

# Welcome!



Vermont Department of Taxes

# 2024 Fall Tax Symposium

October 22, 2024

We will begin at 9:30 a.m.

# Welcome!



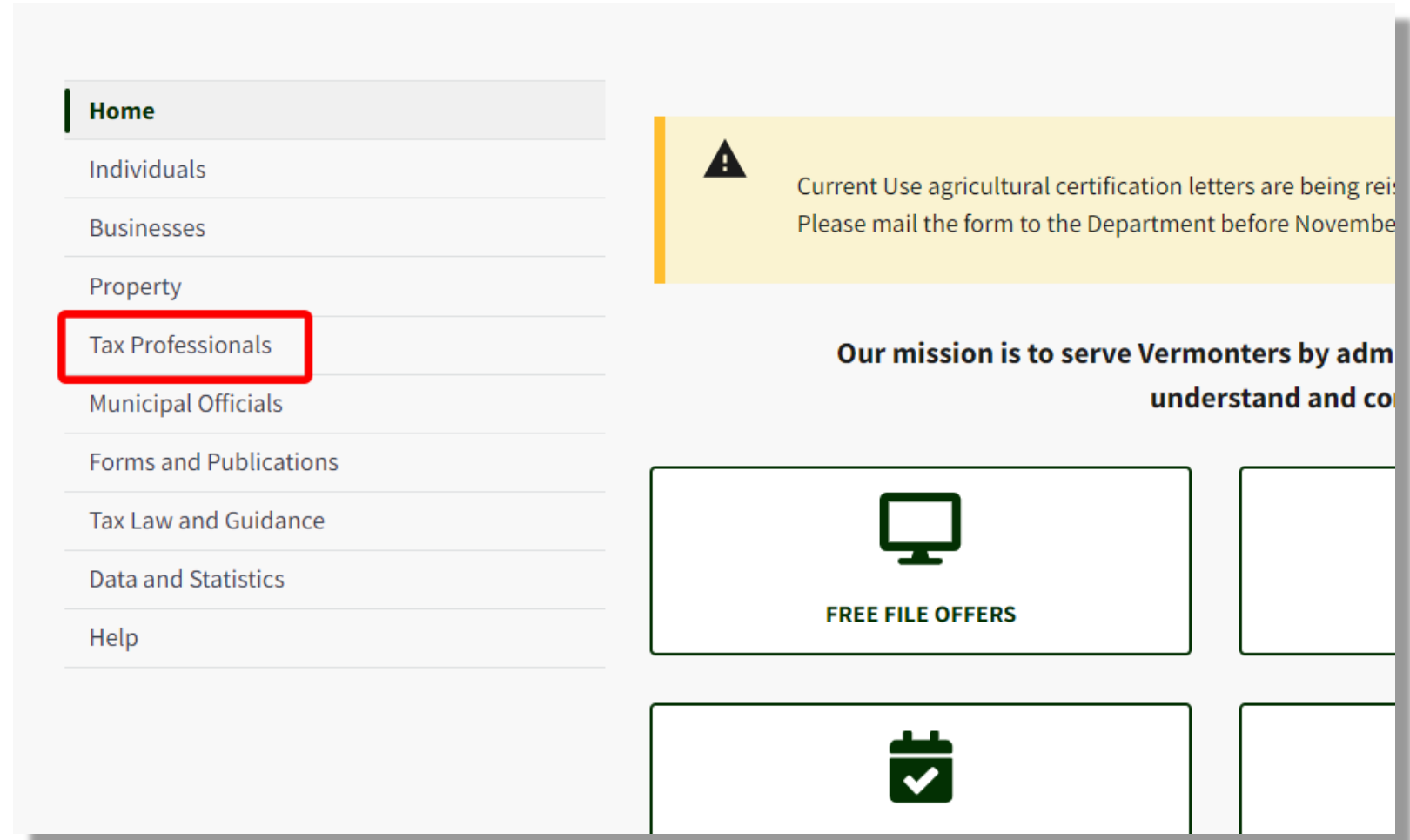
Vermont Department of Taxes

# 2024 Fall Tax Symposium

October 22, 2024

# Tax Professionals Page

Linked on the Home Page at [tax.vermont.gov](http://tax.vermont.gov)



The screenshot shows the Tax Professionals page layout. On the left is a vertical navigation menu with the following items: Home (highlighted with a vertical bar), Individuals, Businesses, Property, Tax Professionals (highlighted with a red rectangular box), Municipal Officials, Forms and Publications, Tax Law and Guidance, Data and Statistics, and Help. To the right of the menu is a yellow warning banner with a triangle icon and the text: "Current Use agricultural certification letters are being reissued. Please mail the form to the Department before November 15, 2023." Below the banner is a mission statement: "Our mission is to serve Vermonters by administering the tax laws of the state, understanding and communicating the tax system." At the bottom of the page are two large white boxes with green borders. The first box contains a computer monitor icon and the text "FREE FILE OFFERS". The second box contains a calendar icon with a checkmark.

[tax.vermont.gov/tax-professionals](http://tax.vermont.gov/tax-professionals)

# Welcome to the Vermont Department of Taxes 2024 Tax Symposium

**VDT Tax Symposium 10/22/24**  
**Craig Bolio, Commissioner of Taxes**





## Service

We lean into problem solving.

We are responsive to taxpayers, and we listen.

We treat each taxpayer fairly.

We provide reliable, clear communication and guidance.

We promote voluntary compliance to reduce the tax gap.



## Integrity

We keep systems and confidential information secure.

We set realistic expectations and follow through when we say we will do something.

We collect the correct amount of tax.

We hold ourselves accountable.

We provide honest and accurate information.



## Growth

We work together to adapt to new challenges and continuously improve.

We provide a solid career path and communicate with staff to meet goals and recognize accomplishments.

We provide educational opportunities to foster an environment that promotes professional and personal growth.



## Community

We work as one team across the Department.

We encourage asking for and accepting help when needed.

We treat all people with kindness.

We value difference of thought, experience, and culture.

We work across agencies towards common goals.

*What are you  
going to hear  
about today?*

# 2024 Year in Review

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- Another year of meeting aggressive refunding goals without sacrificing integrity
- New Division – Business Improvement and Implementation Division (BIID)
- Implemented Childcare Contribution payroll tax
- Navigated a sprint of legislative proposals in a few short months after the session (PTT, PTC, STR – acronyms ahoy!)
- Launched phase 1 of our scanning modernization project
- Additional functionality for the Vermont Property Information Exchange (VTPIE)

## What's ahead for us?

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- Direct File – in filing season 2026 or 2027
- Finish remaining modernizations
- Maintain operational excellence
- Education Fund



# The 2024 Legislative Session



Abby Shepard, Executive Policy Advisor, Esq.  
Vermont Department of Taxes

October 22, 2024

# Tax Technical & Policy Changes, Act 144

## Renter credit expansion

- Efficiencies gained after Act 160 of 2020 renter rebate reform are impressive
  - Every week last year, Dept was caught up on filings – no lag!
  - ~11,000 credits were sent last year
- New law expands income criteria for renters to qualify for credit
  - Previous limit was US HUD very-low income limit
  - New limit increased to 1.3 times very-low income limit (~65% area median income)
  - ~3,000 new renters will get a credit
  - ~4,000 existing recipients will get a bigger credit
- Effective for claims filed in 2025

# Tax Technical & Policy Changes, Act 144

## Property Tax Credit (PTC)

- Act 144 repealed \$15 late PTC filing fee in June 2024, effective immediately
  - No State revenue loss; minimal municipal revenue reduction
    - Total fees (across all towns): \$88,000
    - Average impact per town is \$348; median impact \$225
- Before 2024, a \$15 late fee was charged if PTC claims were filed after April 15
  - Fee reimbursed towns for cost of re-issuing tax bills
  - But efficiencies gained through VTax allowed many late-filed claims to be processed before towns send property tax bills, so no need to re-issue bills

# Tax Technical & Policy Changes, [Act 144](#)

## Annual link up to federal tax statutes

- Vermont's income and estate tax chapters conform to federal statutes in effect on a certain date. Typically, the date is updated in legislation every year.
- No major federal tax law changes have been passed to date in 2024.
- Under Act 144, Vermont's link up took effect retroactively on January 1, 2024, and applied to taxable years beginning on and after January 1, 2023.

# Tax Technical & Policy Changes, Act 144

## Credit to towns for decreased grand list value after valuation appeal

- Previous law only allowed towns to receive a credit against the next year's education tax liability for a loss in grand list value after a valuation appeal – but only when there was no further right of appeal
- New law allows PVR Director to credit towns where it is reasonable not to appeal a decision further, even if a right to appeal exists

## Utility valuation

- Gives PVR discretion to require towns to use State values for certain electric utility properties

## General Fund source for reappraisal payments to towns

- Clarifies that reappraisal payments to towns are made from General Fund, not Education Fund

# Tax Technical & Policy Changes, Act 144

## Universal town choice for local option tax

- Up to 5 towns per year; more may enact LOT at Commissioner's discretion only
- Other bills enacted LOTs in Waterbury, South Hero, and Berlin

## Sales tax

- ATVs no longer exempt as casual sales. Now taxed like motorboats, aircraft, and snowmobiles based on trade-in or total loss value.

## Property tax

- County-owned property in county limits exempted from State and town property tax

# Flooding Abatement Reimbursement, Acts [82](#) and [108](#)

Like after Tropical Storm Irene in [Act 67 of 2012](#), the Dept. of Taxes and Agency of Education can reimburse State property taxes to municipalities that abate taxes for properties flooded in July and August 2023

- Property has to have qualifying loss
- Municipality has to abate both local and State property taxes proportionally
- Municipality has to abate before November 15, 2024

Flood-related interest expenses are also reimbursable

See [application and approval procedures](#). To date:

- \$372,428.89 has been reimbursed to 14 municipalities for 146 parcels
- Majority nonhomestead (84%) vs homestead (16%) but some properties are a mix

# Housing, Property Transfer Tax, Property Tax, Act 181

- Property Transfer Tax (PTT), Clean Water Surcharge (CWS) effective August 1
  - New rates, including 3.4% PTT on non-principal residences; CWS 0.22%
  - Higher exempt values/values taxed at lower rate for principal residences
  - New exemptions
    - Abandoned properties and new ENERGY STAR mobile homes
- Property tax value freeze for new or rehabilitated principal residences
- Landlord Certificate
- Non-tax changes including reforms to Act 250 land use law



# Property Transfer Tax Changes, [Act 181](#)

- Property Transfer Tax changes effective August 1
- General tax rate remains the same at 1.25%
- Clean Water Surcharge increases from 0.2% to 0.22%
- New combined rate 1.47%, up from 1.45%

# Property Transfer Tax Changes, Act 181

## Property Transfer Tax special rates (effective August 1)

- Any principal residence
  - Special tax rate remains the same at 0.5%
  - Value paid eligible for special rate increased from \$100k to \$200k
- A principal residence funded in part with a grant through VHCB, VHFA, or USDA Rural Development
  - Eligible for exemption on certain value of transfer
  - Value paid eligible for exemption increased from \$110k to 250k

# New Property Transfer Tax Rate, Act 181

New 3.4% rate, effective August 1, 2024, applies to:

- 1) Residential properties
- 2) That are fit for year-round habitation
- 3) That are not used as principal residences
- 4) That will not be used as long-term rentals that will require the filing of a Landlord Certificate

# Property Value Freeze, [Act 181](#)

New property tax exemption for certain new residential construction or rehabilitation of residential properties

- For qualifying properties, the taxable property value will be frozen at the pre-improvement value for 3 years
- Properties must be used as homesteads or long-term rentals (no short-term rentals)
- Properties must be located within one-half mile of designated downtowns, village centers, neighborhood development areas, or federal new market tax credit areas and in any county except Grand Isle, Essex, or Bennington
- By default, exemption applies *only* to State education taxes, but municipalities can opt in
- Applications accepted through Agency of Commerce and Community Development, annual use certification. No new applications approved after 12/31/2027.

# Education Finance and Property Taxes, Act 183

The “yield bill” sets the numbers used to calculate a school district’s homestead property tax rate, the property tax credit, and the statewide nonhomestead property tax rate. Other changes in this year’s yield bill:

- Average property tax bill increase 13.8%
- Increases all State PTCs by 13% for FY25 only
- Creates new CLA (statewide adjustment) effective 7/1/2025
- Amends excess spending penalty effective 7/1/2025
- Creates the Commission on the Future of Public Education

# Other Taxes, Act 183

## “Cloud tax”

- Sales tax exemption for “cloud” software repealed effective July 1, 2024
- Pre-written software downloaded/purchased on disc was already taxable
- Customized software is not taxable

## Short-Term Rental Surcharge

- 3% surcharge in addition to rooms tax effective August 1, 2024
- Applies to short-term rentals, which are furnished dwellings rented for stays of fewer than 30 consecutive days and more than 14 days per calendar year.
- Does not apply to licensed establishments like hotels, B&Bs, etc.
- Rooms tax returns with the surcharge must be filed electronically

# Communications Property, Act 145

- Telephone personal property tax (TPPT) and alternative gross revenues tax (AGRT) are repealed.
  - Currently, TPPT taxpayers do not pay property tax and AGRT taxpayers do not pay either property tax or corporate income tax.
- Communications property will be listed and taxed as real property starting with 2025 grand list.
- PVR will collect inventories of communications property and provide values of that property to municipalities for grand list.

# Questions or Comments?

## Contact Us



[Send a message](#)

[Book an appointment](#)



802-828-2505



[tax.vermont.gov](http://tax.vermont.gov)

## For More Information

- [2024 Legislative Highlights](#)
- [Education property taxes](#)
- [Property tax credit](#)
- [Property transfer tax](#)
- [Flooding abatement reimbursement](#)
- [Sales tax on cloud software](#)
- [Short-term rental surcharge](#)
- [Communications taxes](#)



The 2024 Tax Symposium  
will resume at 10:55 a.m.



