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**VERMONT** *Unitary Affiliate Schedule* **FORM CO-421**

**PRINT in BLUE or BLACK INK**

**Attach to Form CO-411-U**

Name of Principal Vermont Corporation		Principal VT Corporation Federal ID Number
Affiliate's Federal ID Number	Affiliate's Primary 6-digit North American Industrial Classification System (NAICS) Number	<input type="checkbox"/> Check if this CO-421 is being prepared for federal consolidated group (see instructions)
Affiliate's Name		

Place an "X" in the box left of the line number to indicate a loss amount.

Enter all amounts in whole dollars.

1. Apportionment percentage (Form BA-402 for this affiliate, Line 22). Calculate percentage to six places to the right of the decimal point. ....	1.	<input type="text"/>	.	<input type="text"/>	%
2. Group Apportionable Income (Form CO-411-U, Line 5) .....	<input type="checkbox"/>	2. <input style="width: 100%;" type="text"/>			
3. Income Apportioned to Vermont (Multiply Line 1 by Line 2) .....	<input type="checkbox"/>	3. <input style="width: 100%;" type="text"/>			
4. Income Allocated to Vermont (Form BA-402, Line 1b) .....	<input type="checkbox"/>	4. <input style="width: 100%;" type="text"/>			
5. Foreign Dividends Allocated to Vermont (Form BA-402, Line 1d) .....	<input type="checkbox"/>	5. <input style="width: 100%;" type="text"/>			
6. Net VT Income Allocated and Apportioned to Vermont (Add Lines 3, 4 and 5) .....	<input type="checkbox"/>	6. <input style="width: 100%;" type="text"/>			
7. VT Net Operating Loss deduction applied (attach schedule) .....	<input type="checkbox"/>	7. <input style="width: 100%;" type="text"/>			
8. VT Net Taxable Income for this affiliate (Subtract Line 7 from Line 6) .....	<input type="checkbox"/>	8. <input style="width: 100%;" type="text"/>			
9. VT Tax. Apply VT Tax Rates (below) to amount on Line 8. ....	<input type="checkbox"/>	9. <input style="width: 100%;" type="text"/>			
10. Credits. (Form BA-404, Column C, Line 15) .....	<input type="checkbox"/>	10. <input style="width: 100%;" type="text"/>			
11. Tax Due for this affiliate (Subtract Line 10 from Line 9) .....	<input type="checkbox"/>	11. <input style="width: 100%;" type="text"/>			
12. Gross Receipts (For purpose of minimum tax calculation. See instructions) .....	<input type="checkbox"/>	12. <input style="width: 100%;" type="text"/>			

<b>TAX COMPUTATION SCHEDULE</b>	
(Effective for taxable periods beginning January 1, 2012)	
<u>IF VT NET INCOME IS</u>	<u>TAX IS</u>
\$10,000 or less .....	6.00%
\$10,001 to \$25,000 .....	\$600 plus 7.00% of excess over \$10,000.
\$25,001 and over .....	\$1,650 plus 8.50% of excess over \$25,000.
<u>IF GROSS RECEIPTS ARE</u>	<u>MINIMUM TAX IS</u>
\$2,000,000 or less .....	\$300
\$2,000,001 - \$5,000,000 .....	\$500
\$5,000,001 and over .....	\$750

# Form CO-421 Instructions – Unitary Affiliate Schedule

Please print clearly in **blue or black ink only.**

## General Information

Prepare a Form CO-421 for **every** VT-nexus, taxpaying affiliate of the unitary group, including the Principal VT Corporation (PVC).

**If VT-nexus members of a federal consolidated group are electing to be treated as a single consolidated taxpayer (i.e. a single affiliate) within the VT unitary group (32 V.S.A. §5862(c)), prepare a single Form CO-421 for the group.** (This election is binding until written permission is received from the Commissioner to calculate Unitary tax on a separate-affiliate basis.) Provide a statement identifying name and FEIN of all corporations included in the group. On the “Summary Spreadsheet” described in the Form CO-411-U instructions, list each member of the consolidated group filing separately.

## Header Information

**Principal VT Corporation** Provide the name and FEIN of the Principal VT Corporation (PVC).

**Affiliate** Provide the name and FEIN of the affiliate for whom this Form CO-421 is being prepared. If it is for the PVC, repeat the information from above.

