your Vermont residency or resulting from Vermont income earned or received.

**Line 24, Column A** Enter the combined amounts of Educator Expenses and Tuition and Fees from federal Form 1040.

**Line 24, Column B** The Vermont portion of Educator Expenses and Tuition and Fees during Vermont residency.

**Line 25, Column A** Enter deduction(s) to adjusted gross income that are included in the total on federal Form 1040.

**Line 25, Column B** Enter the portion of the deductions paid or incurred during your Vermont residency or resulting from Vermont income earned or received.

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

**Line 30** If Part I is completed, enter the amount from Line 27. Otherwise, enter Adjusted Gross Income from Form IN-111, Line 1.

**Line 31** **Part-Year Residents and Nonresidents:** Enter the amount from Part I, Line 29. **Full-Year Residents:** Enter -0-.

**Line 32** Enter the amount of Vermont exempt military pay received in 2018 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 Vermont. **You may be asked to provide the Required Supporting Documents:** Copy of active duty orders.

- II. Up to \$2,000 for National Guard or U.S. Reserve training pay earned in Vermont if your adjusted gross income for tax year 2018 is less than \$50,000. **You may be asked to provide the Required Supporting Documents:** 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 **2018**. **You may be asked to provide the Required Supporting Documents:** Certification statement from armed services showing your name, address, Social Security Number, amount of student loan repayment, and payment date.

**Line 33** Enter the amount you received in 2018 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 Vermont 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. **You may be asked to provide the Required Supporting Documents:** Copies of 1099, 1099RB, WP-4, or any other document you received showing payment of these benefits.

**Line 34** The interest or income from a bond or note of: **(1)** Vermont Student Assistance Corporation, **(2)** Build America, **(3)** Vermont Telecommunications Authority, or **(4)** Vermont Public Power Supply Authority is exempt from Vermont income tax to the extent the interest or income is included in federal adjusted gross income. Enter the amount of interest or income from these sources that is also included in your federal adjusted gross income.

**Line 35** Add Lines 31 through 34 and enter result. This is the total amount of income not subject to Vermont income tax. No entry is needed on this line if you did not have entries on Lines 31 through 34.

**Line 36** Subtract Line 35 from Line 30. This is the Vermont income subject to tax.

**Line 37** Divide Line 36 by Line 30. Also enter on Form IN-111, Line 15. Carry out to four decimal places. *Example:* XX.XXXX%

**Dealing with negatives:**

- If Line 30 is a negative and Line 36 is a positive, enter 100%
- If Line 36 is a negative, enter 0%
- If Lines 30 and 36 are negative, enter 0%

**DRAFT AS OF DEC. 4, 2018**  
**FORM PR-141 Renter Rebate Claim**

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

**Do NOT file a renter rebate if you rent a lot for your mobile home. See instructions for Form HS-122, Homestead Declaration and Property Tax Adjustment Claim.**

**Request a Form LC-142, Landlord Certificate, from your landlord(s).** Submit a completed Landlord Certificate for each rental unit you occupied in calendar year 2018.

**E-file your Renter Rebate for quicker processing:** If your landlord has e-filed the Landlord Certificate for your rental unit, find the E-file Certificate Number at the bottom of the certificate. Enter this number in Section A of the online Renter Rebate Claim at [www.myVTax.vermont.gov](http://www.myVTax.vermont.gov).

**Missing Information or Incomplete Filing:** Claims that are incomplete or are missing information are not considered filed. The information must be provided by the Oct. 15 filing deadline. Information received after that time cannot be accepted.

**Injured Spouse Claims:** To make an “injured spouse” claim, send the following information prior to filing your claim:

- (1) the request letter
  - (2) copy of federal Form 8379, Injured Spouse Allocation (if you filed one with the IRS)
- Mail to: Vermont Department of Taxes, ATTN: Injured Spouse Unit, PO Box 1645, Montpelier, VT 05601-1645.  
 The Department will notify you if the renter rebate is taken to pay a bill. You have 30 days from the date on the notice to submit the injured spouse claim to the Department.

**Eligibility for Renter Rebate:** You must meet *all* of the following eligibility requirements:

- You were domiciled in Vermont for the entire calendar year 2018
- You were not claimed in 2018 as a dependent of another taxpayer
- Your household income in 2018 did not exceed \$47,000
- You are the only person in the household making a Renter Rebate Claim
- You rented in Vermont for all 12 months in 2018. For the one exception, see details in “Renting at the End of the Year.” Find this information under the heading “Special Situations” in the instructions for Schedule HI-144, Household Income.

**Deceased Renter:** A claim cannot be filed 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 the room occupancy charge only. Services such as heat, electricity, personal services, medical services, etc., must be deducted. Generally, the room charge is 25% of the total charges to the person. For a percentage greater than 25%, a breakout of costs must be provided. 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 who owns 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, Household Income, FIRST. If Line y is more than \$47,000, you are ineligible.