# The New Child Care Contribution and Payroll Tax



Adam Gann, Taxpayer Services Division

Matthew Phillips, Assistant Attorney General

October 22, 2024

# Agenda

1. What is the Child Care Contribution (CCC)?
2. CCC for Individuals with Self-Employment Income.
  1. What "self-employment income" is subject to the CCC?
  2. How to report and pay the CCC on self-employment income.
3. CCC for Employers.
  1. What "wages" are subject to the CCC?
  2. Option to deduct up to 25% of CCC from employee's pay.
  3. How to report and pay the CCC on wages.
4. What has the Department seen so far?
  1. Contributions reported to date.
  2. Most common reporting issues.
5. Questions

# What is the Child Care Contribution

## Beginning July 1, 2024:

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**Employers** pay a 0.44% (0.0044) payroll tax on employee wages paid in connection with work performed in Vermont.

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**Self-employed Individuals** pay 0.11% (0.0011) rate on self-employment income earned in Vermont.

# What is the Child Care Contribution

Act 76 of 2023

Intended to:

- Increase access to and quality of child care, afterschool, and summer programs.
- Provide financial stability to child care programs.
- Stabilize and support the state's early childhood workforce.



# Child Care Contribution for Self-Employed Individuals

*"Each self-employed individual shall pay the Child Care Contribution on self-employment income earned by the individual and shall remit those amounts to the Department of Taxes pursuant to the provisions of this section." § 10553(a)(2).*

*"The contribution rate shall be . . . 0.11 percent on each self-employed individual's self-employment income." § 10553(b)*

# What is "Self-Employment Income" for the CCC?

- Piggybacks on the federal self-employment tax.
  - Links to definition of "self-employment income" in 26 U.S.C. § 1402. Generally includes gross income derived from a trade or business, less deductions related to the trade or business, plus distributive share from a trade or business carried on by a partnership.
- The CCC is only due on self-employment income earned in Vermont.
- **Rule of Thumb: If the income was earned in Vermont and is the type of income typically subject to the federal self-employment tax, then it is subject to the CCC.**
  - \*BUT the Social Security tax limit does not apply.

## Child Care Contribution for Self-Employed Taxpayers

- CCC payments should be remitted with the quarterly estimated payments on **Form IN-114**.
- First returns are due April 15, 2025. Individuals may want to pay estimated payments for 2024.
- For tax year 2024, the Department will accept 50% of Vermont self employment income for reporting the CCC due.
- Taxpayers can document that their actual self employment income for July to December was less than 50%.



# Self Employed Income Reporting For Child Care Contribution

- Calculation has been adjusted to account for income earned outside of Vermont for self-employed individuals.
- Previous guidance was that all income was subject to calculation.

Taxpayer's Last Name		Social Security Number	
Amount from Line 16		.00	
Other State Credit (Schedule IN-117, Line 21)		Vermont Tax Credits (Schedule IN-119, Part II)	
17.	.00	+	18. .00 = 19. Total Vermont Credits (Add Lines 17 and 18)
20.	Vermont Income Tax after credits (SUBTRACT Line 19 from Line 16. If Line 19 is greater than Line 16, enter -0-).		
20.	.00		
21.	Child Care Contributions for Self-Employed individuals (see instructions for calculation)		
21.	.00		
22.	Use Tax for taxable items on which no sales tax was charged, including online purchases. (See instructions, worksheet, and chart) . . . <input type="checkbox"/> Check to certify no Use Tax is due. OR		
22.	.00		
23.	Total Vermont Taxes (ADD Lines 20 through 22)		
23.	.00		
Vermont Children's Trust Foundation		Vermont Veterans Fund	
Green Up Vermont		Nongame Wildlife Fund	
Total Contributions			
24a.	.00	+	24b. .00
		+	24c. .00
		+	24d. .00
		=	24e. .00
25.	Total of Vermont Taxes and Voluntary Contributions (ADD Lines 23 and 24e)		
25.	.00		
26a.	2024 Vermont Tax Withheld from W-2, 1099		
26a.	.00		
26b.	2024 Estimated Tax payments, amount carried forward from 2023, and/or payment made with 2024 extension.		
26b.	.00		
26c.	Refundable Credits (Schedule IN-112, Part II: Full-Year Residents-Line 8; Part-Year Residents-Line 12)		
26c.	.00		
26d.	2024 Vermont Real Estate Withholding from Form RW-171		
26d.	.00		
26e.	2024 Nonresident Estimated Tax payments (nonresident withholding) allocated on Schedule K-1VT, Line 5		
26e.	.00		
26f.	Total Payments and Credits (ADD Lines 26a through 26e)		
26f.	.00		
27.	Overpayment. If Line 25 is less than Line 26f, SUBTRACT Line 25 from Line 26f		
27.	.00		
28a.	Refund to be credited to 2025 Estimated Tax Payment		
28a.	.00		
28b.	Refund to be credited to 2025 Property Tax Bill		
28b.	.00		
29.	REFUND AMOUNT (SUBTRACT Lines 28a and 28b from Line 27)		
29.	.00		

# Self Employed Income Reporting Change

## Child Care Contribution Worksheet

1. Federal Form 1040 Schedule SE Line 6

2. Income included on Line 1 earned for work performed outside of Vermont

3. Subtract Line 2 from Line 1

4. Income included on Line 3 received before July 1, 2024 (Multiply Line 3 by 0.5 or attach a written statement)

5. 2024 Self-Employment Income subject to Child Care Contribution (Subtract Line 4 from Line 3)

6. Child Care Contribution for Self-Employment Income (Multiply Line 5 by 0.0011)

# Child Care Contribution for Employers

*"Each employer shall pay the Child Care Contribution on all covered wages paid to each of the employer's employees and shall remit those amounts to the Department of Taxes pursuant to the provisions of this section." § 10553(a)(1).*

*"The contribution rate shall be 0.44 percent of each employee's covered wages." § 10553(b).*

# What are "Covered Wages" for the CCC?

- **"Covered wages" are "3401 wages."** Piggybacks on federal definition of "wages" for purposes of federal income tax withholding.
  - Links to definition of "wages" in 26 U.S.C. § 3401. Generally includes "all remuneration . . . for services performed by an employee for his employer, including the cash value of all remuneration (including benefits) paid in any medium other than cash." EXCLUSIONS listed in 3401(a)(1)-(23).
- The CCC is only due on wages earned in Vermont.
  - \*If an out-of-state employer withholds Vermont income tax on wages earned outside Vermont merely as a courtesy to a Vermont-resident employee, the CCC is not due on such wages.
- **Rule of Thumb: If the wages were earned in Vermont and are "3401 wages" (i.e., wages of a type typically subject to federal income tax withholding), then they are subject to the CCC.**

## Examples of 3401 Wages (Subject to CCC)

- Remember Rule of Thumb: If the wages are of a type typically subject to federal income tax withholding, then they are probably 3401 wages subject to the CCC. Includes:
  - Bonuses, commissions, etc.
  - Cash Tips
  - Non-cash remuneration, including stocks, bonds, etc.
  - Paid time off payments (e.g., sick, personal, vacation, vacation payouts, etc.)
  - Severance Payments

## Examples of 3401 Exclusions (NOT Subject to CCC)

- Remuneration in the form of certain employer-provided benefits.
  - E.g., Employer contributions to a qualified deferred compensation plan, accident or health insurance plan, or group-term life insurance.
  - Typically includes employee contributions to such plans under a qualified salary reduction agreement.
- Imputed Group Term Life Income
- Remuneration paid for domestic service in a private home.
- Various other exclusions, many of which are quite esoteric.

# Optional Employee Deduction



- › Employers may choose to deduct up to 25% of the CCC (0.11% of wages) from an employee's wages.
- › The CCC law does not require employers to deduct the same amount from all employees (but other laws may prohibit discrimination or differential treatment).

# How to Report CCC:



- CCC is reported quarterly on Form WHT-436 (Quarterly Withholding Reconciliation) part III.
- After July 1, 2024, the CCC must be paid according to the employer's established withholding schedule
- If CCC is withheld, report in Box 14 of the employee's W-2



# Child Care Contribution for Employers

## **Payroll Tax ( Act 76)**

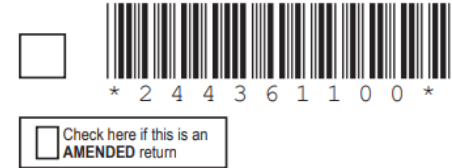
- CCC is remitted by the employer in the same frequency which they remit Vermont Income Tax Withholding.
- Same rules and mechanisms will apply (penalties, etc.)
- The first quarterly reconciliations reporting CCC are due October 25, 2024, for the July to September quarter.

# Withholding Tax Form Change

## New Form WHT-436

- The amount of Child Care Contributions due is reported and reconciled on the Quarterly Withholding Reconciliation Part III.

Vermont Department of Taxes PO Box 547 Montpelier, VT 05601-0547  
Phone: (802) 828-2551



VT Form <b>WHT-436</b>	<b>QUARTERLY WITHHOLDING RECONCILIATION and REQUIRED CONTRIBUTIONS</b>
---------------------------	--

Business Name			Federal ID Number		
Address			Vermont Account ID WHT-		
City	State	ZIP Code	Foreign Country (if not United States)		
<b>Reporting Period</b> - Check only <b>ONE</b> . If due date falls on a weekend or holiday, return is due the next business day.				<b>Year</b> being reported (YYYY)	
<input type="checkbox"/> JAN - MAR (due Apr. 25)	<input type="checkbox"/> APR - JUN (due Jul. 25)	<input type="checkbox"/> JUL - SEP (due Oct. 25)	<input type="checkbox"/> OCT - DEC (due Jan. 25)		

A. Number of employees as of the last day of this quarter. Full-time \_\_\_\_\_ Part-time \_\_\_\_\_

### PART I WAGE WITHHOLDING

- Total Vermont wages paid this quarter . . . . . **1.** \_\_\_\_\_ . \_\_\_\_\_
- Total Vermont tax withheld from wages this quarter . . . . . **2.** \_\_\_\_\_ . \_\_\_\_\_

### PART II NONWAGE WITHHOLDING

- Total nonwage payments subject to withholding this quarter . . . . . **3.** \_\_\_\_\_ . \_\_\_\_\_
- Total Vermont tax withheld from nonwage payments this quarter . . . . . **4.** \_\_\_\_\_ . \_\_\_\_\_
- Total Vermont tax withheld this quarter** (Add Lines 2 and 4) . . . . . **5.** \_\_\_\_\_ . \_\_\_\_\_

### PART III CHILD CARE CONTRIBUTIONS

- Check here to certify that no Child Care Contribution is due based on the rules governing this reporting.
- Total wages subject to Child Care Contribution (see instructions) . . . . . **7.** \_\_\_\_\_ . \_\_\_\_\_
- Child Care Contributions due. (Multiply Line 7 by 0.44% (0.0044)) . . . . . **8.** \_\_\_\_\_ . \_\_\_\_\_
- Amount of Child Care Contributions contributed by employees . . . . . **9.** \_\_\_\_\_ . \_\_\_\_\_

# Paying the CCC



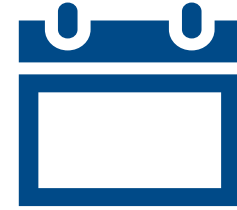
The WHT-436 form, Part III will be for CCC.

It requires:

Total Wages

CCC due by employer

CCC paid by employees



Upcoming filing dates:

**October 25, 2024**

(for July – September)

**January 27, 2024**

(for October – December).

## Child Care Contribution Data 3rd Quarter 2024 (so far).

- **As of 10/21/2024 we have reported CCC**
- **\$5,412,047.35** in Child Care Contribution reported
- **\$347,225.66** of that has been contributed by employees
- **\$1,230,010,674.73** of CCC Withholding Wages Reported
- Most filings are filed on the due date.

# Child Care Contribution

## **Helpful reminders for issues examiners are finding.**

- Line 9 (amount contributed by employees) is for the amount of line 8 (CCC due) withheld from the employee.
- Total Wages paid this quarter should not be greater than Total Wages Subject to CCC
- Make sure to check the box if no CCC is due.

# Additional information and guidance on the CCC:

- **The Vermont Child Care Contribution Guide (GB-1326)**
  - <https://tax.vermont.gov/sites/tax/files/documents/GB-1326.pdf>
    - First stop resource for employers, employees, self-employed individuals, and their tax preparers.
- **Vermont Department of Taxes Website**
  - <https://tax.vermont.gov/business/child-care-contribution>
    - On-Demand Webinars
    - Frequently Asked Questions





Thank you!

# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[Tax.business@vermont.gov](mailto:Tax.business@vermont.gov)



(802) 828-2551



[Tax.Vermont.gov](http://Tax.Vermont.gov)



# myVTax: A Brief Discussion

Aaron Kaigle, Director  
Business Improvement and Implementation Division

October 22, 2024

# What's new?

VERMONT myVTax

Testing

Oct-16-2024

Username

Password

Log in

Forgot username or password?

Need An Account?

Sign Up

Search our online services



## Payments

List of tasks related to payments

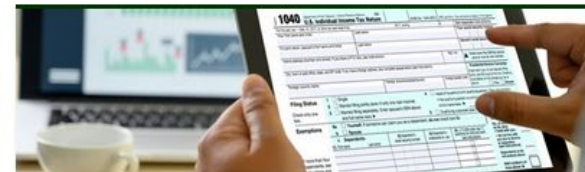
- > Make a Payment
- > Find my Estimated Payment
- > Pay Use Tax
- > Set Up a Payment Plan



## Returns

List of tasks related to returns

- > File a Return
- > File an Extension
- > Check the Status of your Return
- > Return Filing Verification



## Submissions & Correspondence

Search for previous submissions, respond to a correspondence

- > Respond to Correspondence
- > Access a Saved myVTax Request
- > Find my 1099g
- > Voluntary Disclosure Program Application

# What's new?

The screenshot shows the Vermont myVTax website interface. At the top, there is a dark green header with the Vermont logo and 'myVTax' on the left, a 'Testing' button in the center, and the date 'Oct-16-2024' and a help icon on the right. Below the header is a navigation bar with a 'Home' link. The main content area is titled 'Estimated Payment Status' and contains four blue buttons: 'Personal Income Tax', 'Business Income Tax', 'Fiduciary Income Tax', and 'Corporate Income Tax'. The 'Fiduciary Income Tax' button and its corresponding text below it are highlighted with a red rounded rectangle. Below each button is a line of text: 'Check the status of my personal income tax estimated payments', 'Check the status of my business income tax estimated payments', 'Check the status of my fiduciary income tax estimated payments', and 'Check the status of my corporate income tax estimated payments'. At the bottom, a dark green footer contains the text 'Vermont Department of Taxes | Accessibility Policy | Privacy Policy' and 'Copyright © 2015 State of Vermont. All rights reserved.'

