

2016 Due Dates

Form #	Form Description	Initial Due Date	Final Date Accepted
			<i>NOTE:</i> Penalties, interest, and late filing fees may accrue after initial due date.
IN-111	2015 Vermont Income Tax Return	April 18	
IN-151	Application for Extension of Time to File Form IN-111 VT Individual Income Tax Return	April 18	
PR-141	2015 Renter Rebate Claim	April 18	Oct. 17
HS-122	2016 Homestead Declaration	April 18	Oct. 17
HS-122	2016 Property Tax Adjustment Claim	April 18	Oct. 17

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)
- Have adjustments to your Vermont Tax (Part II)
- Are claiming the Vermont Earned Income Tax Credit (Part III)
- Are claiming Vermont Income Tax Credits (Part IV)

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

Part I Adjustments to Vermont 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. From Federal return 1040, Line 8b, or 1040A, Line 8b.
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. Enter this amount on Form IN-111, Line 12a. This is the amount of interest and dividend income from non-Vermont state and local obligations that must be included in Vermont Taxable Income.

Part II Additions to Vermont Tax

Line 1	Tax on Qualified Plans and tax favored accounts, including individual retirement accounts (IRAs), health savings accounts (HSAs), and medical savings accounts (MSAs).
Line 2	Recapture of Federal Investment Tax Credit from Federal return 4255.
Line 3	Tax on lump sum distributions from Federal return 4972.
Line 4	Add Lines 1 through 3 and enter result.
Line 5	Multiply Line 4 by 24% and enter result.
Line 6	Recapture of Vermont tax credit(s). Recapture occurs when a previously claimed credit is changed. Contact the Department at 802-828-2865 or 866-828-2865 (toll-free in the U.S.) for information on calculating the recapture amount.
Line 7	Add Lines 5 and 6. Enter this amount on Form IN-111, Line 17.

Subtractions from Vermont Tax

- Line 8** **Credit for Child and Dependent Care Expenses** from Federal return 1040, Line 49; 1040A, Line 31. *Do not use this line if you qualify for the Low Income Child and Dependent Care Credit.* You cannot take both credits.

- Line 9** Enter credit for the Elderly or the Disabled from Federal Schedule R.

- Line 10** **Investment Tax Credit** from return 3468. This credit is limited to the amount of investment tax credit attributable to the *Vermont-property* portion.

- Line 11** **Vermont Farm Income Averaging Credit**
This credit is available to farmers who calculate Federal tax using Federal Schedule J. Complete the worksheet.

- Line 12** Add Lines 8 through 11.

- Line 13** Multiply Line 12 by 24% and enter the result.

- Line 14** **Vermont-Based Business Solar Energy Investment Credit carryforward** Unused Vermont-based business solar energy investment tax credit may be carried forward for five years following the year the credit is claimed.

- Line 15** Add Lines 13 and 14. Enter this amount on Form IN-111, Line 19.

VT FARM INCOME AVERAGING WORKSHEET

1. Calculate and enter here Federal income tax using Federal Schedule D, Federal Schedule D Worksheet, or Federal tax rate schedules as if Schedule J was not used. . 1. \$ _____

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2. Enter Federal tax from Federal Schedule J Line 232. \$ _____
3. Subtract Line 2 from Line 1. This is your VT Farm Income Averaging Credit. Enter the result on Schedule IN-112, Part II, Line 11 3. \$ _____

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

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

Part-Year Residents

- Line 3A** Enter the Federal amount of wages, salaries, tips, etc.

- Line 3B** Enter the portion of Federal wages, salaries, tips, etc. earned while a Vermont resident.

- Lines 4A & 4B** Other earned income includes income from a business, partnership, or farm.

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

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

- Line 6** Divide Line 5, Column B, by Line 5, Column A. Enter the result as a percentage carried out to two decimal places. This is the percentage of 2015 income earned in Vermont that is eligible for the Vermont Earned Income Tax Credit.

- Line 7** Enter the amount of your Federal Earned Income Tax Credit.

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

- Line 9** Multiply Line 8 by Line 6. Enter the result and also enter on Form IN-111, Line 31c. This is your Vermont Earned Income Tax Credit.

