

**STATE OF VERMONT DEPARTMENT OF TAXES**  
**SUBSTITUTE FORMS SPECIFICATIONS**  
**FIDUCIARY**



**2023**  
**TAX YEAR**

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## **SUBSTITUTE FORMS – GENERAL**

Please provide users with printing instructions to ensure that their printed returns match the samples that were submitted for approval.

### **List of Fiduciary Income Tax forms being scanned for the 2023 tax year**

<b>FIT-160</b>	<b>FIT-161</b>	<b>FIT-162</b>	<b>FIT-165</b>
<b>FIT-166</b>	<b>FIT-167</b>	<b>K1-VT-F</b>	<b>FIT-168</b>

Forms will be approved in subsets as indicated below. All forms in a subset must receive approval at the same time. *Example:* Form FIT-161 will not receive approval until Schedules FIT-162, FIT-166, FIT-167, K1-VT-F, and FIT-160 are approved. You are required to use the test samples found on the FTA SES website.

#### **Subsets allowed:**

1. FIT-161, FIT-162, FIT-166, FIT-167, K1-VT-F
2. FIT-160
3. FIT-165
4. FIT-168

### **2023 Vermont Fiduciary Income Tax Changes**

**\*\*\*For complete legislative highlights go to <http://tax.vermont.gov>**

#### **FORM FIT-161**

- All checkboxes have been removed that indicate a negative field, negative fields should now be entered with a negative sign before the entry.
- Removal of targets
- Updated Tax Schedule:

<b>Vermont 2023 Tax Schedule</b>			
<b>If Taxable income is over</b>	<b>But not over</b>	<b>The Vermont Tax is</b>	<b>of the amount over</b>
\$0	\$3,050	3.35%	\$0
\$3,050	\$7,150	\$102.00 + 6.60%	\$3,050
\$7,150	\$10,950	\$373.00 + 7.60%	\$7,150
\$10,950	---	\$662.00 + 8.75%	\$10,950

#### **Instructions:**

- Page 4, Line 1 will now read, "Enter the taxable income amount from federal Form 1041, Line 23. For Qualified Settlement Funds, enter the amount from federal Form 1120-SF. If reporting Electing Small Business Trust (ESBT) income on federal Form 1041, include taxable income from the ESBT portion of the return here, adding it to the taxable income from federal Form 1041, Line 23.

**If you had a state and local income tax add back last year AND you received a refund from the state, deduct the refund amount from this line.**

#### **SCHEDULE FIT-162**

- Removal of targets

#### **SCHEDULE FIT-166**

- All checkboxes have been removed that indicate a negative field, negative fields should now be entered with a negative sign before the entry.
- Removal of targets

#### **SCHEDULE FIT-167**

- All checkboxes have been removed that indicate a negative field, negative fields should now be entered with a negative sign before the entry.
- Removal of targets

#### **Instructions:**

- Line 2 will now read, "For other state or Canadian province – Enter total income taxed in another state or Canadian province and also subject to Vermont tax. Negative taxable income, enter the negative amount. Positive total income and taxable income, enter the income."

#### **SCHEDULE K-1VT-F**

- All checkboxes have been removed that indicate a negative field, negative fields should now be entered with a negative sign before the entry.
- Line 4a will now read: "Vermont Business Income."
- Line 4b will now read: "Capital gain or loss allocated to Vermont."
- Line 7 will now read: "Other payments allocated to this beneficiary (1099 withholding, estimates paid)"
- New Line 8 will read "Share of total federal bonus depreciation difference. Enter on Schedule IN-112, Line 4 or Line 9"
- New Line 9 will read "Share of total state and local taxes deducted on federal filing."
- Removal of targets

#### **Instructions:**

- All references to K-1VT will now be "K-1VT-F."
- Page 3, Line 8 Instructions will read: "**Share of total federal bonus depreciation difference-** Enter the difference between bonus depreciation taken for federal income tax purposes and depreciation allowed for Vermont as included on Line 1. Bonus depreciation taken in the current year is not allowed for Vermont purposes and results in an increase in Vermont income. Report on Schedule IN-112, Vermont Tax Adjustments and Credits, Line 4. Bonus depreciation taken in a prior year results in a decrease in the current year Vermont income. If the decrease from past bonus depreciation exceeds the current year disallowance, report the negative value on Line 7 and report the decrease in income on Schedule IN-112, Line 9."
- Page 3, Line 9 Instructions will read: "Estates, Trusts, and corporation are required to perform an add-back of certain state and local income and franchise taxes, including pass through entity taxes, deducted. Indicate here the portion of the Vermont apportionable income (which would otherwise have been included in Line 1 of the K-1VT-F if not for the deduction) that is attributable to state and local income taxes deducted on the federal return. Unlike bonus depreciation, which is required to be a part of the apportionable tax base and will be included in the calculations for Line 1 of the K-

1VT-F, this item will be calculated by taking the SALT deduction on the federal return, applying the Vermont apportionment rate, then separately stating the pro-rata share of the deduction per K-1VT-F recipient on Line 8.”