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

**Claimant Information** Enter your name, your spouse/civil union partner's 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 is allowed.

**Location of Rental Property** Enter the physical location as of Dec. 31, 2018. Do not use a post office box, town name only, "same," or "see above."

**Claimant's Date of Birth** Enter your date of birth.

**Federal Filing Status** Enter the corresponding letter of the filing status used on your 2018 federal income tax return. If you are not required to file a federal income tax return, leave the box blank.

**E-file Certificate Number (from Form LC-142)** If applicable, enter the E-file Certificate Number located on Form LC-142 that you received from your landlord. If the Form LC-142 you received does not have an E-file Certificate Number, leave this field blank.

**Line 1 Vermont School District Code** Go to the Vermont School District Codes table and select the three-digit school district code for the town where you lived on Dec. 31, 2018.

**Line 2 Legal Residence** Enter your legal residence as of Dec. 31, 2018. Your legal residence is where you lived and may be different from your mailing address.

**Eligibility Questions** ALL questions must be answered or the claim cannot be processed. Check the appropriate "Yes" or "No" box for Q1, Q2 and Q3 to determine your eligibility.

## Rebate Calculation

Only the rent paid during the calendar year for the calendar year is eligible for a renter rebate.

**Line 3 Allocable Rent** Enter amount from Form LC-142, Landlord Certificate. This could be Line 9 or Line 16, depending on the version your landlord filled out. Allocable rent is based on rent paid in a calendar year.

**More than one Landlord Certificate:** Add Allocable Rent from each certificate and enter amount on this line. File all Forms LC-142 with your claim. If the Landlord Certificate lists items that are included in rent and the dollar value on the certificate is left blank, the allowable rent will automatically be reduced by 50%. Rental in nursing homes, community care, assisted living, and like facilities and boarding houses will be reduced by 75%.

**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 Form 8829, Expenses for Business Use of Your Home. To calculate business use, divide the square feet used for business by the total square feet in the rental unit.

If the rental unit is used solely as your home, or business use is 25% or less, enter 100% 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 y.

**Line 7 Maximum Percentage of Income for Rent** Use the chart to find your household income range 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 2018 renter rebate. If you are filing the Renter Rebate Claim with your 2018 Vermont income tax return and you are using it to pay your Vermont Income tax liability, also enter this amount on Form IN-112, Part II Line 2. The Department processes Renter Rebate Claims and income tax refunds separately. The payments may be issued to you in separate checks or direct deposits.

**NOTE:** A renter rebate cannot exceed \$3,000.

<b>Signature</b>	Sign the claim.
<b>Date</b>	Write the date on which the claim form was signed.
<b>Disclosure Authorization</b>	If you wish to give the Department authorization to discuss your 2018 Renter Rebate Claim with your tax preparer, check this box and include the preparer's name.
<b>Preparer</b>	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 FEIN of the business.  If someone other than the filer(s) prepared the return without charging a fee, then that preparer's signature is optional.

## Homestead Declaration and Property Tax Adjustment

### FORM HS-122 SECTION A Vermont Homestead Declaration

**THE HOMESTEAD DECLARATION** must be filed each year by Vermont residents for purposes of the state education tax rate. The Declaration identifies the property as the homestead of the Vermont resident. A Vermont homestead is taxed at the homestead education property tax rate, while a different education property tax rate applies to non-homestead property (also known as the nonresidential rate). Non-homestead property is property used for commercial purposes or property not used as the primary residence, such as a second home, camp, or summer cottage. A property may be classified as both homestead and non-homestead. This occurs when a part of the home is used for commercial purposes or as a rental. The property tax bill will show a homestead education property tax rate and a non-homestead education property tax rate. For more information on the Homestead Declaration, see 32 V.S.A. §§ 5401(7), 5410, and Reg. § 1.401(7).

**You must file a declaration by April 15, 2019, if you meet all of the following eligibility requirements:**

1. Own the Vermont property as your principal residence as of April 1, 2019, **AND**
2. Expect to physically occupy the Vermont property as your domicile. The declaration must be filed even if it is late. **NOTE:** If you meet these requirements, except that your homestead is leased to a tenant on April 1, 2019, you may still claim it as a homestead if it is not leased for more than 182 days in the calendar year. Other ownership circumstances include the following:
  - Joint ownership – only one owner occupant should file.
  - Owners with a life estate interest who occupy the dwelling as their primary residence must file.
  - Certain trusts may qualify as a homestead. For more information, read Reg. § 1.5401(7) Homestead on our website. Please note that changes to this regulation are being proposed to conform to amendments made to this statute.
  - A residence, held by an estate which was the homestead of the deceased person at the time of death, may file a homestead if not rented.