VERMONT myVTax

Testing

Oct-16-2024 ?

< Home

### Estimated Payment Status

**Personal Income Tax**  
Check the status of my personal income tax estimated payments

**Business Income Tax**  
Check the status of my business income tax estimated payments

**Fiduciary Income Tax**  
Check the status of my fiduciary income tax estimated payments

**Corporate Income Tax**  
Check the status of my corporate income tax estimated payments

Vermont Department of Taxes | Accessibility Policy | Privacy Policy  
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# What's new?

**\*\*\*This is an automated message from the Vermont Department of Taxes regarding your myVTax account. Please do not respond to this email directly.\*\*\***

This email serves as a confirmation of recent activity on your myVTax account.

## Confirmation Summary

- Submission: Meals and Rooms Tax Return Filed
- Period: 09-30-2024
- Confirmation Number: 0-178-012-160
- Submission Date and Time: 10/16/2024 8:28:41 PM
- Legal Name: BUSINESS
- Account ID: MRT-\*\*\*\*2279

If you recently completed a myVTax submission, you log in to [myVTax](#) to view the submission in your account 'Submissions' tab. If you did not recently complete a myVTax submission, please contact the Department.

### Contact information:

Vermont Department of Taxes Call: (802) 828-2551

133 State Street

Or Email: [tax.business@vermont.gov](mailto:tax.business@vermont.gov)

Montpelier, VT 05602-3667

# What's new?

**\*\*\*This is an automated message from the Vermont Department of Taxes regarding your myVTax account. Please do not respond to this email directly.\*\*\***

This email serves as a confirmation of recent activity on your myVTax account.

## Confirmation Summary

- Submission: Payment Filed
- Period Payment for \$100.00
- Period: 09-30-2024
- Confirmation Number: 0-714-883-072
- Submission Date and Time: 10/16/2024 8:39:33 PM
- Legal Name: BUSINESS
- Account ID: MRT-\*\*\*\*2279
- Payment Date: 16-Oct-2024

If you recently completed a myVTax submission, you log in to [myVTax](#) to view the submission in your account 'Submissions' tab. If you did not recently complete a myVTax submission, please contact the Department.

### Contact information:

Vermont Department of Taxes Call: (802) 828-2551

133 State Street

Or Email: [tax.business@vermont.gov](mailto:tax.business@vermont.gov)

Montpelier, VT 05602-3667

# Tips

### Logon

PREPARER  
aaron.kaigle@vermont.gov

Welcome, PREPARER  
You last logged in on Monday, Nov 21, 2022 8:46:56 AM  
[Manage My Profile](#)  
[Accountant Center](#)

- All
- Favorites
- Recent
- Action Center** 275

**Filters** All Account Types All Actions

Page 1 of 3 Filter

**BERU'S BREWS**  
\*\*-\*\*\*4444  
133 STATE ST  
MONTPELIER VT 05633-0002

**You have 3 unread messages**  
Messages sent to you may contain important information about your accounts.  
[View Messages](#)

**Malt and Vinous Beverage**  
\*\*-\*\*\*4444  
BERU'S BREWS  
133 STATE ST  
MONTPELIER VT 05633-0002

**Malt and Vinous Beverage for Nov-30-2020 needs to be filed**  
A return needs to be filed. Returns filed late may be subject to a penalty.  
[File Return](#)

**Malt and Vinous Beverage for Oct-31-2020 needs to be filed**

< Work with Someone Else

## Manage My Profile

PREPARER

aaron.kaigle@vermont.gov

**Profile**

Action Center <sup>1</sup>

I Want To

### Profile

Username

preparer

Name

PREPARER

[Update Name](#)

My Email

aaron.kaigle@vermont.gov

[Change Email](#)

My Phone Number

+1 (802) 123-4567

[Edit Phone Number](#)

### Security

Password

Last changed October 19, 2020

[Change Password](#)

Secret Question

What is name of the street you grew up on?

[Update Your Secret Question](#)

Two-Step Verification Settings

Codes are sent via email

[Change Two-Step Settings](#)



< Work with Someone Else


## Manage My Profile

PREPARER


aaron.kaigle@vermont.gov

Profile Action Center <sup>1</sup> I Want To


What are you looking for?

 **Access Management**  
Manage access of accounts I have access to.


- > Manage My Access
- > Delete My Profile

 **My Users**  
Manage users who work for me.


- > Create Additional Username
- > Remove Additional Username

 **Payment Channels**  
Manage my bank accounts used to make payments on e-Services.


- > Manage Payment Channels

 **Submissions**  
Search for previous submissions.


- > Search Submissions

 **Messages**  
View messages I've received from the agency.


- > Send a Message
- > View Messages

 **Activity**  
View my activity on e-Services.

- > View Activity

 **Return Signature**  
Update Return Signature Preferences

- > Update Return Signature

 **Email Preference**  
Update Email Preferences when being notified about your customer's activities.

- > Change Email Preference

< Work with Someone Else

## Accountant Center

PREPARER  
aaron.kaigle@vermont.gov

Accountant Center Action Center <sup>320</sup>

Search bar containing the text "pay" and a magnifying glass icon.

### Payments & Returns

Manage payments and returns for all customers.

> [Manage Payments & Returns](#)

# Manage Payments and Returns

PREPARER  
aaron.kaigle@vermont.gov

## Manage Payments and Returns

**Accounts**

All ▼

**Show**

Returns ▼

Filed ▼

**For Periods**

All ▼

Returns Filter

Status	Period	Name	For	ID
--------	--------	------	-----	----



Thank you!

# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[tax.preparer@vermont.gov](mailto:tax.preparer@vermont.gov)



(802) 828-6815



[myVTax.vermont.gov](https://myVTax.vermont.gov)

[tax.vermont.gov/myvtax/get-help](https://tax.vermont.gov/myvtax/get-help)

# Voluntary Compliance and the Voluntary Disclosure Program



Alysha Leroux, Assistant Director  
Compliance

October 22, 2024

# Voluntary Disclosure Program

What is it?

The Voluntary Disclosure Program (VDP) encourages taxpayers who have not filed and paid their taxes, to come forward voluntarily. In return, the Department agrees to forgive applicable late file and late pay penalties for qualifying taxpayers, provided the associated tax and interest are paid in a timely manner.



## Payments

List of tasks related to payments

- > [Make a Payment](#)
- > [Find my Estimated Payment](#)
- > [Pay Use Tax](#)
- > [Set Up a Payment Plan](#)



## Returns

List of tasks related to returns

- > [File a Return](#)
- > [File an Extension](#)
- > [Check the Status of your Return](#)
- > [Return Filing Verification](#)



## Submissions & Correspondence

Search for previous submissions, respond to a correspondence

- > [Respond to Correspondence](#)
- > [Access a Saved myVTax Request](#)
- > [Find my 1099g](#)
- > [Voluntary Disclosure Program Application](#)



## Property Owners

List of tasks for a property owner



## Help & Resources

Common resources for help 



## Municipal Officials

List of tasks for a municipal official



[< Home](#)

## Voluntary Disclosure Program Application

### Voluntary Disclosure Program Application



Non-Login Warning

#### **Warning!**

- Please note that non-logged in submissions can only be accessed while they are pending or saved as a draft. Once a non-logged in submission is submitted and processed, the submission can no longer be accessed via myVTax.
- A submission is considered processed as of 4:30 pm on the day it was submitted. Future dated payments are accessible until 4:30 pm the day it is scheduled to process. Saved drafts will be accessible for 90 days or until they are submitted and processed.

[Cancel](#)

[< Previous](#)

[Next >](#)

[Vermont Department of Taxes](#) | [Accessibility Policy](#) | [Privacy Policy](#)

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Thank you for your interest in the Vermont Department of Taxes Voluntary Disclosure Program.

The Voluntary Disclosure Program (VDP) allows qualifying taxpayers to **voluntarily come forward** to file required returns and benefit from the penalty forgiveness, provided the associated tax and interest is paid in a timely manner.

To determine if you qualify for this program, please answer the following questions. It is important to be truthful to ensure your eligibility determination is accurate.

1. Has the Vermont Department of Taxes contacted you about the tax type(s) and period(s) you want to disclose?

\*

No	Yes
----	-----

2. Has the IRS made a determination of underpaid taxes for the tax type(s) and period(s) you want to disclose?

\*

No	Yes
----	-----

3. Are you currently under audit for the tax type(s) and period(s) you want to disclose?

\*

No	Yes
----	-----

4. Has the Vermont Department of Taxes sent you a bill for the tax type(s) and period(s) you want to disclose?

\*

No	Yes
----	-----

5. Are you currently under criminal investigation by any District Attorney or by any state or local law enforcement agency, involving the tax type(s) and period(s) you want to disclose?

\*

No	Yes
----	-----

6. Have you (or your entity) participated in a VDP Agreement with the Vermont Department of Taxes in the past?

\*

No	Yes
----	-----

7. Have you collected taxes or withheld income for the period(s) you want to disclose?

\*

No	Yes
----	-----



Cancel

< Previous

Next >

# Voluntary Disclosure Program Application

## Voluntary Disclosure Program Application



**Based on the information you provided being true and accurate, you are eligible for a VDP Agreement. Be sure you have answered the above question truthfully.**

Next you will need to provide information necessary to issue a VDP Agreement. A requirement of this program is to make a full disclosure of the taxes owed.

Once your application is submitted and eligibility is confirmed, we will mail you a VDP Agreement. The agreement will provide you with filing and payment information. When filing your return(s) it is imperative that you fully disclose your full tax liability as the existence of a VDP Agreement does not prevent the Department from billing back undisclosed tax liability.

When you have filed the return(s) covered under your VDP Agreement, and pay the associated tax and interest in a timely manner, the Department will forgive the associated penalties.

Click the **Next** button to continue with your application.

Notes: Completion of the VDP application should take 5 or less minutes. When finished, click the Submit button. If you do not click the Submit button at the end of your application, the application will not be saved, evaluated, or processed.

Cancel

< Previous

Next >

# Voluntary Disclosure Program Application

## Voluntary Disclosure Program Application



Please remember, if you do not click the **Submit** button at the end of the application process, your application will not be saved, evaluated, or processed.

### Representative/Applicant Information

I am submitting this application for:

- \* Myself or my Business
- \* Someone I Represent

Name and Title of Person Completing Application:

\* Last Name *Required* \_\_\_\_\_

\* First Name *Required* \_\_\_\_\_ Middle Name \_\_\_\_\_

Title  \_\_\_\_\_ Suffix \_\_\_\_\_

Mailing Address:

Country  USA

\* Street *Required* \_\_\_\_\_

Street \_\_\_\_\_

## General Information

In the space provided,

1. Describe the disclosure tax type(s) and tax period(s)
2. Indicate whether you have filed prior return(s) in Vermont for these tax type(s), and if so, tell us what information on the return was not accurate and provide us with the correct information
3. Describe the reason the taxes were not reported and paid timely

\*

*Required*

What is the amount of taxes you estimate will be due for the period(s) you are disclosing? \*

*Required*

**Type of Application** *(Choose one)*

For a Business \*

For an Individual \*

Cancel

< Previous

Next >

## Confirmation

Thank you for submitting your VDP Application. When communicating with the Department, please include this unique application number: 0-066-647-296

Your application has been routed for review by a Department Representative, who will issue your VDP Agreement, which agreement will contain information on how to file the return(s) included in your agreement.

Please allow 14 business days for your application to be processed. If you have any questions about Vermont's Voluntary Disclosure Program or the status of your application, please call (802) 828-2514 during normal business hours.

[Print](#)

[OK](#)

## After submission:

- A team member will review your application and request documentation if needed.
- Once tax liability is determined and the tax and interest is paid, the department will abate 100% of penalty.
- Questions



Thank you!



# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[Tax.OfficeAudit@vermont.gov](mailto:Tax.OfficeAudit@vermont.gov)



(802) 828-2514



[Tax.Vermont.gov](http://Tax.Vermont.gov)



Lunch time!  
See you at 1:00

# A Retrospective on the 2024 Filing Season, and What to Expect in 2025



James Whitehouse, Director, Taxpayer Services Division

Lisa Pinkus, Taxpayer Services Section Chief

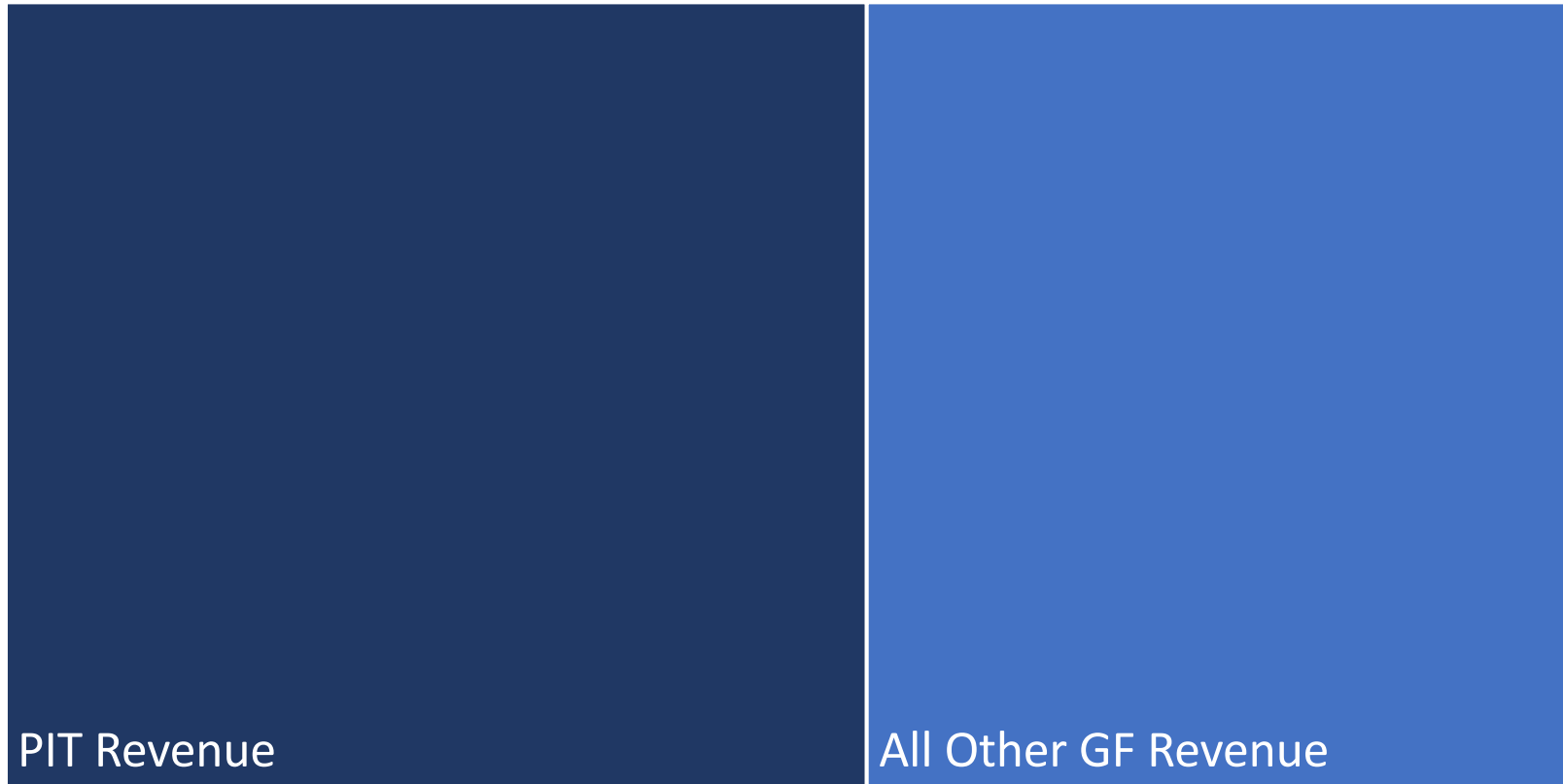
Paul Brodowski, Taxpayer Services Section Chief