### **FORM FIT-168**

- Additional language added for federal extension being honored: “An extension of time to file a federal return automatically extends the time to file with Vermont. However, tax is due on the original due date of the Fiduciary return. A Vermont Fiduciary extension should be filed if a payment is submitted.”
- Removal of targets

Add new section: **Contacting the Department**

**Mail:** Vermont Department of Taxes PO Box 1700, Montpelier, VT 05601-1700

**Phone:** (866) 828-2865 (toll-free in Vermont)

**Phone:** (802) 828-6820 (local and out-of-state)

**Fax:** (802) 828-2720

### **SCHEDULE FIT-165**

- Removal of targets

### **FORM 8879-VT-F**

Beginning in tax year 2022, Form 8879-VT-F is optional for tax professionals when IRS Form 8879 is completed. EROs or transmitters must keep Form 8879-VT or IRS Form 8879 in their file with their copy of the return and all supporting documentation for a minimum of three years.

### **SUBSTITUTE FORMS SPECIFICATIONS**

Substitute forms must be reproduced to match the official forms. All variable data fields must be in absolute positions and can be verified utilizing the 10 X 6 grid format. All forms that do not meet the Department’s specifications will be rejected. The font size and style requirements are provided below to ensure accuracy. All pages of a form and/or schedule must be filed whether or not the taxpayer utilizes every page of that form/schedule.

Paper for substitute forms must be at least 20 lb. white stock and printed on 8 ½ X 11 paper. If the form/voucher is not a full page, it needs to be located at the top of the page. The form should be printed full scale with black ink. Please instruct the software users of this information to ensure the Department is able to capture the information accurately.

### **VARIABLE DATA FIELDS**

#### **Data placement:**

Specified as exact positions using a 10 X 6 grid — 10 spaces per horizontal inch and 6 lines per vertical inch. Beginning grid position and maximum length of field is given in these specifications.

Forms produced by industry should follow all Department guidance on specific field level restrictions. This includes the maximum character allowance, alpha and numeric rules and allowance of special characters.

**Font:**

Courier New 12pt font for ALL data fields.

**Alpha characters** must be in **UPPERCASE** only.

Do not print any information including internal codes, date/time stamps, or distribution information above the barcode or title of the form.

**DOLLAR AMOUNTS**

- All forms and schedules are whole dollar only.
- Do not use \$ signs.
- Do not use commas.
- All amount fields are right justified.
- If no taxpayer entry, fields must be left blank except for hard coded zeros on form template.
  - Do not use non-numeric characters such as NONE, N/A, ZERO, etc. in the amount fields.

**CHECKBOXES**

- Must be formatted as blank or X only.

**DATES**

- Do not print slashes or dashes except for hard coded slashes on form template.
- Date format: MMDDYYYY

**TELEPHONE NUMBERS**

- Do not print parentheses or dashes

**TEST CASES AND SAMPLE DATA**

Test cases will be posted to the FTA website. The test cases are designed to look for specific issues that we have experienced with each form as well as test yearly changes. Please ensure that all information provided in the test cases is utilized. If the sample(s) submitted do not use the test case information provided by the Department, or we do not receive a complete packet, the forms will be rejected. The test cases are identical for substitute forms and MeF.

## **DUE DATE**

First submittals for substitute forms approval must be received by the Department no later than Friday, January 5, 2024. First submittals received after January 5, 2024 will not be approved.

## **SUBMITTING FORMS FOR APPROVAL**

When submitting forms for approval, please submit the following:

**Blank forms** – An example of each substitute form reproduced by the industry containing no variable data with a barcode where applicable.

**Samples** – Forms recreated utilizing the test cases for all forms industry reproduces in their software. The test cases and sample data can be found on the FTA SES website. The submitted forms will not be tested if the Department's test cases are not used. IF industry does not support all forms, the forms excluded need to be identified in submission.

**Full-field forms** – Forms produced by industry demonstrating the maximum field allowance rules on all forms. The data should be specific to each field, following all specifications listed. For example, a dollar amount field should be only numerical.

**Please include all test cases, blank and full field forms for review in one email. This will allow the department to promptly review and provide feedback.**

For fastest processing please email complete test packet to:

MeF Coordination & Substitute Forms Team  
[Tax.vendorsupport@vermont.gov](mailto:Tax.vendorsupport@vermont.gov)

When emailing, please provide your 4-digit NACTP code and product name in the subject line of the email.

Test packages can also be mailed to:

Attn: Forms Team  
Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401

## **MAILING COMPLETED RETURNS**

Vermont Department of Taxes  
PO Box 1700  
Montpelier, VT 05601-1779

## **SCAN SPECIFICATIONS**

### **SHADING**

- Should not be used on any part of the forms.

### **BARCODE**

- This is specific to the form.
- The last two digits of the barcode represent your VT vendor number.
- Follow grid layout for positioning.

### **VENDOR CODES**

Vermont requires your Vendor Identification Code in two locations

- The state provides a 2-digit vendor identification code that replaces the last two digits of the barcode. The barcode provided on the forms has “00” as a place holder for this information. If you are a new vendor and need this code, please contact the Vermont Department of Taxes at [tax.vendorsupport@vermont.gov](mailto:tax.vendorsupport@vermont.gov).
- The 4-digit identification number assigned by the National Association of Computerized Tax Processors (NACTP) should be placed at the bottom lefthand corner on each page of the form according to the 10 X 6 grid. If you need an NACTP ID number, please complete the form at [NACTP Vendor ID Request](#).