Homestead Declarations filed **by April 15, 2019**, are considered timely, classified as homesteads on the grand list, and taxed at the homestead education property tax rate.

Homestead Declarations filed **after April 15, 2019**, are classified as homesteads but may be assessed the following penalty by the town:

- Up to 3% if the nonresidential rate is higher than the homestead education property tax rate.
- Up to 8% if the nonresidential rate is lower than the homestead education property tax rate.

Homestead Declarations filed **after Oct. 15, 2019**, will be classified as non-homestead. The owner will be charged the higher of the two rates, assessed a penalty, and must pay any additional property tax and interest due.

**What if you SELL your property before April 1, 2019?** If you filed a Homestead Declaration and Property Tax Adjustment Claim before April 1, 2019, you must withdraw the declaration and claim using Form HS-122W, available on our website.

**What if you rent your homestead on April 1 and occupy it yourself for fewer than 183 days in the calendar year?** You must withdraw the declaration using Form HS-122W, Vermont Homestead Declaration and/or Property Tax Adjustment Withdrawal. Form HS-122W is available on our website. The reason is because you must be eligible to file a Homestead Declaration before you can qualify to file a Property Tax Adjustment Claim. If you occupy your home fewer than 183 days, you are disqualified from filing both the Homestead Declaration and the Property Tax Adjustment Claim.

## Line-By-Line Instructions

**Claimant Information:** Enter your Social Security Number, name, and address. If applicable, enter the Social Security Number and name of your spouse/civil union partner. Enter your date of birth. Example: March 27, 1948, is entered as 03 27 1948

**Location of Homestead:** Enter the physical location (street, road name) Please do not enter a post office box or write "same," "see above," or the city/town name. Examples: 123 Maple Street or 276 Route 12A

**Federal Filing Status:** Enter the corresponding letter of the filing status used on your 2018 federal income tax return. If you are not required to file a federal income tax return, leave the box blank.

**Line A2 Legal Residence:** Enter the town or city name of your legal residence as of April 1, 2019. If there is both a city and town with the same name, please specify. Examples: Barre City or Barre Town, St. Albans City or St. Albans Town

**Line A3 SPAN (School Property Account Number):** This is a unique 11-digit identification number assigned by the town or city and is printed on the property tax bill. It is very important to verify your SPAN. The property tax adjustment is credited to the property tax bill for this SPAN.

**Line A4 Business Use of Home:** Enter percentage of the dwelling used for business. Leave blank if there is no business use or the business use is 25% or less.

**Line A5 Rental Use of Home:** Enter the percentage of the dwelling that is rented. All rental use is required to be reported even if it is 25% or under.

**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 situation applicable.

## FORM HS-122 SECTION B Property Tax Adjustment Claim

To be eligible for a **Property Tax Adjustment Claim**, you must meet all of the following eligibility requirements:

1. The property must be declared as your homestead.
2. You were domiciled in Vermont for the entire 2018 calendar year.
3. You own the property as your principal residence on April 1, 2019.
4. You were not claimed as a dependent of another taxpayer for the 2018 tax year.
5. You meet the household income criteria of \$136,500 or less.

### Due Date - April 15, 2019

Property Tax Adjustment Claims filed **between April 15 and Oct. 15, 2019**, will have a \$15 late filing fee deducted from the property tax adjustment.

*2019 Property Tax Adjustment Claims filed after Oct. 15, 2019, cannot be accepted.*

*Incomplete claims cannot be processed and are not considered filed.*

**Receipt Date** Forms mailed through the U.S. Post Office are considered timely if received by the Vermont Department of Taxes within three business days of the due date. If you file electronically, the receipt date is the transmission date. If you bring the form to the Department in person, it must be on or before the due date.

**HOMEOWNER DECEASED before April 1, 2019?** The right to file a Property Tax Adjustment Claim ends if the homeowner dies before April 1, 2019. If a single homeowner has filed a claim before April 1 but then dies before April 1, the claim must be withdrawn using Form HS-122W. If, however, two homeowners have filed jointly before April 1, but then one of them dies before April 1, the claim belongs to the surviving homeowner.

**PURCHASED a home as your primary residence on or before April 1, 2019?** You must file Form HS-122 Sections A and B to make a property tax adjustment claim. You can file online on our website at [www.myVTax.vermont.gov](http://www.myVTax.vermont.gov).

**Amending Form HS-122** An error on the 2019 Form HS-122 may be corrected up to Oct. 15, 2019. After that date, only household income may be amended.