October 22, 2024

# Personal Income Tax Revenues

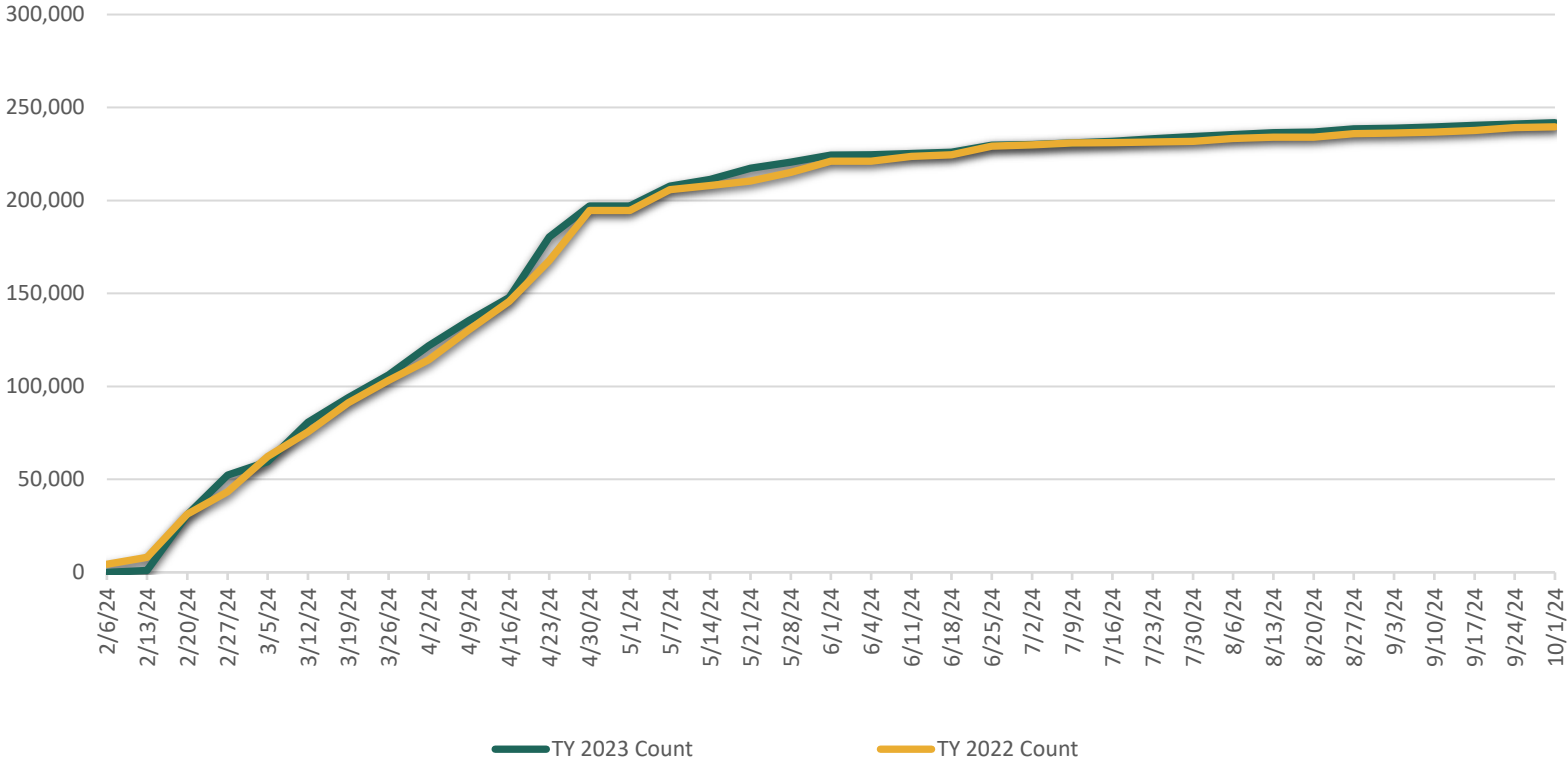
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FY24 General Fund Revenue (\$2.27 Billion)

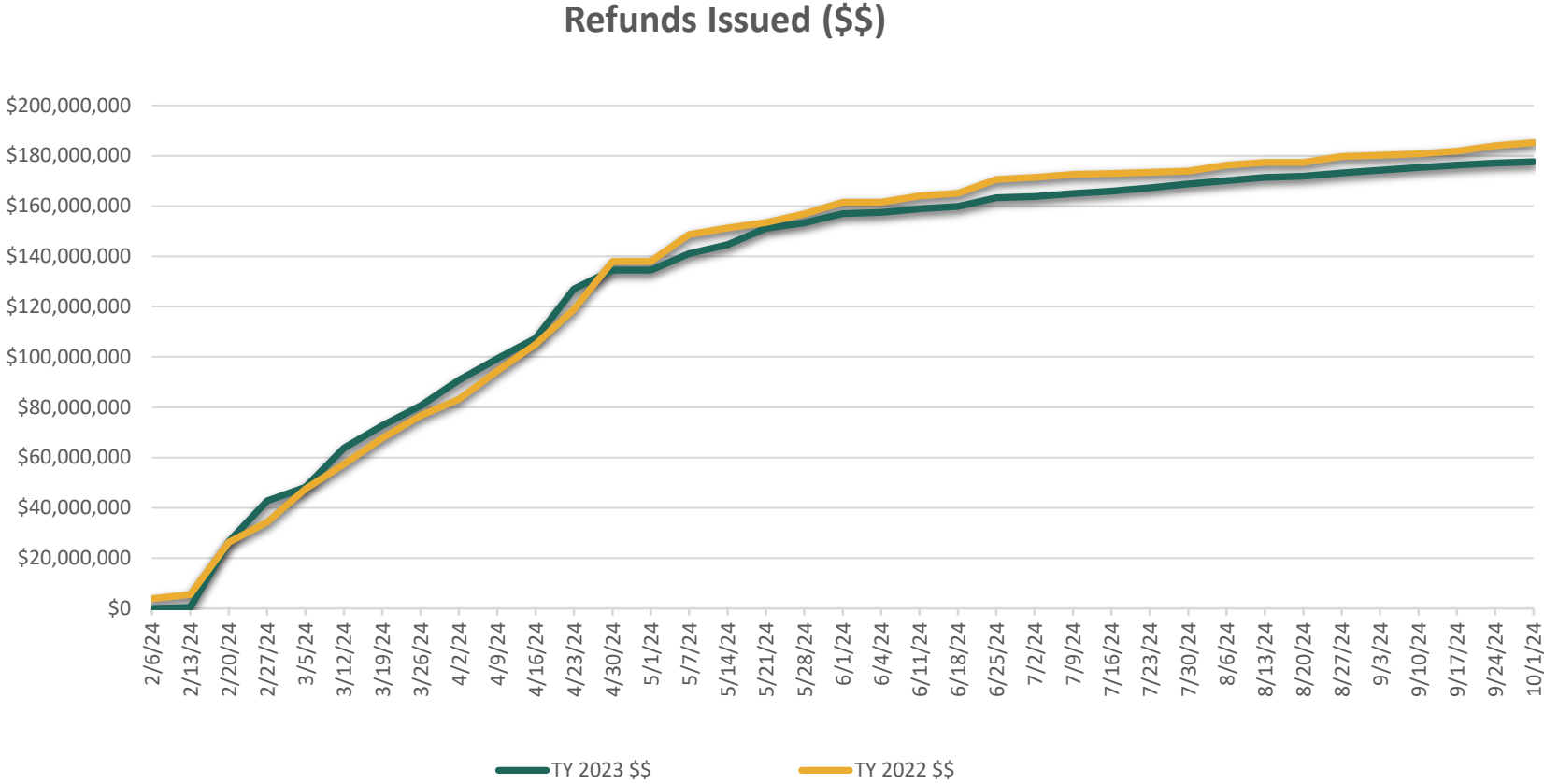


# Number of Personal Income Tax Refunds Issued

Refunds Issued (Count)



# Sum of Personal Income Tax Refunds Issued



# Spotlight on E-Filing

---

## **Personal Income Tax**

- 93% of returns were e-filed
- E-Free Filings increased from 2023 to 2024 by 8% to 9,840 returns

## **Corporate Income Tax**

- 79% of CIT filers E-Filed in 2024 – the same as 2023

## **Business Income Tax**

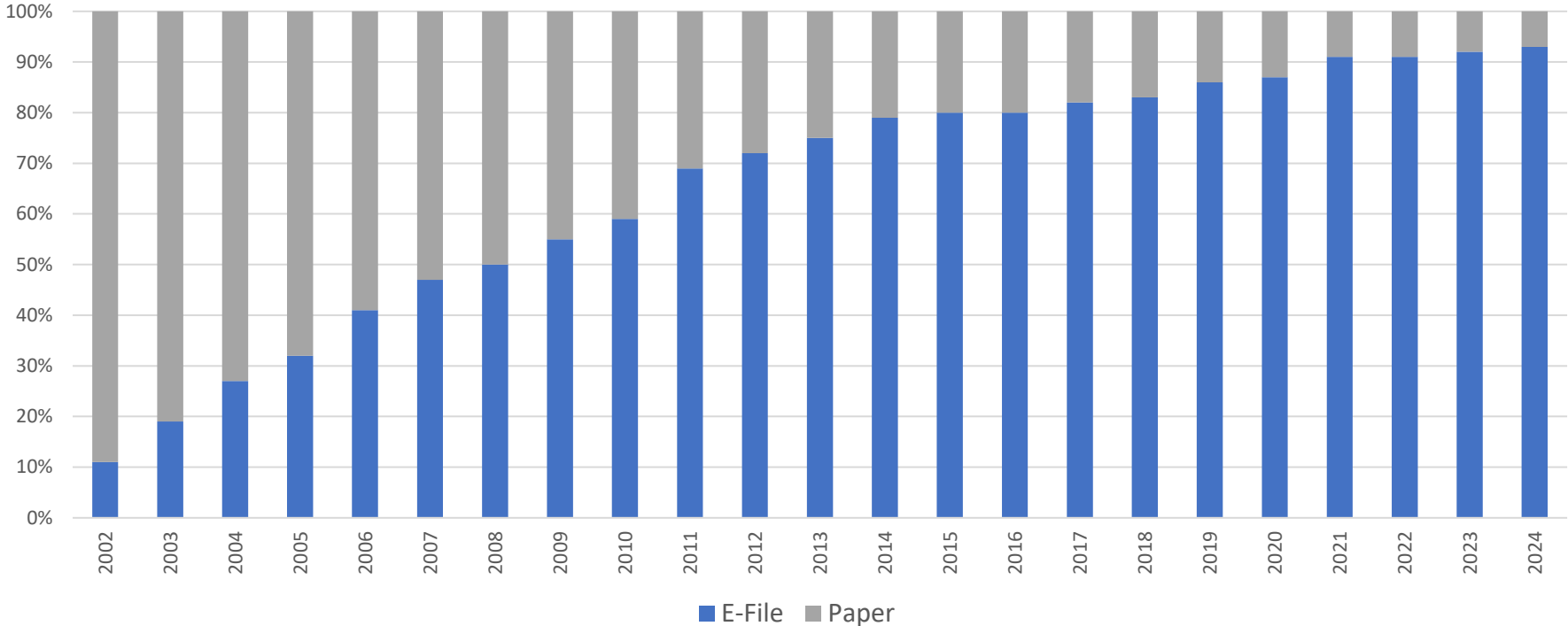
- 94% of BIT filers E-Filed in 2024 – the same as 2023