Part IV Vermont Income Tax Credits**Line 1 Vermont Higher Education Investment Plan (VHEIP)**

The credit is available only for contributions to the 529 plan administered by VSAC. For more information, read Technical Bulletin 66 on our website. You may be eligible for a tax credit on contributions made during calendar year 2015 to the Vermont Student Assistance Corporation higher education investment plan. The tax credit equals 10% of the first \$2,500 of contributions per beneficiary. For jointly filed returns, the tax credit equals 10% of the first \$5,000 of contributions per beneficiary. For more information on the Vermont Higher Education Investment plan, visit the VSAC website at www.vsac.org, call 800-637-5860 Monday through Friday, 8:00 a.m. to 7:00 p.m., or email VHEIPquestions@VHEIP.org.

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

Line 2 Charitable Housing A taxpayer making an investment in an eligible housing charity may receive a credit against Vermont income tax. The Commissioner of Housing and Community Development calculates the credit.

Line 3 Qualified Sale of Mobile Home Park Please call the Department at 802-828-2865 if you believe that you qualify for this credit.

Line 4 Research & Development Credit A taxpayer may receive a credit against Vermont income tax equal to 27% of the amount of Federal tax credit allowed in the taxable year for research and development expenditures eligible under section 41(a) of the Internal Revenue code and which are made within Vermont. Any unused credit available may be carried forward up to 10 years. The Department will publish annually the names of taxpayers who receive the credit.

Line 5 Total Credits Add entries from Lines 1-4 in Column C. Enter on Form IN-111, Line 24, unless you claim income tax credits on Schedule IN-119. For Schedule IN-119 filers, enter credit on the appropriate Schedule IN-119 line(s). Use amount calculated from Schedule IN-119 for entry on Form IN-111, Line 24.

Taxpayer Assistance

Visit our new website at www.tax.vermont.gov to find the following:

- Income tax forms and schedules as fillable PDFs
- Electronic payment options through VTPay
- Links to Free File vendors for eligible taxpayers
- Status of your tax return or refund
- Status of your homestead declaration, property tax adjustment, or renter rebate
- Information and resources to help you file your taxes

Important Note: In order to give staff more time to focus on processing returns and refunds, the Taxpayer Services Division will continue to not take calls on Wednesdays. All other divisions are available by telephone.

Call or visit us with your questions

Business hours: Mon-Fri, 7:45 a.m. - 4:30 p.m.

Phone: Mon, Tue, Thu, Fri, 802-828-2865 or 866-828-2865 (toll-free)

Address: 133 State Street (second floor), Montpelier

Be on Guard against Identity Theft and Tax Scams

You should be aware of identity theft, tax refund fraud, and similar tax scams that are targeting taxpayers in Vermont. Taxpayers have reported emails and phone calls from people posing as Department employees who falsely claim taxes are owed and demand immediate payment. The Department has detected and stopped more than \$1 million in attempted tax refund fraud in 2015.

To protect yourself from becoming a victim, you should:

- Never give out personal information unless you are sure of the identity of the person requesting it. If you suspect that an email or phone call is fraudulent, do not engage in conversation. Contact the Department at the phone number listed above to verify an email or phone call.
- Report suspected fraud immediately to the Department and to the IRS. Information about how to report fraud is available on the Department website at www.bit.ly/idtheftfraud and the IRS website at www.irs.gov.

Taxpayer Advocate

The Vermont Department of Taxes offers free, confidential service when a taxpayer encounters difficulty resolving tax issues. The Taxpayer Advocate may be able to help if:

- You are experiencing extreme economic hardship from the Department's action, or
- It is taking more than 180 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date promised by the Vermont Department of Taxes

The Taxpayer Advocate will review your situation, help you understand what needs to be done to resolve it, and keep you updated on the progress of your situation. Please note that the Taxpayer Advocate cannot override the provisions of the law or represent taxpayers at Department hearings.

To contact the Taxpayer Advocate:

Telephone: 802-828-6848

Fax: 802-828-2701

Email: tax.taxpayeradvocate@vermont.gov

Mail: ATTN: Taxpayer Advocate

Vermont Department of Taxes

133 State Street

Montpelier, VT 05633-1401