**INJURED SPOUSE CLAIMS:** To make an “injured spouse” claim, send the following information **prior** to filing your claim;

1. Letter with details of your claim
2. Copy of federal Form 8379, Injured Spouse Allocation (if you filed this form with the IRS)
3. Documentation of your ownership interest

Mail information to:

ATTN: Injured Spouse Unit  
Vermont Department of Taxes  
PO Box 1645  
Montpelier VT 05601-1645

The Department will notify you if the property tax adjustment is taken to pay a bill. You have **30 days from the date on the notice** to submit the injured spouse claim to the Department.

## Line-By-Line Instructions

Before you begin the Property Tax Adjustment Claim, you must first determine if you meet household income criteria. Complete Schedule HI-144, Household Income, to see if you are eligible for an adjustment.

**Schedule HI-144 must be submitted with Form HS-122.** See instructions for Line B9 and B10, Mobile Home Lot Rent; Lines B11 and B12, Allocated Property Tax from Land Trust, Cooperative, or Nonprofit Mobile Home Park; and Lines B13 and B14, the education and municipal tax on a property whose housesite value is less than 2 acres and crosses town boundaries. We may require additional documents.

**Lines B1 – B3 Eligibility Questions:** Check the appropriate “Yes” or “No” box to answer the eligibility questions. ALL eligibility questions must be answered.

**Information for Lines B4-B6 is found on your 2018/2019 property tax bill.**

**Line B4 Housesite Value:** Enter the assessed housesite value shown on the 2018/2019 property tax bill. See the instructions under “Special Situations” for information on new construction or purchase of a new home.

**Line B5 Housesite Education PropertyTax:** Enter the education property tax shown on the 2018/2019 property tax bill.

**Line B6 Housesite Municipal Tax:** Enter the municipal property tax shown on the 2018/2019 property tax bill.

**Line B7 Ownership Interest:** If you and the members of the household own and occupy the property as your principal residence, enter 100%. See the instructions under Schedule HI-144, Household Income, “Special Situations,” if there is another owner(s) that does not live in the household or you live in a duplex.

**Line B8 Household Income:** Enter the amount calculated on Schedule HI-144, Line y.

**Line B8a** If you are amending your Household Income Schedule, please mark the box with an “X.”

**Line B9 E-file Certificate Number from Form LC-142:** If applicable, enter the E-file Certificate Number located on the Form LC-142 that you receive from your landlord. If the Form LC-142 you received does not have an E-file Certificate Number, leave this line blank.

**Line B10 Lot Rent for a Mobile Home:** If you rent a lot in a privately owned mobile home park, obtain Form LC-142, Landlord Certificate, from your landlord and enter the amount of Allocable Rent.

**Lines B11 – B12 Allocated Tax from Land Trust, Cooperative, or Nonprofit Mobile Home Park:** Enter the amount of education and municipal property tax shown on the statement issued to you by the land trust, cooperative or nonprofit mobile home park.

**Lines B13 – B14 Property Tax from Contiguous Property:** If you own contiguous property, you may use the property taxes from that parcel if the property tax bill for your dwelling has under two acres or part of the dwelling or a building, such as a garage, is on the contiguous property.

**Signature:** Sign the property tax adjustment claim.

**Date:** Enter the date you sign the claim.

**Disclosure Authorization:** Check this box if you wish to give the Vermont Department of Taxes authorization to discuss this claim with your tax preparer. Be sure the tax preparer’s name is included.

**Preparer:** If you are a paid preparer, you must sign this claim, enter your Social Security Number or PTIN, and if employed by a business, include the Federal Employer Identification Number of the business. If someone other than the homeowner prepared this claim without charging a fee, the preparer’s signature is optional.

**If mailing this return, send to:**

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

***The maximum 2019 Property Tax Adjustment is \$8,000.***

The property tax adjustment will appear as a state payment on your 2019/2020 property tax bill.

## SCHEDULE HI-144 Household Income Schedule

**Domicile** For a definition of “domicile,” please refer to Reg. § 1.5811(11)(A)(i)-Domicile on our website.

**Homeowner** You are the homeowner if you own and occupy the housesite as your primary residence.

**Household Income means modified adjusted gross income, but not less than zero (0), received in a calendar year by:** all persons of a household while members of that household.

**Household Members** include you, your spouse/civil union partner, roommates, and family members (including children) even if they file their own income tax returns and are not considered dependents. You must include a spouse/civil union partner

as a member of your household even if your spouse/civil union partner does not live with you in the same home. If, however, your spouse/civil union partner does not live with you **and** you and your spouse/civil union partner are **legally separated by court order**, then this person is not considered a household member.

