

FORM BI-476 Instructions

Business Income Tax Return (Short Form - Vermont Resident Only)

For Subchapter S Corporations, Partnerships, and Limited Liability Companies:

- Of which all shareholders, partners, or members are residents of Vermont
- Which have no income/losses from any state other than Vermont
- Which have no income adjustment due to disallowance of bonus depreciation
- Which owe the minimum tax of \$250 – no exceptions to minimum tax, and no additional tax due (such as built-in gains or LIFO recapture)

If any of these conditions are not met, do not file Form BI-476. File Form BI-471 and all required schedules.

Forms and Schedules Summary

- **Form BI-476 Vermont Business Income Tax Return.** If eligible as described above, Form BI-476 is for use by pass-through entities to file the Vermont business income tax return and pay the minimum tax due. These entities include Subchapter S Corporations, Partnerships, and Limited Liability Companies that elect to be treated as S-Corps or Partnerships for federal filing purposes.

NOTE: FORM BI-476 (WHERE APPLICABLE) IS THE FIRST PAGE OF EVERY RETURN AND THE RETURN IS INCOMPLETE WITHOUT IT.

- **Form BA-403 Application for Extension of Time to File Vermont Corporate/Business Income Tax Return.** To request an extension of time to file Vermont Corporate or Business Income Tax Return, and make payment, if desired.
- **Schedule BA-404 Tax Credits Earned, Applied, Expired, and Carried Forward.** To report income tax credits earned, applied, or carried forward by the business.
- **Schedule BA-406 Credit Allocation Schedule.** To allocate tax credits earned in the current year (reported on Schedule BA-404) to shareholders/partners/members.

NOTE: DO NOT file Vermont Schedule K-1VT(s) with BI-476. Instead, include copies of federal schedule K-1 with Form 1065 or 1120S.

Who Must File

Effective for tax years beginning on or after January 1, 1997, every Subchapter S Corporation, Partnership, and Limited Liability Company which engages in activities in Vermont must file a return, either Form BI-476 or Form BI-471, with the Commissioner of Taxes. This includes entities receiving income as a shareholder, partner, or member.

NOTE: Single member LLCs which have elected to be classified for federal purposes as disregarded entities and report their entity's activity on Form 1040, Schedule C are not required to file Form BI-471 or Form BI-476.

Dates for Filing and Payments

Subchapter S Corporation, Partnership, and Limited Liability Company returns are due on the date prescribed for filing under the Internal Revenue Code. For calendar year Subchapter S Corporations, this date will generally be March 15th. For fiscal year Subchapter S Corporations, the return is due the 15th day of the 3rd month following the end of the fiscal year. Calendar year Partnership and Limited Liability Company returns are generally due April 15th, and fiscal year returns are due the 15th day of the 4th month following the end of the fiscal year.

The payment of the annual entity tax of \$250 is due on or before the original due date of the return.

Entities holding Federal extensions may file thirty days after the extended Federal due date. These entities must file Form BA-403, Application for Extension of Time to File Vermont Corporate/ Business Income Tax Return, by the original return due date. An extension of time to file does not extend the time to pay the tax due. Any tax due, including the Vermont minimum tax, must be paid by the original due date of the return. Any tax due which is unpaid by the original due date will accrue interest and late payment penalties.

What to Include with the filing:

- Form BI-476
- Federal Information – The first 5 pages of the federal income tax return filed (1065 or 1120S). Federal Schedule K-1s are required with the original filing if the return is mailed to the Department. However, the Vermont Department of Taxes reserves the right to require a complete copy of the federal income tax returns and all federal schedules at any point during review or audit of the Vermont filing.
- Schedules BA-404 and BA-406, if tax credits have been earned this tax year.

Tax Due

The tax due for businesses filing Form BI-476 is \$250. \$250 is due on the original, unextended due date of the federal return. \$250 is due for the tax year whether it is a full year or a short period.

Interest, Late Fees, and Penalties

Interest is charged on payments not made on or by the statutory due date. The rate of interest is established each year with reference to the average prime rate.

Payments not made and returns not filed when due are subject to a failure to pay/file penalty of 5% per month of the outstanding liability up to 25%. If the filing is over 60 days late from the original due date, even if no tax is due, a \$50 late penalty applies unless timely filed under extension. The Commissioner of Taxes may abate penalties for reasonable cause.

