

# Schedule IN-119 Instructions

## Vermont Economic Incentive Income Tax Credits

Please print in BLUE or BLACK ink only.

Please refer to Vermont Statutes Annotated available online at: <http://legislature.vermont.gov> for more information.

### Line-by-Line Instructions

#### AFFORDABLE HOUSING CREDIT (Line 1) - 32 V.S.A. § 5930u

**Line 1** This credit requires prior approval by the Vermont Housing Finance Agency.

A copy of the certificate and the credit allocation to the affordable housing project by the housing agency must be provided for each credit claimed.

This credit is applied for five consecutive tax years, beginning with the tax year of the eligible cash contribution. Total tax credits available equal the amount of the first year allocation, plus the succeeding four years allocations. Affordable housing tax credits which exceed the current tax year's liability may be carried forward up to 14 succeeding tax years.

#### REHABILITATION FOR OLDER & HISTORIC BUILDINGS CREDITS (Lines 2 - 3) (These credits were repealed in 2005 and are only available as carryforwards)

These credits required prior approval by the Vermont Division for Historic Preservation.

**Line 2** Rehabilitation of Certified Historic Buildings Credit - 32 V.S.A. § 5930n

**Line 3** Platform Lifts, Elevators or Sprinkler Systems Credit - 32 V.S.A. § 5930q

#### DOWNTOWN & VILLAGE CENTER PROGRAM TAX CREDITS (Lines 4 - 7) - 32 V.S.A. § 5930cc

These credits require prior approval by the Vermont Agency of Commerce and Community Development. Tax credits which exceed the current year's tax liability may be carried forward for up to nine succeeding years following the first year the credit was claimed. Credits unclaimed five years after the approval date are automatically rescinded and are available to the Tax Credits and Grants Coordinator for award in subsequent years.

**Line 4** **Historic Rehabilitation Tax Credit - 32 V.S.A. § 5930cc(a)** The qualified applicant of a qualified historic rehabilitation project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, corporate income tax, or bank franchise or insurance premiums tax liability a credit of 10% of qualified rehabilitation expenditures as defined in the Internal Revenue Code, 26 U.S.C. § 47(c), properly chargeable to the federally certified rehabilitation.

**Line 5** **Facade Improvement Tax Credit - 32 V.S.A. § 5930cc(b)** The qualified applicant of a qualified facade improvement project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, state corporate income tax, or bank franchise or insurance premiums tax liability a credit of 25% of qualified expenditures up to a maximum tax credit of \$25,000.

**Line 6** **Code Improvement Tax Credit - 32 V.S.A. § 5930cc(c)** The qualified applicant of a qualified code improvement project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, state corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50% of qualified expenditures up to a maximum tax credit of \$12,000 for installation or improvement of a platform lift, a maximum tax credit of \$50,000 for installation or improvement of an elevator, a maximum tax credit of \$50,000 for installation or improvement of a sprinkler system, and a maximum tax credit of \$25,000 for the combined costs of all other qualified code improvements.

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**Line 7**      **Wood Products Manufacture Tax Credit - 32 V.S.A. § 5930y** Act 51 extended this credit retroactively to Jan. 1, 2014 and applies to tax years 2014 and 2015. A business may be eligible for a credit against its income tax liability based on 2% of the wages paid in the taxable year for employee services in the manufacture of finished wood products. Finished wood products are defined as *wood products that are manufactured into the form in which they are offered for sale to consumers.* 32 V.S.A. § 5930y(b) (1) The employer must be located in a county designated by the Secretary of Commerce & Community Development as stipulated in 32 V.S.A. § 5930y(a)

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**VT ENTREPRENEUR'S SEED CAPITAL FUND CREDIT (Line 11) 32 V.S.A. § 5830b**

**Line 11**      Taxpayers who invest in this state-chartered corporation may receive a tax credit. The corporation provides investment capital to new Vermont firms or existing Vermont firms that are expanding in the state.

The credit may be claimed for a contribution made in the taxable year and may be carried forward for up to four succeeding years.

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**ECONOMIC ADVANCEMENT TAX INCENTIVE (EATI) CREDITS (Lines 12 - 19)**

*The following credits are only available as carryforwards up to tax year 2016.*

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**Line 12**      Payroll - 32 V.S.A. § 5930c

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**Line 13**      Research & Development - Qualified Expenditures - 32 V.S.A. § 5930d

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**Line 14**      Capital Investment - 32 V.S.A. § 5930g

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**Line 15**      Workforce Development - 32 V.S.A. § 5930e

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**Line 16**      Export - General - 32 V.S.A. § 5930f

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**Line 17**      High-Technology Growth - 32 V.S.A. § 5930k

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**Line 18**      Sustainable Technology Research & Development - 32 V.S.A. § 5930w

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**Line 19**      Sustainable Technology Export - 32 V.S.A. § 5930x

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## Contacting the Department

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