**Exceptions** - The following are **not** considered household members:

- A spouse/civil union partner who is at least 62 years of age and who has moved to a nursing home or other care facility with no reasonable prospect of returning to the household
- A person who is not related to any member of the household and who is living in the household under a written home sharing agreement with a nonprofit home sharing program authorized by the Vermont Department of Disability, Aging and Independent Living
- A person living in the household who is a bona fide employee hired to provide personal care to a member of the household and who is not related to the person for whom the care is provided
- A person who resides with you (the person filing the claim) for the primary reason of providing attendant care services or homemaker or companionship services with or without compensation that allows you to remain in your home or avoid institutionalization. To qualify for this exception, you must be disabled or 62 years of age or older as of Dec. 31, 2018.

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**Members of the household for a portion of the year.** You must include the income received by all persons residing in the home or apartment during the period they resided in the home or apartment.

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**Household Income** Lines a through m on Schedule HI-144 list the items of income that are required to be reported for Household Income.

- Report your income (if filing jointly, include the income of your spouse) under Column 1.
- Report the income of your spouse if filing separately, or civil union partner under Column 2.

**Exceptions applying to spouse/civil union partner**

1. You do not have to include your spouse/civil union partner when the person is not living with you as a member of your household **and you are legally separated by court order**
  2. You do not have to include the income of a spouse who is age 62 or older and has moved permanently to a nursing home or other care facility
- Report income from all others who resided in your house or apartment under Column 3, Other Persons.

**Exclusions:** The following are **not** part of household income:

- Payments by the State of Vermont for foster care under Vermont law at 33 V.S.A. Chapters 49 and 55
- Payments by the State of Vermont to a family for the support of an eligible person with a developmental disability
- Payments by the State of Vermont or an agency for adult foster care payments (formerly “difficulty of care” payments) found in 18 V.S.A. § 8907
- Surplus food or other relief in-kind supplied by a government agency
- The first \$6,500 of income received (earned or unearned) by a person who qualifies as a dependent of the claimant under the Internal Revenue Code **and** who is the claimant’s parent or disabled adult child
- The first \$6,500 of income earned, such as wages, salaries, tips, etc., by a full-time student who qualifies as a dependent of the claimant (all unearned income must be reported)
- The first \$6,500 of gifts of cash and/or cash equivalents received by all household members
- Distributions from the contributions to a ROTH IRA (distributions from the earnings of the ROTH IRA are to be reported in household income)
- Gifts from a nongovernmental source, such as aid provided by the Red Cross, Salvation Army, a church, to assist paying a living expense (for example, fuel, utilities, rent)

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## Line-By-Line Instructions

### Household Income

- |               |  |
|---------------|--|
| <b>Line a</b> | <b>Cash public assistance and relief</b> Enter all payments from the State of Vermont Agency of Human Services except for foster care payments, difficulty of care payments, food stamps, and fuel assistance. The first \$6,500 of refugee settlement payment is excluded.  |
| <b>Line b</b> | <b>Social Security, Social Security Income (SSI), Social Security Disability Income (SSDI), railroad retirement, and veterans’ benefits (taxable and nontaxable)</b> Enter payments from Social Security as reported in Box 5 of your SSA-1099 (this box adjusts for any repayment of Social Security benefits you were required to make) or from federal Form 1040, U.S. Individual Income Tax Return. Social Security benefits also include SSI and SSDI payments. Enter all railroad retirement from RRB-1099 and veteran’s benefits. |
| <b>Line c</b> | <b>Unemployment compensation and workers’ compensation</b> Enter the full unemployment compensation shown on Form 1099-G, Certain Government Payments, plus any workers’ compensation you received.  |