## **Homestead Declarations**

- 90% of HSDs were E-Filed in 2024 – a 1% increase from 2023

# 20+ Year Trend in Electronic Filing

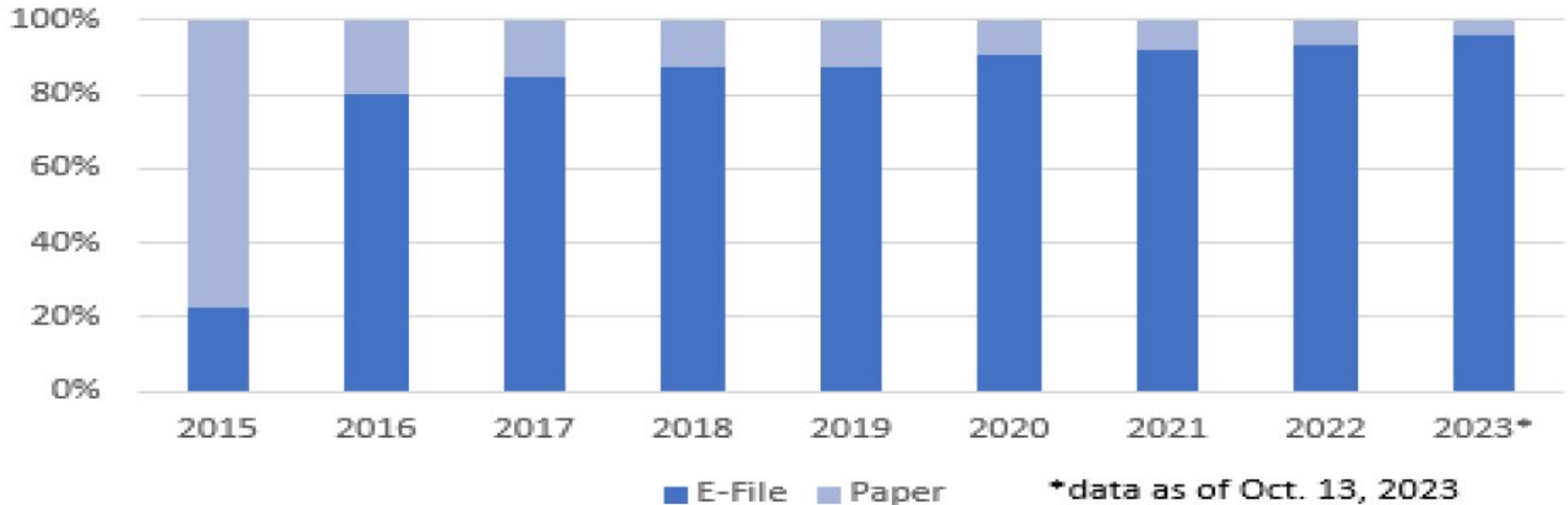
Personal Income Tax Returns: 2002 - 2024





# BIT Shift To Electronic Filing

Business Income Tax Returns - Share of Paper and Electronic Filing



# TY23 Personal Income Tax Error Rates

---

**E-File Error Rate:** 5% (Same as 2022)

**Paper Error Rate:** 22% (1% higher from 2022)

**Returns Requiring Review:** 22,806

- 1% Decrease from TY22

# What Caused PIT Refund Delays?

---

## Common causes:

- #1: Unreported Income
- Withholding Incongruities
- Payment Reporting Mismatches
- Employer filed paper W2s (88% electronic this year – 5% increase)
- Incorrect SSN used by Employer on W-2 and 1099 Forms

# Renter Credit Claims

---

## Preliminary Figures

Metrics	TY22 Renter Credit	TY23 Renter Credit	% Change
Taxpayers Issued a Credit	10,773	11,437	6%
Total Dollars Issued to Date	\$5,859,968	\$6,818,677	16%
Average Credit Issued	\$544	\$596	10%

*\*Data from 10/04/2024*

## 2024 Homestead Declarations

---

- We received 182K Homestead Declarations for 2024 and 100K Property Tax Credit Claims.
- The error rate for Homestead Declarations this past filing season was 14%, which was a 1% decrease from the prior year.

# 2023 Property Tax Credit Claims

---

Metrics	TY23 PTC	TY24 PTC	% Change
Taxpayers Issued a Credit	109,100	100,048	-8%
Total Dollars Issued to Date	\$171,677,827	\$178,552,750	4%
Average Credit Issued	\$1,574	\$1,785	12%

# Erroneous Refunds & Credits Prevented

---

Refunds/Credits	Filer Counts	Total Amounts
PIT Refunds	6,247	\$5.499M
Property Tax Credits	13,893	\$15.94M

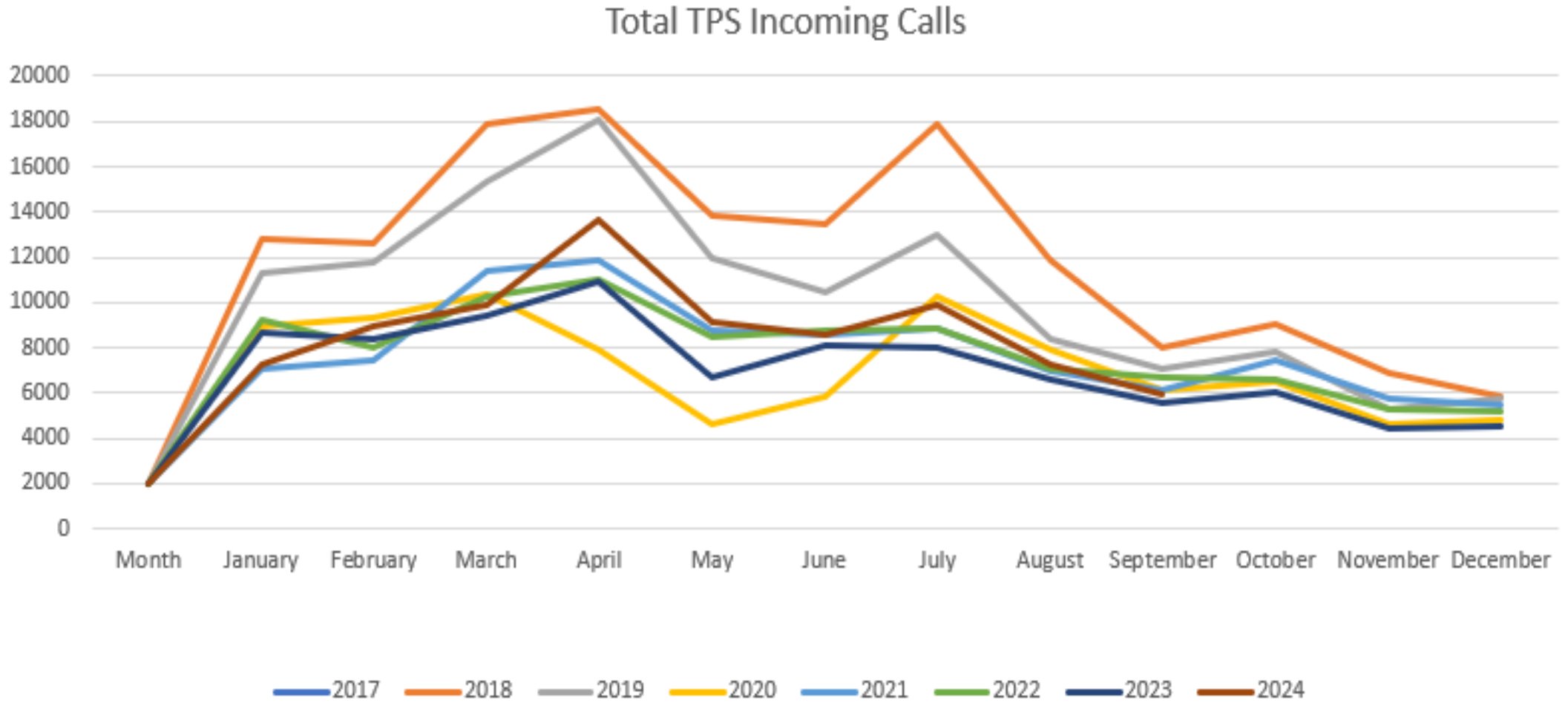
*\*Data snapshot from early October. Numbers subject to change.*

# Fraudulent Tax Returns

Filing Year	Number of Returns	Total Dollar Amount
2013		\$ 439,461
2014	707	\$ 1,445,969
2015	478	\$ 962,517
2016	176	\$ 276,251
2017	52	\$ 77,957
2018	26	\$ 37,754
2019	8	\$ 58,678
2020	92	\$ 202,043
2021	34	\$ 185,000
2022	112	\$ 428,941
2023	243	\$ 456,000
2024	481	\$ 1,170,141



# Total TPS Incoming Calls



# 2024 Personal Income

## Tax Form

Vermont Department of Taxes

2024 Form IN-111

Vermont Income Tax Return

DEPT  
USE  
ONLY



\* 2 4 1 1 1 1 1 0 0 \*

**FILE YOUR RETURN  
ELECTRONICALLY FOR A  
FASTER REFUND. GO TO  
TAX.VERMONT.GOV FOR  
MORE INFORMATION.**

Please PRINT in BLUE or BLACK INK

Taxpayer's Last Name		First Name		MI	Social Security Number		<input type="checkbox"/> Check if Deceased
Spouse's/CU Partner's Last Name		First Name		MI	Social Security Number		<input type="checkbox"/> Check if Deceased
Mailing Address (Number and Street/Road or PO Box)				911/Physical Street Address on 12/31/2024			
City		State	ZIP Code or Foreign Postal Code		Foreign Country		
Vermont School District Code		Vermont Residency Status as of 12/31/2024 (check one)					
		<input type="checkbox"/> RESIDENT		<input type="checkbox"/> PART-YEAR RESIDENT		<input type="checkbox"/> NONRESIDENT	
Filing Status and Standard Deduction		<input type="checkbox"/> Single (\$7,400)		<input type="checkbox"/> Married/CU Filing Jointly (\$14,850)		<input type="checkbox"/> Married/CU Filing Separately (\$7,400)	
		<input type="checkbox"/> Head of Household (\$11,100)		<input type="checkbox"/> Qualifying Widow(er) (\$14,850)			
<input type="checkbox"/> Enter Healthcare Coverage Code (See instructions for code options)		Check all that apply		<input type="checkbox"/> AMENDED Return		<input type="checkbox"/> CANNABIS With Recomputed Federal Return	
				<input type="checkbox"/> RECOMPUTED Return		<input type="checkbox"/> EXTENDED Return	
						<input type="checkbox"/> FARMER / FISHERMAN	

# 2024 Personal Income Tax Form Changes

---

- 2024 Standard Deductions  
S/MFS - \$ 7,400    HOH - \$11,100    MFJ/QW - \$14,850
- Additional Deduction for Taxpayers Over 65/Blind - \$1,200
- 2024 Personal Exemption - \$5,100
- New check box on **Form IN-111** for farmers/fishermen. Check only if they are exempt from paying estimated taxes
- New Line 21 on **Form IN-111** for the Child Care Contribution along with a new CCC worksheet.
- LRC-147 we have added the calendar year to match the LRC-140.

# Personal Income Tax

## Extension Reminder

**Form IN-151** - Application for Extension of Time to File is not required to be filed if a federal extension was filed **and** an additional payment is **not** required with the Vermont extension request.

# 2025 Homestead Declaration and Property Tax Credit Claim

Vermont Department of Taxes  
**2025 Form HS-122**  
**Vermont Homestead Declaration AND**  
**Property Tax Credit Claim**



**DUE DATE:** April 15, 2025. You may file up to Oct. 15, 2025, but the town may assess a penalty. For details on late filing, see instructions.

**How to file a Homestead Declaration:** Please complete Section A of this form, sign in the signature section at the bottom of page 2, and send the form to the Vermont Department of Taxes.

**How to file a Property Tax Credit Claim:** To be considered for a Property Tax Credit, you must file a 1) Homestead Declaration (Section A of this form), 2) Property Tax Credit Claim (Section B of this form), and 3) Schedule HI-144, Household Income. Sign this form in the signature section at the bottom of page 2 and send the forms to the Department.

**Tired of paper forms? It's fast and convenient to file your claim online at [myVTax.vermont.gov](http://myVTax.vermont.gov).**

### Annual Vermont Homestead Declaration

This form must be filed each year by every Vermont resident whose property meets the definition of a homestead. A Vermont homestead is the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual's domicile on April 1, 2025. If your homestead is leased to a tenant on April 1, 2025, you may still claim it as a homestead if it is not leased for more than 182 days in the 2025 calendar year.

**SECTION A.**

Please PRINT in BLUE or BLACK INK

Claimant's Last Name	First Name	MI	Claimant's Social Security Number
Spouse's/CU Partner's Last Name	First Name	MI	Spouse's or CU Partner's Social Security Number
Mailing Address (Number and Street/Road or PO Box)			Claimant's Date of Birth (MMDDYYYY)
City	State	ZIP Code	
Location of Homestead (Use a number, street/road name. Do not use a PO Box or "same.")			City/Town of Legal Residence on April 1, 2025 and State
<b>Federal Filing Status</b>	<input type="checkbox"/> Single	<input type="checkbox"/> Married/CU Filing Jointly	<input type="checkbox"/> Married/CU Filing Separately <input type="checkbox"/> Head of Household

# 2025 Homestead Declaration and Property Tax Credit Claim

- The due date for 2025 Homestead Declarations will be April 15, 2025. There are no extensions of time available to file Homestead Declarations.
- Property Tax Credit Claims received after April 15<sup>th</sup> but before October 15<sup>th</sup> will still go directly to the town **and** will no longer be charged the \$15 late file penalty.
- Taxpayers who file their Homestead Declaration by the extended due date of October 15<sup>th</sup> will now have until March 15<sup>th</sup> to apply for a property tax credit. However, a late filing penalty of \$150 will be deducted from the payment which will be sent directly to the taxpayer.

# 2025 Homestead Declaration and Property Tax Credit Claim


- The maximum household income eligible for a 2024 Property tax Credit Claims is \$115,00.
- FEMA assistance payments are not considered Household Income.
- Please remember to check the box if the taxpayer hosted a refuge or asylum seeker in 2024.

Vermont Department of Taxes

## 2024 Schedule HI-144

### Household Income

For the year Jan. 1 - Dec. 31, 2024



\* 2 4 1 4 4 1 1 0 0 \*

Please PRINT in BLUE or BLACK INK

This schedule must be included with the 2025 Property Tax Credit Claim (Form HS-122). Please read instructions before completing schedule.

Claimant's Last Name	First Name	MI	Claimant's Social Security Number
Spouse's/CU Partner's Last Name	First Name	MI	Claimant's Date of Birth (MMDDYYYY)

List the names and Social Security Numbers of all other people (in addition to a Spouse or CU Partner) who had income and lived with you during 2024. Include both their taxable and non-taxable income in Column 3. If you have more than two "Other People" living in your household, record the names and Social Security Numbers on a separate sheet of paper and include with the filing.