Facsimile Substitute Forms

Any facsimile or substitute form must be approved by the Department of Taxes prior to its use. If you use computer-generated returns, the software company is responsible for requesting approval and receiving an assigned bar code. **A \$25 fee may be assessed for a taxpayer or preparer who files returns that cannot be processed or require special steps to process.** Call (802) 828-2512 for further information on facsimile or substitute forms.

Appeals

All appeals for any return adjustment, assessment, bill, and/or reduced refund should be addressed to: Vermont Department of Taxes, PO Box 1645, Montpelier, VT 05601-1645. Appeals must be received within 60 days of the notice of adjustment, assessment, or denial of refund.

Business Income Tax Return (Short Form) Instructions

Please use blue or black ink only.

Please do not staple or bind your return. You may use binder clips, paper clips, or rubber bands.

“MIXED FORMS” WARNING - The Department of Taxes CANNOT process a return package which includes Vermont forms and schedules from multiple sources. All forms and schedules must be from the same software vendor, or all original Department-issued forms. Filing a package of forms from different sources will result in delayed processing, a request for a processable return, and the assessment of a manual processing fee.

Header Information – REQUIRED ENTRIES

Enter the **Entity Name and Address**. Enter the **Foreign Country** for the business entity if other than the United States.

Check the appropriate box if:

- There is an **accounting period change**.
- This is the **initial return** for this business entity.
- This return is an **extended return** (in which case Form BA-403 must have been filed for this tax year).
- This is the **final return** for this business entity (in which case the account for this business entity will be cancelled after processing this return).

Enter the business entity’s **Federal ID Number**.

Enter the **Tax year BEGIN date**, in the format YYYYMMDD. (For example, July 1, 2013 would be written as 20130701.

Enter the **Tax year END date**, also in the format YYYYMMDD.

Enter the **Entity’s Primary 6-Digit NAICS number**. The United States Census Bureau is the official agency in charge of NAICS code numbers. NAICS code numbers can be looked up on their website, using a key word search, at <http://www.census.gov/eos/www/naics/> ; or a “drill down table” at <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012> . Another website that is helpful in determining the NAICS code number is <http://www.naics.com/search> . This website also provides keyword searches and a “drill down table”, together with instructions for determining your code. **The code must be six (6) digits.**

Check the appropriate box to indicate the **Federal tax return filed**:

- 1120S
- 1065
- Other

Line-by-Line Instructions

Preliminary Questions – REQUIRED ENTRIES

- A.** Were any shareholders, partners, or members nonresidents of Vermont during this reporting tax year? Check the box for Yes or No. If “Yes,” STOP and complete Form BI-471. This business entity is not eligible to file Form BI-476.
- B.** Did this entity have income or losses derived from at least one state other than VT? Check the box for Yes or No. If “Yes,” STOP and complete Form BI-471. This business entity is not eligible to file Form BI-476.

TAX COMPUTATION

- Line 1** Vermont minimum entity tax (\$250). This line is auto-filled for \$250, the standard minimum entity tax. If you qualify for an exception to the Vermont minimum entity tax, you must complete Form BI-471 and attach supporting documentation.
- Line 2** Payments previously made for this tax year with extension Form BA-403 or credit available through prior year carryforward. If you made a payment with extension Form BA-403 for this tax year, enter the amount of the payment. If you have credit available through a prior year carryforward, enter the amount. If you made an extension payment and have prior year carryforward credit available, enter the sum of these.
- Line 3** Balance Due. If Line 1 is greater than Line 2, enter the difference here, and include payment with the return. Otherwise, enter 0. Make check payable to Vermont Department of Taxes.
- Line 4** Overpayment. If Line 2 is greater than Line 1, enter the difference here. Otherwise, enter 0. Use Lines 5 and/or 6 to direct the overpayment as a refund or carryforward.
- Line 5** Overpayment to be Refunded. If Line 4 is greater than 0, enter the amount to be refunded.
- Line 6** Overpayment to be credited to next tax year. If Line 4 is greater than 0, enter the amount to be credited to next tax year. The sum of the amounts entered on Line 5 and Line 6 must equal the amount entered on Line 4.

Contacting the Department

Mailing address:

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

Taxpayer Services: (802) 828-5723
Email Address: tax.corporate@state.vt.us
Web site Address: <http://tax.vermont.gov>
Fax: (802) 828-5787
Forms: (802) 828-2515