<b>Line d</b>	<b>Wages, salaries, tips, etc.</b> Enter the income shown in Box 1 of the W-2. Also report Form 1099-MISC, Miscellaneous Income, issued for nonemployee compensation if this is income not included as part of Line h, Business Income. See exclusions in Household Income section before completing this line.
<b>Line e</b>	<b>Interest and dividends</b> Enter the income required to be reported on Lines 2a and 3a of federal Form 1040.
<b>Line f</b>	<b>Interest on U.S., state, or municipal obligations</b> Enter the income reported on Line 2b of federal Form 1040 and all interest income from federal, state or municipal government bonds. This includes interest taxed at the federal level but exempted for Vermont income tax purposes and interest not taxed at the federal level.
<b>Line g</b>	<b>Alimony, support money, child support, cash and cash equivalent gifts</b> Enter the total received for alimony, child support, and other support money. Support money includes payment of housing expenses for household member or other financial assistance that makes it possible for the household member to live in the homestead or rental unit. Also gifts of cash or cash equivalent received by household members must be reported. Cash equivalent includes stocks, bonds, treasury obligations, certificates of deposit, or other instruments convertible to cash.
<b>Line h</b>	<b>Business income</b> Enter income attributable to a business. If there is a business loss, leave blank. For taxpayers filing Married Filing Jointly, where both spouses have business income or loss from sole proprietorships, enter the amount from federal Form 1040 or leave blank if a negative, in the Claimant column.
<b>Line i</b>	<b>Capital gains</b> Report nontaxable gains from the sale of your home and gains from federal Form 1040 Schedule D, Capital Gains and Losses: A capital loss carryforward cannot be used to offset a current year capital gain. Add back federal Form 1040, Schedule D, Lines 6 and 14 to Line 16. This cannot be less than zero (0). <b>Exception:</b> A business loss may offset a capital gain on the sale of the business's property provided <b>all three</b> of the following are true for the business: <b>(1)</b> the loss and capital gain are for the same business; <b>(2)</b> the IRS requires the capital gain to be reported; and <b>(3)</b> the business loss and capital gain from the sale of the business's property both occurred in the 2018 tax year. If the offset of the capital gain by the loss creates a negative amount, leave blank. A capital loss cannot offset business income.
<b>Line j</b>	<b>Taxable pensions, annuities, IRAs, and retirement fund distributions.</b> Enter the income from retirement, deferred compensation plans, and annuities as reported on federal Form 1040. Household income includes non-qualified distributions from retirement and deferred compensation plans and both taxable and nontaxable federal pension and annuity benefits.
<b>Line k</b>	<b>Rental and Royalty income</b> Enter the income from each rental property you own as reported on federal Schedule E (Form 1040), Supplemental Income and Loss, Part I. Each rental property stands on its own. A loss generated by one property may not be used to reduce income from a different property. Read Technical Bulletin TB-56, Reporting Business Income, K-1 Income, Rental Income and Capital Gain on Schedule HI-144 Household income, on our website for the proper treatment of rental income and losses. Room and board payments made to you by member(s) of the household are rental income and must be reported on this line. Report royalty income from federal Form 1099-MISC, Miscellaneous Income, 1099-S, Proceeds from Real Estate Transactions; Schedule K-1, Share of Income Deductions, Credits, etc.; or Schedule E (Form 1040), Supplemental Income and Loss, Part I.
<b>Line l</b>	<b>Income from Partnerships, S Corporations, LLCs, Farms, Trusts and Estates</b> Federal Schedule K-1 pass-through income as required to be reported on federal Form 1040, Schedules E and/or F, Profit or Loss from Farming. Report ordinary business income, rental income and guaranteed payments from K-1 on this line. The loss from one K-1 cannot offset income from another K-1. A loss is reported as -0-. See Line i instructions for the only provision allowing netting of a business loss.
<b>Line m</b>	<b>Other income</b> Sources of other income include, but are not limited to, prizes and awards, gambling or lottery winnings, director's fees, employer allowances, taxable refunds from federal Form 1040, allowances received by dependents of armed service personnel and military subsistence payments (Basic Allowance for Housing, flexible spending arrangement or account), loss of time insurance, cost of living adjustment paid to federal employees, and other gains from federal Form 1040. Report on this line income reported to you on federal Form 1099-MISC or W-2G, Certain Gambling Winnings. For more information on military income, see the "Vermont Tax Guide for Military and National Services" available on the Department's website.
<b>Line n</b>	Add items a through m by column. Carry those amounts over to the top of the next page.

### Adjustments to Income:

The following adjustments to household income may be made for each member of the household.

**Line o** **Social Security and Medicare Tax Withheld and Self-Employment Tax on Income Reported** Social Security and Medicare payroll tax payments are deducted from household income, but only to the extent that the salary and wages are included in household income. Please see the examples that follow:

- 1. Deferred compensation** – If you made a deferred compensation contribution for the tax year, the amount of the contribution is not included in the federal adjusted gross income as stated in Box 1 on your Form W-2, Wage and Tax Statement. The Social Security and Medicare taxes on the W-2 must be reduced for the purposes of reporting household income on the HI-144. To report the correct value on Line o, multiply the amount stated in Box 1 on the W-2 by 7.65%.

2. **Military pay** – Multiplying the amount stated in Box 1 on the W-2 by 7.65% provides the correct value for this deduction.
3. **Allocated tips** – In addition to the figures included on the W-2, add the Social Security and Medicare payments you made as the result of completing federal Form 4137.

**Self-Employed Social Security and Medicare Taxes Paid** Self-employed claimants may subtract from household income the amount from federal Schedule SE (Form 1040), Self-Employment Tax, Section A, Line 5, or Section B, Line 12, that represents the Social Security and Medicare taxes paid for 2018 for income reported on Schedule HI-144. For income not required to be reported upon which Social Security and Medicare taxes were paid, multiply the income not reported on HI-144 by 15.3% and subtract the result from the federal Schedule SE amount. The amount of Social Security and Medicare taxes reported on this line includes the allowable deduction for one-half self-employment tax on federal Form 1040, Line 27. You may be asked for a copy of your federal Schedule SE.