Check this box if you temporarily hosted a refugee, asylee, or asylum seeker in your home during 2024. Do not include their income on this form.

Other Person #1 Last Name	First Name	MI	Other Person #1 Social Security Number
Other Person #2 Last Name	First Name	MI	Other Person #2 Social Security Number

# 2024 Renter Credit Claim

Vermont Department of Taxes  
**2024 Form RCC-146**  
**Vermont Renter Credit Claim**

For the year  
 Jan. 1 - Dec. 31,  
 2024



\* 2 4 1 4 6 1 1 0 0 \*

Claimant's Last Name		First Name		MI	Claimant's Social Security Number	
Spouse's/CU Partner's Last Name		First Name		MI	Spouse's or CU Partner's Social Security Number	
Mailing Address (Number and Street/Road or PO Box)					Claimant's Date of Birth (MMDDYYYY)	
City		State	ZIP Code		County of Rental Unit	
Vermont School District Code	Physical Address of Rental Unit on 12/31/2024			Unit	City/Town of Rental Unit on 12/31/2024 and State	
Federal Filing Status	<input type="checkbox"/> Single	<input type="checkbox"/> Married/CU Filing Jointly	<input type="checkbox"/> Married/CU Filing Separately	<input type="checkbox"/> Head of Household	Will you be using Renter Credit to pay Income Tax liability? <input type="checkbox"/> Yes <input type="checkbox"/> No	



# Withholding Tax Update

---

- The due date for the 2024 Annual Reconciliations (**Form WHT-434**) is January 31, 2025.
- All W-2s and 1099s with Vermont withholding must be submitted with the filing.
- E-Filing is required for:
  - All Payroll Filing services.
  - Tax Preparers and Practitioners.
  - All employers who submit **10** or more W2s and/or 1099s.

If you have questions or need assistance filing electronically, please contact the Business Tax Section at (802) 828-2551.

# Meals and Rooms Tax Update

## MEALS

(a) Total Meals  
0.00

(b) Exempt Meals  
0.00

(c) Net Taxable Meals  
0.00

(d) [Multiply: Line 1(c) by 9.00%]  
0.00

Report Additional Tax Collected [?](#)

Total Meals and Rooms Tax Due  
0.00

Rent from Short Term Rentals  
0.00

[Multiply Short Term Rentals by 3.00%]  
0.00

Local Option Tax Due  
0.00

I certify that no Local Option Tax is due for this location

## RENT

(a) Total Rent  
0.00

(b) Exempt Rent  
0.00

(c) Net Taxable Rent  
0.00

(d) [Multiply: Line 2(c) by 9.00%]  
0.00

**New Local Option Municipalities have been added within the last 6 months:**

- South Hero as of 7/1/2024
- Waterbury as of 7/1/2024
- Westmore as of 7/1/2024

[Please click here to add Local Option Taxes](#)

[Please click here to use our LOT Finder Tool to ensure your Local Option Tax is correct.](#)

## ALCOHOL

(a) Total Alcohol  
0.00

(b) Exempt Alcohol  
0.00

(c) Net Taxable Alcohol  
0.00

(d) [Multiply: Line 2(c) by 10.0%]  
0.00

# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[tax.preparer@vermont.gov](mailto:tax.preparer@vermont.gov)



(802) 828-6815



[Tax.Vermont.gov](http://Tax.Vermont.gov)

Act 181 (H.687), Secs.73-78

# **Updated Property Transfer Tax Rates**

Effective August 1, 2024

# Summary: Property Transfer Tax Rates and Exemptions



## (4) Tax Rates

- General Tax
- Clean Water Surcharge
- Principal Residence
- Non-Principal Residence

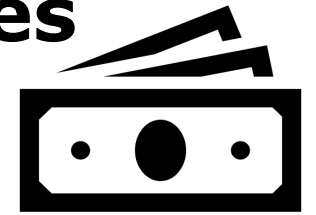
## (1) Exemption Change

- Exemption 99

## (2) New Exemptions

- Abandoned Dwellings
- New Energy Star Mobile Homes

# General Tax and Clean Water Surcharge Rates



## **New Combined Tax Rate = 1.47% (Prior rate Aug 1: 1.45%)**

- General Tax Rate remains the same at 1.25%
- Clean Water Surcharge Rate: Increased from 0.2% to 0.22%

<u>Value Paid/Transferred</u>	<u>Previous Tax</u>	<u>New Tax (Aug 1)</u>	<u>Change</u>
\$250,000	\$3,625.00*	\$3,675.00**	\$50.00
\$500,000	\$7,250.00	\$7,350.00	\$100.00

Calculations:  $3625 = 250,000 \times .0145$ ,  $**3675 = 250,000 \times .0147$

*Examples Include: Commercial & Industrial Property, Operating Farm, Open Land*

# Special Tax Rates



## Principal Residence Tax Rate

*Value paid/transferred eligible for the special rate has increased from \$100K to \$200K*

- Special Rate remains the same as 0.5% and is exempt from the Clean Water Surcharge
- Occupancy requirement remains the same for one year after transfer or for two years for the transfer of land only.

<u>Value Paid/Transferred</u>	<u>Previous Tax</u>	<u>New Tax (Aug 1)</u>	<u>Change</u>
\$250,000	\$2,675.00*	\$1,735.00**	\$(940.00)
<u>\$500,000</u>	<u>\$6,300.00</u>	<u>\$5,410.00</u>	<u>\$(890.00)</u>

Calculations:  $250,000 \times 0.145 = 3625$ ;  $250,000 \times 0.147 = 3675$

# Special Tax Rates



## Exemption 99

*Exempt amount on value paid/transferred has increased from \$110K to \$250K*

- Prior Aug 1: Exempt to \$110K and a general tax rate only of 1.25% from \$110K-\$200K

<u>Value Paid/Transferred</u>	<u>Previous Tax</u>	<u>New Tax (Aug 1)</u>	<u>Change</u>
\$250,000	\$1,850.00*	\$0.00**	\$(1,850.00)
\$500,000	\$5,475.00	\$3,675.00	\$(1,800.00)

Calculations: \*1,850 = (110,000 x 0.00 + 90,000 x .0125 + 50,000 x .0145), \*\* 0.00 = (250,000 x 0.00)

*Exemption 99 qualifications remain the same: Transferee’s principal residence is funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or for which the Vermont Housing Finance Agency (VHFA) or the U.S. Department of Agricultural and Rural Development has committed to make or purchase.*



# Non-Principal Residence Tax Rates



**Previous 'Secondary Residence' selection is now shown as three 'Non-Principal Residence' options:**

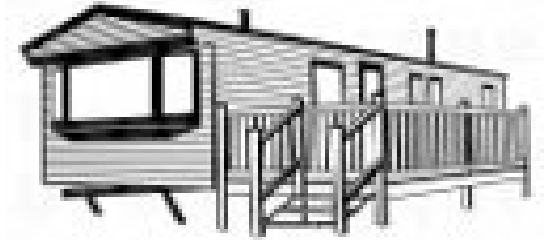
- Non-Principal Residence: Fit for year-round habitation (3.62% tax rate\*)
- Non-Principal Residence: NOT fit for year-round habitation (1.47% tax rate)
- Non-Principal Residence: Long-term rental (1.47% tax rate)

\*The general tax rate increased from 1.25% to 3.40%

<u>Value Paid/Transferred</u>	<u>Previous Tax</u>	<u>New Tax (Aug 1)</u>	<u>Change</u>
\$250,000	\$3,625.00*	\$9,050.00**	\$5,425.00
\$500,000	\$7,250.00	\$18,100.00	\$10,850.00

Calculations: \*3,625 = 250,000 x .0145, \*\*9,050 = 250,000 x .0362

# New Exemptions



## Abandoned Dwellings

- Transfers for abandoned properties that are blighted real estate owned and acquired by a municipality through condemnation or tax sale. The dwelling must be rehabilitated and occupied as a principal residence within three years of purchase.

## New ENERGY STAR Mobile Homes

- New mobile homes as defined in 10 VSA 6201(1) that have an ENERGY STAR energy efficiency label and that are certified as a Zero Energy Ready Home by the U.S. Department of Energy.

# Additional Legislative Change



## **Enhanced Life Estate Deeds, Act 161 (H.878), Sec. 43**

- If an interest in an enhanced life estate is revoked or revised after property transfer tax has been paid, taxpayer may petition the Department of Taxes for a refund at any time after the revocation or revision. A refund request is no longer limited to eight years from the date of payment or within one year of the revocation or revision.

# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[tax.rett@vermont.gov](mailto:tax.rett@vermont.gov)



(802) 828-6851



[Tax.Vermont.gov](http://Tax.Vermont.gov)

# Business Income Tax



John Demeter, Assistant Director  
Taxpayer Services Division

October 22, 2024

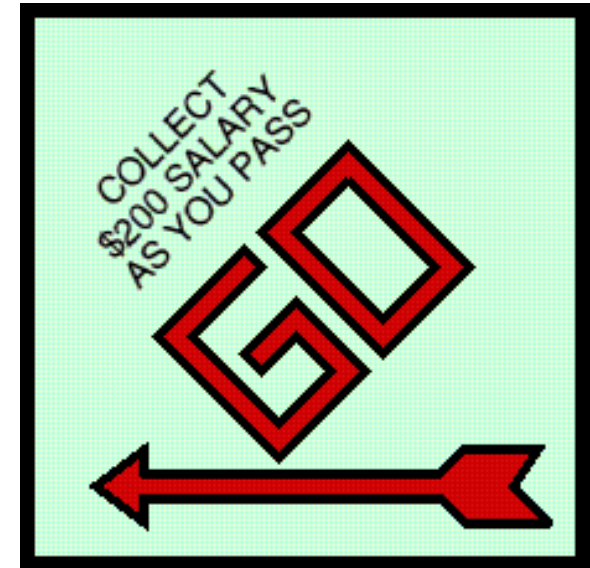
# Agenda

- Background
  - Business Income Tax Forms and Schedules
  - BI-477 Background – new for 2023
- Updates to the BI-477 for 2024
- Questions

# BI-471 and Schedules

- › Activity entirely within Vermont?
- › All owners are residents of Vermont?

## BI-476 – Short Form



# Otherwise ...

## › BI-471 – Business Income Tax Return

- BI-472 – Nonresident estimated payments, or
- BI-473 – Composite tax
  - › Elected by entity, or mandatory (in excess of 50 nonresident owners)
- BI-477
  - › To source and apportion income, when multi-state
  - › To make/allow for adjustments from federal income to Vermont income



# 2023 Changes to 471 package

- › No longer use the BA-402 for Business Income Tax
- › Simplify the BI-472 and BI-473
- › Create the BI-477 - align with the more commonly applied statutes – PIT, not CIT
  - › To source and apportion income, when multi-state
  - › To make/allow for adjustments from federal income to Vermont income

# Apportionment is still used for...

- › Income derived from every business, trade, occupation, or profession
  - ...**to the extent** it is carried on in Vermont
  - §5823(b)(4)
  
- › VDT will apply the practices and Regulation §1.5833 for apportionment
  
- › Single Sales Factor

**BI-477** is the **ONLY\*** form/schedule that changes for 2024!



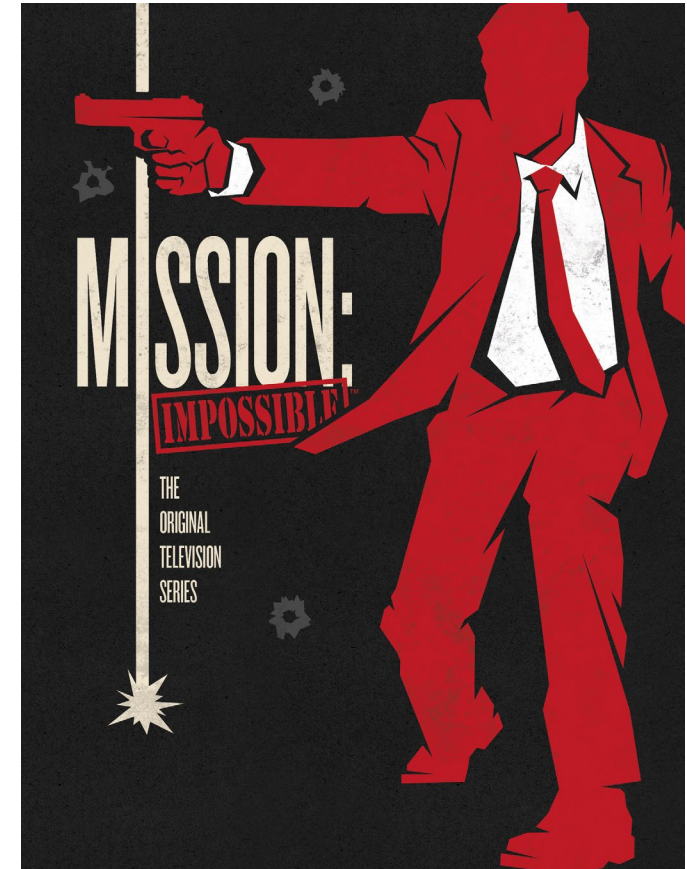
\*For Corporate/Business  
Income tax

Flashback:  
October 2023



# The Result ... ?

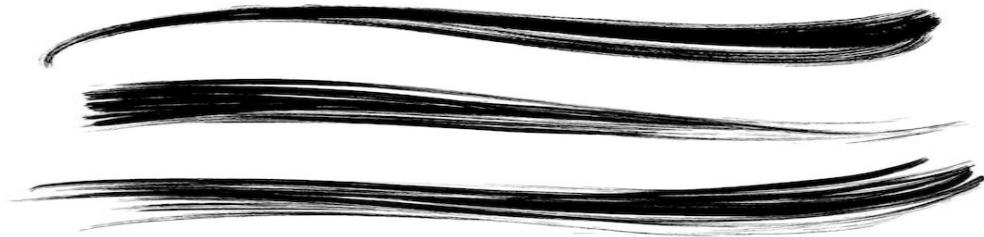
- › **Not perfect**
- › It remains impossible to account for all the permutations of partnership and S-Corp tax law, and complex, multi-tiered ownership structures
  - Or is it? Ring us up if you have the answer!