**NAICS Code** Enter the primary North American Industrial Classification System number. See [www.census.gov/naics](http://www.census.gov/naics) if you do not know your company’s code.

**Consolidated** Check the box if this Form CO-421 is being provided for **multiple VT members of a federal consolidated group, as described above.**

## Line-by-Line Instructions

**First** prepare Form BA-402, Apportionment and Allocation Schedule, for the Affiliate. Identify the PVC and the Affiliate name and FEIN at the top of the form. If this Form BA-402 is being prepared for the PVC, put the PVC’s information in both sets of boxes. Separate instructions are provided for Form BA-402. Be sure to report the VT factors for the taxpayer in the “Vermont” column, and the combined everywhere factors for **all members** of the Water’s Edge Combined Group in the “Everywhere” column. The “Everywhere” factors should be the same for every affiliate in the unitary group. The factors cannot be less than 0.

**Line 1 Apportionment Percentage** Enter the VT apportionment percentage from Line 22 of the Form BA-402 prepared for this affiliate.

**Line 2 Group Apportionable Income** Enter the amount from Form CO-411-U, Line 5.

**Line 3 Apportioned Income** Multiply Line 1 by Line 2.

**Line 4 Allocated Income** Enter the amount from Line 1b of the Form BA-402 prepared for this affiliate.

**Line 5 Foreign Dividends** Enter the amount from Line 1d of the Form BA-402 prepared for this affiliate.

**Line 6 Net VT Income** Add Lines 3, 4 and 5.

**Line 7 VT Net Operating Loss (VNOL) applied** Enter any deduction taken for a VT net operating loss (VNOL). VNOL is tracked and applied on a separate affiliate basis. It would have been incurred as a negative amount after apportionment and allocation of VT income in 2007 or 2008, or may have been converted from available pre-2007 NOLs into an “Initial VNOL” in 2007. For

tracking, VNOL must be applied on a first-in first-out basis. Any converted Initial VNOL must be used first.

Provide a schedule detailing the origin of the VNOL. If VNOL used or carried over includes any Initial VNOL converted from remaining pre-2007 NOL, provide a copy of the conversion worksheet from the 2007 return, updating for amounts used. See Technical Bulletins 35 and 40, available at the Tax Department website, for additional details.

**Line 7 Cannot be greater than Line 6; VNOL cannot reduce VT Net Taxable Income below 0.**

**Line 8 VT Net Taxable Income** Subtract Line 7 from Line 6. If Line 8 is negative you have incurred a Vermont Net Operating Loss (VNOL), available to carry forward to offset Vermont net taxable income of this affiliate for up to 10 years. Include a statement/schedule to track the availability of the VNOL. The schedule must detail loss years, utilization years, expiration years, and available carryover.

**Line 9 Tax** Apply VT Corporate income tax rates to the amount on Line 8. Minimum tax due for each affiliate depends upon the Gross Receipts for that affiliate. See chart on Side 1 and Line 12 instructions.

**Line 10 Credits** Report any VT income tax credits here. Generally, credits may not reduce tax by more than 80% of the liability, and cannot reduce tax liability below the minimum tax of \$250. Complete and attach Form BA-404. Provide all documentation required by the guidelines of the tax credit program in which you are participating. If the credit program does not have its own forms and documentation, provide a statement and calculation schedule to demonstrate the origin of the credit.

**Line 11 Tax Due for this affiliate** Subtract Line 10 from Line 9. Credits generally cannot reduce tax below the minimum entity tax for each affiliate. Review your specific program details. Add the amounts from Line 11 for all affiliates to arrive at total tax due for the combined group. Enter the total on Form CO-411-U, Line 6.

If no member of the group had nexus, presence, income, or expenses in Vermont during the tax period, check the “No Vermont Activity” box at the bottom of the CO-411-U. The minimum tax will not be assessed.

**Line 12 Vermont Gross Receipts** Enter the total gross receipts for the corporation attributable to Vermont. Gross receipts are the total amounts the organization received from all Vermont sources during its annual accounting period, without subtracting any costs or expenses. The amount of the gross receipts may not be less than \$0.

## CONTACTING THE DEPARTMENT

### **Mailing address:**

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

**Taxpayer Services:** (802) 828-5723

**Email Address:** [tax-corpincome@state.vt.us](mailto:tax-corpincome@state.vt.us)

**Web site Address:** <http://tax.vermont.gov>

**Fax:** (802) 828-5787

**Forms:** (802) 828-2515