<b>Line p</b>	<b>Child support paid</b> Report only those payments for which receipts or other evidence of payment is available. This evidence may include cancelled checks or a statement from the Office of Child Support in addition to the name and Social Security Number of the parent receiving the payment.
<b>Line q</b>	<b>Allowable Adjustments</b> from federal Form 1040. The following expenses may be subtracted from income. <ul style="list-style-type: none"> <li>• Certain business expenses of reservists – from federal Form 1040</li> <li>• Alimony paid – from federal Form 1040</li> <li>• Tuition and fees allowed under federal law from federal Form 1040</li> <li>• Self-employed health insurance deduction – from federal Form 1040</li> <li>• Health savings account deduction – from federal Form 1040</li> </ul>
<b>Line r</b>	Add Lines o, p, and the total of Lines q1 to q5 for each column.
<b>Line s</b>	Subtract the total adjustments on Line r from the total income on Line n for each column. The adjustments for any individual in your household cannot exceed the income of that individual. If Line n minus Line r is negative, enter -0-.
<b>Line t</b>	Add columns 1, 2, and 3 and enter sum. Entry cannot be less than zero (0).
<b>Line u</b>	For claimants under the age of 65 as of Dec. 31, 2018, enter the total of interest and dividends for all household members reported on Lines e and f in each column.
<b>Line v</b>	Add the three columns on Line u.
<b>Line w</b>	For purposes of calculating the property tax adjustment or renter rebate, household income is increased by the household total of interest and dividend income greater than \$10,000.
<b>Line x</b>	Subtract Line w from Line v. If Line w is more than Line v, enter -0-.
<b>Line y</b>	<b>Household Income.</b> Add Line t and Line x. Enter this figure on HS-122 or PR-141.

## SPECIAL SITUATIONS

### Deceased Homeowner

**Property Tax Adjustment:** 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, 2019, the estate must withdraw the claim using Form HS-122W. The estate is responsible to repay any adjustment issued. If the homeowner filed a Property Tax Adjustment Claim between January and March 31 and dies after April 1, 2019, the commissioner may pay the adjustment to the town on behalf of another member of the household with ownership interest.

An estate may continue classification of the property as a homestead until the following April provided the property was the deceased homeowner's homestead at the time of death and the property is not rented.

**Delinquent Property Tax** The 2019 property tax adjustment applies to the current year property tax. The municipality may use any remaining adjustment towards penalty, interest, or prior year property taxes.

**Nursing Home or Residential Care** If the homeowner is age 62 or older and another owner who also lived in the homestead is the homeowner's spouse/civil union partner or sibling and has moved indefinitely from the homestead to a nursing home or residential care facility, the homeowner makes the Property Tax Adjustment Claim with 100% ownership. This applies **only if** the spouse/civil union partner or sibling does not make a Renter Rebate Claim or the spouse/civil union partner or sibling does not make a Property Tax Adjustment Claim for the same homestead.

If the homeowner has moved to a nursing home or residential care facility, a Property Tax Adjustment Claim may be made if there is a reasonable likelihood that the homeowner will be returning to the homestead and the homeowner does not make a Renter Rebate Claim. The Department may ask for a doctor's certificate to help determine whether the nursing home or residential care facility is a temporary location.

**Renting at the End of the Year** You may be eligible for a Renter Rebate Claim for rent paid in 2018 under the following circumstances: 1) If you owned a Vermont homestead in 2018, 2) sold the homestead before April 1, 2018,

3) withdrew or did not file a 2018 Property Tax Adjustment Claim and 4) rented between the date of the sale and Dec. 31, 2018. To qualify for a renter rebate, your household income must be \$47,000 or less. **NOTE: This is the only situation where a renter rebate can be claimed for fewer than 12 months.**

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## OWNERSHIP SITUATIONS

**Homeowner Age 62 or Older in 2018** If the homeowner shares ownership of the homestead with his or her descendant(s), the homeowner may claim 100% ownership interest on the Property Tax Adjustment Claim, even if the other owners (descendants) do not live in the homestead. The Department may request a letter of explanation.

**Divorced or Legally Separated Joint Owners** When the divorce decree or court order has declared a specific percentage of home ownership for the purpose of property taxes, you must use that percentage if the following apply: (1) you are divorced or legally separated from your spouse/civil union partner; (2) your name and the name of the spouse/civil union partner from whom you are divorced or legally separated remain on the deed; and (3) you are awarded possession of the home. If the divorce decree or court order does not specify responsibility for the property taxes, the person residing in the homestead uses 50% ownership interest. The person not living in the homestead cannot make a Property Tax Adjustment Claim.

The Department may ask for a copy of the portions of the court documents showing the court, date filed, signature page, and the homestead-related provisions.