\*slide resurrected from October 2023

# BI-477 – Changes – Broad Strokes

- › Correct elements of double-counting
- › Allow for adjustments for complex tax positions
- › Improve reporting for multi-tier entities
- › Improve layout; simplify math
- › Expanded instructions



Schedule BI-477

Vermont Income Adjustment Calculation: Pass-Through Nonresident



\* 2 3 4 7 7 1 1 0 0 \*

Include with Form BI-471

Table with 3 columns: Entity Name, Fiscal Year Ending, FEIN

SECTION 1 PASS-THROUGH PERSONAL INCOME ADJUSTMENT CALCULATION

PART I. INCOME DERIVED FROM OWNERSHIP OF PROPERTY

Table with 3 columns: Description, Column A (Federal Amount), Column B (Amount from Vermont Situs Property)

PART II. GAINS FROM THE SALE OR EXCHANGE OF PROPERTY

Table with 3 columns: Description, Column A (Federal Amount), Column B (Amount from Vermont Situs Property)

PART III. WAGES, SALARIES, COMPENSATION TO PARTNERS

Table with 3 columns: Description, Column A (Federal Amount), Column B (Amount Received for Services Performed in Vermont)

2023

2024

2024 Schedule BI-477

Vermont Income Adjustment Calculation: Pass-Through Nonresident



\* 2 4 4 7 7 1 1 0 0 \*

Include with Form BI-471

Table with 3 columns: Entity Name, Fiscal Year Ending, FEIN

SECTION 1 PASS-THROUGH PERSONAL INCOME ADJUSTMENT CALCULATION

1A. NONAPPORTIONABLE INCOME CALCULATION

PART I. INCOME DERIVED FROM OWNERSHIP OF PROPERTY

Table with 3 columns: Description, Column A (Federal Amount), Column B (Amount from Vermont Situs Property)

PART II. GAINS FROM THE SALE OR EXCHANGE OF PROPERTY

Table with 3 columns: Description, Column A (Federal Amount), Column B (Amount from Vermont Situs Property)

PART III. WAGES, SALARIES, COMPENSATION TO SHAREHOLDERS / PARTNERS / MEMBERS

Table with 3 columns: Description, Column A (Federal Amount), Column B (Amount Received for Services Performed in Vermont)

Entity Name (same as on Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



PART IV. BUSINESS INCOME

13. Vermont Sales and Receipts Factor as a percent of Everywhere (Section 2, Line 40).....13. _____ %			
	Column A	Column B	
	Federal Amount	Derived within Vermont (Multiply Column A by Line 13)	
14. Ordinary Business Income... 14A.	_____ .00	14B.	_____ .00
15. Net adjustment to income resulting from Vermont's disallowance of "bonus depreciation" (IRC 168(k))... 15A.	_____ .00	15B.	_____ .00
16. Ordinary Business Income with Bonus Depreciation Disallowance (ADD Lines 14 and 15)... 16A.	_____ .00	16B.	_____ .00
17. Interest Income..... 17A.	_____ .00	17B.	_____ .00
<b>18. Dividends</b>			
18i. Ordinary Dividends..... 18iA.	_____ .00	18iB.	_____ .00
18ii. Qualified Dividends..... 18iiA.	_____ .00	18iiB.	_____ .00
18iii. Dividend Equivalents..... 18iiiA.	_____ .00	18iiiB.	_____ .00
19. Other Apportionable Business Income (Specify)..... 19A.	_____ .00	19B.	_____ .00
20. IRC § 179 Deduction..... 20A.	_____ .00	20B.	_____ .00
21. ADD Lines 1A through 6A, 9A through 12A, 16A through 19A, then SUBTRACT Line 20A..... 21.			_____ .00

PART V. INCOME ADJUSTMENT

22. Interest Income not derived from Vermont activity (SUBTRACT Line 17A from federal Form 1065, Sch. K, Line 5)..... 22.	_____ .00
23. Dividends not derived from Vermont activity (SUBTRACT the SUM of Lines 18iA, 18iiA, and 18iiiA from the SUM of federal Form 1065, Sch. K, Lines 6a, 6b, and 6c)..... 23.	_____ .00
24. Other Income (loss) (Specify)..... 24.	_____ .00
25. ADD Lines 21 through 24..... 25.	_____ .00
26. Other Adjustments (Attach detailed explanation)..... 26.	_____ .00
27. TAXABLE INCOME (ADD Lines 25 and 26)..... 27.	_____ .00
28. VERMONT INCOME (ADD Lines 1B through 6B, 9B through 12B, 16B through 19B, then SUBTRACT Line 20B)..... 28.	_____ .00
29. INCOME ADJUSTMENT % (DIVIDE Line 28 by Line 27. MULTIPLY the result by 100 and carry the result out to the fourth decimal place.) Also enter on Schedule BI-473, Line 2..... 29.	_____ %

Entity Name (same as on Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



1B. APPORTIONABLE INCOME CALCULATION

PART IV. INCOME FROM BUSINESS OR TRADE

Federal	
12. Ordinary Business Income... 12.	_____ .00
13. Interest Income (include only apportionable interest)..... 13.	_____ .00
14. Dividends (include only apportionable dividends)..... 14.	_____ .00
15. Other Income (Specify)..... 15.	_____ .00
16. IRC § 179 Deduction..... 16.	_____ .00
17. Bonus Depreciation Adjustment (Apportionable items)..... 17.	_____ .00
18. Other Add-backs and Adjustments for Ordinary Business Income..... 18.	_____ .00
19. Total Apportionable Income (ADD Lines 12 through 18)..... 19.	_____ .00
20. Vermont Sales and Receipts Factor as a percent of Everywhere (Section 2, Line 44)..... 20.	_____ %
21. Income Apportioned to Vermont (MULTIPLY Line 19 by Line 20)..... 21.	_____ .00

PART V. OTHER

	Column A	Column B	
	Federal	Vermont	
22. Income (loss) from lower-tier partnerships/PTES (attach Affiliation Schedule BA-410 and necessary worksheets)..... 22A.	_____ .00	22B.	_____ .00
23. Adjustments (attach detailed explanation)..... 23A.	_____ .00	23B.	_____ .00

PART VI. INCOME ADJUSTMENT

24. Federal Total (ADD Lines 1A through 11A, 19, 22A, and 23A)..... 24.	_____ .00
25. Nonapportionable Interest Income (SUBTRACT Line 13 from federal Form 1065, Sch. K, Line 5 or federal Form 1120-S, Line 4)..... 25.	_____ .00
26. Nonapportionable Dividends (SUBTRACT Line 14 from federal Form 1065, Sch. K, Line 6a or federal Form 1120-S, Line 5a)..... 26.	_____ .00
27. Other Income (loss) (Specify)..... 27.	_____ .00
28. ADD Lines 24 through 27..... 28.	_____ .00
29. Other Adjustments (Attach detailed explanation)..... 29.	_____ .00
30. Federal Adjusted Gross Income Equivalent from federal Form 1120-S or federal Form 1065, Sch. K with Vermont adjustments (ADD Lines 28 and 29)..... 30.	_____ .00
31. Vermont Income (ADD Lines 1B through 11B, 21, 22B, and 23B)..... 31.	_____ .00
32. Income Adjustment % (DIVIDE Line 31 by Line 30. MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) Also enter on Schedule BI-473, Line 2..... 32.	_____ %

2023

2024



Entity Name (same as on Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



SECTION 2 VERMONT APPORTIONMENT

PART VI. VERMONT SALES AND RECEIPTS FACTOR

	Column A Everywhere	Column B Vermont
30. Sales or gross receipts . . . . . 30A.	.00	.00
31. Sales of services . . . . . 31B.		.00
32. Sales of tangible personal property delivered or shipped to purchasers in Vermont from outside Vermont . . . . . 32B.		.00
33. Sales of tangible personal property delivered or shipped to purchasers in Vermont from within Vermont . . . . . 33B.		.00
34. Special Industries: Enter non-dollar sales factor figures here . . . . . 34B.		.00
35. Apportionable interest and dividends . . . . . 35A.	.00	.00
36. Royalties . . . . . 36A.	.00	.00
37. Gross rents . . . . . 37A.	.00	.00
38. Other apportionable business income (attach detailed supporting statement) . . . . . 38A.	.00	.00
39. Total GROSS RECEIPTS (ADD Lines 30 through 38) 39A.	.00	.00
40. Vermont Gross Receipt factor (DIVIDE Line 39B by 39A. MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) . . . . . 40.		%

2023

2024

PART VII. PROPERTY FACTOR (Average value during year)

	Column A Everywhere	Column B Vermont
41. Inventories . . . . . 41A.	.00	.00
42. Buildings and other depreciable assets (original cost) . . . . . 42A.	.00	.00
43. Depletable assets (original cost) . . . . . 43A.	.00	.00
44. Land . . . . . 44A.	.00	.00
45. Other assets (Attach schedule) . . . . . 45A.	.00	.00
46. Rented real and personal property (Multiply annual rent by 8) . . . . . 46A.	.00	.00
47. Total PROPERTY (ADD Lines 41 through 46) 47A.	.00	.00

Entity Name (same as on Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



SECTION 2 VERMONT APPORTIONMENT

PART VII. VERMONT SALES AND RECEIPTS FACTOR

	Column A Everywhere	Column B Vermont
33. Sales or gross receipts . . . . . 33A.	.00	.00
34. Sales of services . . . . . 34B.		.00
35. Sales of tangible personal property delivered or shipped to purchasers in Vermont from outside Vermont . . . . . 35B.		.00
36. Sales of tangible personal property delivered or shipped to purchasers in Vermont from within Vermont . . . . . 36B.		.00
37. Special Industries . . . . . 37B.		.00
38. Apportionable interest and dividends . . . . . 38A.	.00	.00
39. Royalties . . . . . 39A.	.00	.00
40. Gross rents . . . . . 40A.	.00	.00
41. Other apportionable business income (attach detailed supporting statement) . . . . . 41A.	.00	.00
42. Apportionment Factors from Lower-Tier Unitary Activity . . . . . 42A.	.00	.00
43. Total Gross Receipts (ADD Lines 33 through 42) 43A.	.00	.00
44. Vermont Gross Receipt factor (DIVIDE Line 43B by 43A. MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) . . . . . 44.		%

SECTION 3 WAGE AND PROPERTY FACTOR REPORTING

PART VIII. SALARY AND WAGES (required for reporting only)

	Column A Everywhere	Column B Vermont
45. Total SALARIES AND WAGES . . . . . 45A.	.00	.00

PART IX. PROPERTY FACTOR (Average value during year)

	Column A Everywhere	Column B Vermont
46. Inventories . . . . . 46A.	.00	.00
47. Buildings and other depreciable assets (original cost) . . . . . 47A.	.00	.00
48. Depletable assets (original cost) . . . . . 48A.	.00	.00
49. Land . . . . . 49A.	.00	.00
50. Other assets (Attach schedule) . . . . . 50A.	.00	.00
51. Rented real and personal property (Multiply annual rent by 8) . . . . . 51A.	.00	.00
52. Total PROPERTY (ADD Lines 46 through 51) 52A.	.00	.00

# 2024 BI-477 – p.1

- Remove Collectibles and unrecaptured Sec. 1250 Gain - duplicated
- Add a bonus depreciation adjustment for sitused (nonapportionable) assets
- Add a line for other adjustments
- Remove wages and salaries – do not double-withhold

Vermont Department of Taxes

2024 Schedule BI-477



Vermont Income Adjustment Calculation:  
Pass-Through Nonresident

Include with Form BI-471

Entity Name (same as on Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN
--------------------------------------	-------------------------------	------

**SECTION 1 PASS-THROUGH PERSONAL INCOME ADJUSTMENT CALCULATION**

**1A. NONAPPORTIONABLE INCOME CALCULATION**

**PART I. INCOME DERIVED FROM OWNERSHIP OF PROPERTY**

	Column A Federal Amount	Column B Amount from Vermont Situs Property
1. Net Rental Real Estate Income (loss) . . . . . 1A.	.00	1B. .00
2. Other Net Rental Income (loss) . . . . . 2A.	.00	2B. .00
3. Royalties . . . . . 3A.	.00	3B. .00

**PART II. GAINS FROM THE SALE OR EXCHANGE OF PROPERTY**

	Column A Federal Amount	Column B Amount from Vermont Situs Property
4. Net Long Term Capital Gain (loss) . . . . . 4A.	.00	4B. .00
5. Net Short Term Capital Gain (loss) . . . . . 5A.	.00	5B. .00
6. Guaranteed Payments for Capital . . . . . 6A.	.00	6B. .00
7. Net IRC § 1231 Gain (loss) . . . . . 7A.	.00	7B. .00
8. Bonus Depreciation Adjustment (Nonapportionable items) . . . . . 8A.	.00	8B. .00
9. Other add-backs and adjustments (Nonapportionable items) . . . . . 9A.	.00	9B. .00


**PART III. WAGES, SALARIES, COMPENSATION TO SHAREHOLDERS / PARTNERS / MEMBERS**

	Column A Federal Amount	Column B Amount Received for Services Performed in Vermont
10. Other Compensation . . . . . 10A.	.00	10B. .00
11. Guaranteed Payments for Services . . . . . 11A.	.00	11B. .00

# 2024 BI-477 – p.2

- Move bonus depreciation adjustment down to allow inclusion for adjustments within "other"
- Add a line for "other" adjustments
- Fix math to all "add"
- Apply apportionment in one place, not on each line
- New Part V for multi-tier entities
- Add a "total" line
- Better description of denominator line

Entity Name (same as on Form BI-471)			
FEIN	Fiscal Year Ending (YYYYMMDD)		



\* 2 4 4 7 7 1 2 0 0 \*

**1B. APPORTIONABLE INCOME CALCULATION**

**PART IV. INCOME FROM BUSINESS OR TRADE**

Federal

12. Ordinary Business Income . . . . .12.	.00
13. Interest Income (include only apportionable interest) . . . . .13.	.00
14. Dividends (include only apportionable dividends) . . . . .14.	.00
15. Other Income (Specify) . . . . .15.	.00
16. IRC § 179 Deduction . . . . .16.	.00
17. Bonus Depreciation Adjustment (Apportionable items) . . . . .17.	.00
18. Other Add-backs and Adjustments for Ordinary Business Income .18.	.00
19. Total Apportionable Income (ADD Lines 12 through 18) . . . . .19.	.00
20. Vermont Sales and Receipts Factor as a percent of Everywhere (Section 2, Line 44) . . . . .20.	%
21. Income Apportioned to Vermont (MULTIPLY Line 19 by Line 20) . . . . .21.	.00