**Duplex Housing** *Both owners occupy the building as their principal residence.* The eligible housesite education property tax is the tax on the portion owned by each homeowner. If the town issues a property tax bill to each homeowner for his or her portion of the homestead, use the housesite value, housesite property tax, and 100% ownership interest. If the property tax bill is for the total property, prorate the housesite value, housesite property tax, and ownership interest. *Only one owner occupies the building as his or her principal residence.* The owner occupying the duplex as his or her principal residence must prorate for the other owner's interest.

**Entity Ownership** Property owned by a C or S corporation, partnership, or limited liability company cannot be claimed as an individual's homestead and is not eligible for property tax adjustment. There is an exception for a homestead located on a farm. Read Reg. § 1.5401(7)-Homestead at [www.bit.ly/vttaxregs](http://www.bit.ly/vttaxregs).

**Life Estate** A person who holds a life estate interest in a property that he or she occupies as a principal residence may make a Property Tax Adjustment Claim as if the life estate holder was the owner of the property. The deed does not have to be attached to the Property Tax Adjustment Claim but must be available for review upon Department request.

**Trust Ownership** A dwelling owned by a trust is not the homestead of the beneficiary unless the claimant is the sole beneficiary of the trust **and** one of the following:

1. The claimant or the claimant's spouse was the grantor of the trust, and the trust is revocable or became irrevocable solely by reason of the grantor's death;
- OR**
2. The claimant is the parent, grandparent, child, grandchild or sibling of the grantor; the claimant is mentally disabled or severely physically disabled; and the grantor's modified adjusted gross income is included in the household income calculation.

The term "sole beneficiary" is satisfied if the homeowner and the spouse/civil union partner are the only beneficiaries of the trust. A property owned by an irrevocable trust cannot be a homestead except as stated in (1) above. The trust document does not have to be attached to the Property Tax Adjustment Claim but must be available for review upon Department request.

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## BUYING and SELLING PROPERTY

**Buying after April 1, 2018** For property purchased as your principal residence, you need to file a 2019 Homestead Declaration. If you are eligible to make a 2019 Property Tax Adjustment Claim and the property was declared as a homestead, use the seller's property tax bill. If the property was not a homestead in 2018, ask the town for the housesite value and the property taxes on the housesite as if it was a homestead in 2018.

**Property Transactions after April 1, 2019** The property tax adjustment stays with the property. In the case of the sale or transfer of a residence, any property tax adjustment amounts related to that residence shall be allocated to the seller at closing unless the parties agree otherwise.

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## NEW CONSTRUCTION

New homestead construction that was built after April 1, 2018, and is owned and occupied as a principal residence on April 1, 2019, must file Form HS-122 Homestead Declaration. Eligible homeowners may make a 2019 Property Tax Adjustment Claim. The claim will be based on the value of the parcel as of April 1, 2018.

## 2018 VT Rate Schedules

### Single Individuals, 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	38,700	0.00	3.35%	0
38,700	75,000	1,296.00	6.60%	38,700
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	93,700	3,692.00	6.60%	75,000
93,700	195,450	4,926.00	7.60%	93,700
195,450	-	12,659.00	8.75%	195,450

### Married Filing Separately, 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	32,300	0.00	3.35%	0
32,300	75,000	1,082.00	6.60%	32,300
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	78,075	3,900.00	6.60%	75,000
78,075	118,975	4,103.00	7.60%	78,075
118,975	-	7,212.00	8.75%	118,975

### Married Filing Jointly, 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	64,600	0.00	3.35%	0
64,600	75,000	2,164.00	6.60%	64,600
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	156,150	2,851.00	6.60%	75,000
156,150	237,950	8,206.00	7.60%	156,150
237,950	-	14,423.00	8.75%	237,950

### Heads of Household, 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	51,850	0.00	3.35%	0
51,850	75,000	1,737.00	6.60%	51,850
<b>TAXABLE INCOME UNDER \$75,000 USE THE TAX TABLES</b>				
75,000	133,850	3,265.00	6.60%	75,000
133,850	216,700	7,149.00	7.60%	133,850
216,700	-	13,446.00	8.75%	216,700

*Example:* VT Taxable Income is \$82,000 (Form IN-111, Line 7). Filing Status is Married Filing Jointly. Use Schedule Y-1. Base Tax is \$2,851. Subtract \$75,000 from \$82,000. Multiply the result (\$7,000) by 6.6%. Add this amount (\$462) to Base Tax (\$2,851) for VT Tax of \$3,313. Enter \$3,313 on Form IN-111, Line 8.

**Please note:** For Adjusted Gross Incomes (IN-111, Line 1) exceeding \$150,000, Line 8 is the greater of 1) 3% of Adjusted Gross Income less interest from U.S. obligations, or 2) Tax Rate Schedule/Tax Table calculation.