**PART V. OTHER**

	Column A Federal	Column B Vermont
22. Income (loss) from lower-tier partnerships/PTEs (attach Affiliation Schedule BA-410 and necessary worksheets) . . . . .22A.	.00	.00
23. Adjustments (attach detailed explanation) .23A.	.00	.00

**PART VI. INCOME ADJUSTMENT**

24. Federal Total (ADD Lines 1A through 11A, 19, 22A, and 23A) . . . . .24.	.00
25. Nonapportionable Interest Income (SUBTRACT Line 13 from federal Form 1065, Sch. K, Line 5 or federal Form 1120-S, Line 4) . . . . .25.	.00
26. Nonapportionable Dividends (SUBTRACT Line 14 from federal Form 1065, Sch. K, Line 6a or federal Form 1120-S, Line 5a) . . . . .26.	.00
27. Other Income (loss) (Specify) . . . . .27.	.00
28. ADD Lines 24 through 27 . . . . .28.	.00
29. Other Adjustments (Attach detailed explanation) . . . . .29.	.00
30. Federal Adjusted Gross Income Equivalent from federal Form 1120-S or federal Form 1065, Sch. K with Vermont adjustments (ADD Lines 28 and 29) . . . . .30.	473
31. Vermont Income (ADD Lines 1B through 11B, 21, 22B, and 23B) . . . . .31.	472
32. Income Adjustment % (DIVIDE Line 31 by Line 30, MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) Also enter on Schedule BI-473, Line 2. . . . .32.	%

2024 Schedule BI-477

# 2024 BI-477 – p.3

- Add a line to include apportionment sales factor for activity of unitary pass throughs
- Add the Salary and Wages factor for reporting purposes to C-Corp owners

Entity Name (same as on Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



## SECTION 2 VERMONT APPORTIONMENT

### PART VII. VERMONT SALES AND RECEIPTS FACTOR

	Column A Everywhere	Column B Vermont
33. Sales or gross receipts . . . . . 33A.	.00	
34. Sales of services . . . . . 34B.		.00
35. Sales of tangible personal property delivered or shipped to purchasers in Vermont from outside Vermont . . . . . 35B.		.00
36. Sales of tangible personal property delivered or shipped to purchasers in Vermont from within Vermont . . . . . 36B.		.00
37. Special Industries . . . . . 37B.		.00
38. Apportionable interest and dividends . . . . . 38A.	.00	38B. .00
39. Royalties . . . . . 39A.	.00	39B. .00
40. Gross rents . . . . . 40A.	.00	40B. .00
41. Other apportionable business income (attach detailed supporting statement) . . . . . 41A.	.00	41B. .00
42. Apportionment Factors from Lower-Tier Unitary Activity . . . . . 42A.	.00	42B. .00
43. Total Gross Receipts (ADD Lines 33 through 42) 43A.	.00	43B. .00
44. Vermont Gross Receipt factor (DIVIDE Line 43B by 43A. MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) . . . . . 44.		%

## SECTION 3 WAGE AND PROPERTY FACTOR REPORTING

### PART VIII. SALARY AND WAGES (required for reporting only)

	Column A Everywhere	Column B Vermont
45. Total SALARIES AND WAGES . . . . . 45A.	.00	45B. .00

### PART IX. PROPERTY FACTOR (Average value during year)

	Column A Everywhere	Column B Vermont
46. Inventories . . . . . 46A.	.00	46B. .00
47. Buildings and other depreciable assets (original cost) . . . . . 47A.	.00	47B. .00
48. Depletable assets (original cost) . . . . . 48A.	.00	48B. .00
49. Land . . . . . 49A.	.00	49B. .00
50. Other assets (Attach schedule) . . . . . 50A.	.00	50B. .00
51. Rented real and personal property (Multiply annual rent by 8) . . . . . 51A.	.00	51B. .00
52. Total PROPERTY (ADD Lines 46 through 51) 52A.	.00	52B. .00

In response to  
Roman Numeral  
**XXVII**  
Section **3**  
Part **II**  
of Subset **D**  
of the question...  
**the answer**  
**is ...**





Thank you!

# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[tax.corporate@vermont.gov](mailto:tax.corporate@vermont.gov)



(802) 828-5723



[Tax.Vermont.gov](http://Tax.Vermont.gov)

# What Preparers Need to Know for the 2025 Filing Tax Season



Sharon Asay, Director  
Finance Division

October 22, 2024



# Scanning Project

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# Scanning Project

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- We successfully launched Phase 1 of the Scanning Project in August of this year. Phase 1 included Sales and Use Tax, Meals and Rooms Tax, Payroll Withholding and all payment vouchers.
- We are now deep into Phase 2 which includes all of the Personal Income Tax forms. We will be going live with Phase 2 in January of 2025.
- We have two more phases in 2025 and on schedule to finish this project in January of 2026.

# Fiduciary Income Tax

Vermont Department of Taxes

2024 Form FIT-161

Vermont Fiduciary Return of Income



\* 2 4 1 6 1 1 1 0 0 \*

Name of Estate or Trust			FEIN	Date of Death (MMDDYYYY)
Name of Fiduciary			Title of Fiduciary	Tax year <b>BEGIN</b> date (MMDDYYYY)
Mailing Address of Fiduciary (Number and Street/Road or PO Box)			State of Domicile at Death and/or Creation of Trust	Tax year <b>END</b> date (MMDDYYYY)
Additional Line for Mailing Address of Fiduciary, if needed				Check ONE <input type="checkbox"/> Estate <input type="checkbox"/> Revocable Trust <input type="checkbox"/> Bankruptcy Estate <input type="checkbox"/> Grantor Trust <input type="checkbox"/> Irrevocable Trust
City	State	ZIP Code	<input type="checkbox"/> Check here if this is an EXTENDED return <input type="checkbox"/> Check here if this is an AMENDED return <input type="checkbox"/> Check here if this is your FINAL return	
Foreign Country				

# Fiduciary Income Tax Update

Vermont Department of Taxes

## Schedule FIT-K-1VT-F

### Vermont Beneficiary Information for Fiduciaries

#### PAYMENT INFORMATION

5. Total annual nonresident estimated payments allocated to this beneficiary .....	5.	_____	.00
6. Total annual real estate withholding payments allocated to this beneficiary .....	6.	_____	.00
7. Other payments allocated to this beneficiary (1099 withholding, estimates paid) .....	7.	_____	.00
<b>8.</b> Share of total federal bonus depreciation difference. Enter on Schedule IN-112, Line 4 or Line 9. ....	8.	_____	.00
<b>9.</b> Share of total state and local taxes deducted on federal filing .....	9.	_____	.00

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# Local Option Tax Update

Effective July 1, 2024

- The town of Londonderry added Local Option Meals and Alcoholic Beverages Tax.
- The town of Woodstock added Local Option Sales Tax.
- The town of Westmore elected Local Option Rooms Tax.
- The town of South Hero elected Local Option Meals and Alcoholic Beverages Tax.

# Local Option Tax Update

Effective July 1, 2024

- The town of Waterbury elected Local Option Sales Tax and Local Option Meals and Rooms Tax.

Effective January 1, 2025

- The town of Berlin elected Local Option Sales Tax and Local Option Meals and Rooms Tax.

Effective

# Local Option Tax Update

- The Vermont Department of Taxes will only accept returns from businesses who collect and report Local Option Sales Tax and Local Option Meals and Rooms Tax if they are filed electronically.
- There are now twenty-five municipalities in the State of Vermont that have a Local Option Sales Tax, twenty-eight municipalities that have a Local Option Meals and Rooms Tax, three municipalities that have Local Option Rooms Tax only and one municipality that has Local Option Meals and Alcoholic Beverage Tax only.
- Additional information regarding Local Option Taxes, including an updated address look up table is available on our website.

# Local Option Tax Update

Search for a specific address or town to determine if a Local Option Tax is levied. [Open the local option tax finder in new window.](#)

## Local Option Tax Finder

133 STATE ST, MONTPELIER, VT, 05602

Clear search location

Wrightsville

Montpelier

East Montpelier

2 mi

VCGL, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, ... Powered by Esri

### MONTPELIER Tax Rates

Sales: 6%

Meals: 10%

Alcoholic Beverages: 11%

Rooms: 10%

Local Option Tax Applied: Meals/Alcohol, Rooms

Local Option Tax Effective Dates

- Sales: Not Applicable
- Meals/Alcohol: 10/01/2016
- Rooms: 10/01/2016

### MONTPELIER Tax Rates



# Local Option Tax Update

Vermont Department of Taxes  
**Form SUT-451**  
 Sales and Use Tax Return



**If Local Option Sales Tax is due,**  
 you are required to file electronically at [myVTax.vermont.gov](http://myVTax.vermont.gov)

**Tax returns must be filed  
 even if no tax is due.**

- The Forms SUT-451 and MRT-441 are available on our website for filers who do not remit Local Option Taxes.

Business Name			Vermont Account ID
Address			SUT-
City	State	ZIP Code	Federal ID Number
Foreign Country (if not United States)			Reporting Period (MM DD YYYY - MM DD YYYY)
Email Address			Due Date
<b>For Department Use Only</b>			

Use **BLUE** or **BLACK** ink only. Please do not make any marks in boxes or on lines that you intend to leave blank.

**SALES AND USE TAXES**

1. Total Sales .....1. \_\_\_\_\_

2. Nontaxable Sales .....2. \_\_\_\_\_

3. Taxable Sales (Line 1 minus Line 2) .....3. \_\_\_\_\_

4a. Total State SALES TAX Due (Line 3 x 6.00 %) .....4a. \_\_\_\_\_

4b. Total State USE TAX Due. SEE INSTRUCTIONS .....4b. \_\_\_\_\_

If this reporting period includes Local Option Sales Tax, you are required to file electronically at [myVTax.vermont.gov](http://myVTax.vermont.gov).  
 Check the box to certify that there is no Local Option Sales Tax due with this return.

4c. **TOTAL TAX DUE.** (Add Lines 4a and 4b) .....4c. \_\_\_\_\_

- Taxpayers who cannot file electronically will need to contact Taxpayer Services to request an exemption.

# Vermont Electronic Filing Requirements

## Sales and Use Tax/Meals and Rooms Tax

- Sales exceeding \$100,000 for the prior year
- Local Option Tax Collected
- Multiple locations
- Prepared by a practitioner or a filing service
- Aviation Jet Fuel (Sales Tax only)

## Payroll Withholding Tax

- Prepared by a practitioner or a payroll filing service
- Remits tax to the IRS on a semi- weekly schedule

# Vermont Electronic Filing Requirements

## Annual Reconciliation/W-2 and 1099 Filing

- Prepared by a practitioner or a payroll filing service.
- Businesses who will be submitting 10 or more W2s and/or 1099s.

*Please note: All electronic filing requirements apply to Vermont practitioners and practitioners from outside of Vermont. If you have any questions regarding electronic filing, please contact the Business Tax section at (802) 828-2551.*

# Electronic Filing Update

VT Form Form 8879-VT		<b>VERMONT</b> Individual Income Tax Declaration for Electronic Filing (SEE INSTRUCTIONS IN THE VT FED/STATE E-FILE HANDBOOK)		For office use only	
				Date received	
<b>Part I</b>  Remember to write in your Social Security Number	Last Name		First Name and Initial		Enter Social Security Number (SSN)
	Spouse's Last Name (if different and joint return)		First Name and Initial		Enter Spouse's SSN, if joint return
	Current Mailing Address			E-mail Address	
	City or Town		State	Zip Code	Telephone Number (      )
<b>Part II Tax Return Information (whole dollars only)</b>					
1. Federal Taxable Income ..... 1. _____					

**Reminder** - The Department has made **Form 8879-VT** optional for taxpayers who have completed IRS **Form 8879**. **Form 8879-VT** is still required for state only filings. Practitioners are required to retain signed copies of the IRS Form 8879 for three years. This change was effective for tax year 2022.

# Personal Income Tax

## Amended Personal Income Tax returns

- When filing an amended return by paper, please make sure you include all of the schedules submitted with the original return. These schedules are required to process the return even if the information on the amended schedules did not change from the original filing.
- The Department is working with our software vendors to increase the number of vendors who support the electronic filing of amended returns. Please reach out to us if you would like us to contact your vendor.

# Electronic Filing Update

## TY 2024 Update

- We have received 22 Letters of Participation from vendors for next year.
- The Personal Income Tax, Corporate and Business Income Tax and the Fiduciary Income Tax forms for 2024 have been finalized.
- We are planning to start testing with the IRS in mid November.
- You can reach the MEF Coordination team at [tax.vendorsupport@vermont.gov](mailto:tax.vendorsupport@vermont.gov).

# Electronic Filing Update

## On our List!

- Scheduling of Estimated Payments for Personal Income Tax through MEF.
- Filing a standalone Homestead Declaration with a Vermont extension.
- Revising the Payment Portal for Personal Income Tax.
- Electronic Delivery of the Property Tax Credit letter.

# Finance Division News

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## **New Internship Program**

- Launched in August 2024 with Norwich University.
- Spring Semester of 2025 – We have expanded the program to several other colleges and universities throughout the state.
- We had 11 applicants for the spring semester, and we are hoping to have at least two students start with us in January.



Questions/Comments?



# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[Tax.preparer@vermont.gov](mailto:Tax.preparer@vermont.gov)



(802) 828-6815



[Tax.Vermont.gov](http://Tax.Vermont.gov)

The 2024 Tax Symposium  
will resume at 2:55 p.m.



# Panel Discussion

## A Deeper Dive into 2024 Legislative Changes

**Paul Brodowski** – Section Chief, Taxpayer Services

**Abby Shepard** – Executive Policy Advisor, Legal Division

**Will Baker** – Assistant Attorney General

**Jake Feldman** – Senior Fiscal Analyst, Office of the Commissioner

Moderated by Rebecca Sameroff – Deputy Director

**Thank you  
for attending**



Vermont Department of Taxes

# **2024 Fall Tax Symposium**

Please tell us how we did!

Look in the chat or on  
our website for the  
evaluation link.