

# Instructions for VT Estate Tax Return - Form E-1

## WHO MUST FILE A VT ESTATE TAX RETURN?

The executor or other fiduciary is required to file a Vermont return for all estates with a tax due under 32 V.S.A. § 7442a. Nonresident estates that include personal property and real estate located in Vermont are required to file using **the total value of Vermont and out-of-state assets** in determining Vermont Estate tax liability.

## GENERAL INSTRUCTIONS

### **Date of Filing Returns**

Vermont Estate Tax Returns are required to be filed within nine months of the death of the decedent. To receive a six-month extension of time to file the Vermont Estate Tax Return, file either a copy of the Federal Extension, Form 4768 or our VT Extension, Form ES-164.

### **Tax Payable**

The Vermont Estate Tax is due and payable by the executor or other fiduciary at the time the Vermont Estate Tax Return is required to be filed. An extension of time to file the VT Estate Tax Return does not extend the time to pay. The tax estimated to be due must be paid with the extension of time request.

### **Where to File**

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

### **What to File When a Vermont Return is Required**

- In the case where no federal tax or return is due, the executor must file a complete pro forma Federal Form 706, including all exhibits and appraisals, with the Vermont Estate Tax Return.
- When Federal tax is due and all assets are located in Vermont, the first page of Federal Form 706 should be included with the Vermont return.
- When Federal tax is due, and some assets are located outside of Vermont, attach the Federal Form 706 to the Vermont return excluding exhibits and appraisals.
- When the estate tax closing letter is issued by the IRS, a copy must be filed with this Department.

## **Special Instructions for Schedule A**

The value to use for Schedule A, Line 5 is determined from a calculation of the tax on a pro forma Federal Form 706. To complete the calculation on the Federal pro forma, no state death tax deduction is allowed on the Federal Form 706, Line 3b. The maximum unified credit (Federal Form 706, Line 9) is \$780,800 for deaths occurring in 2006-2010. The maximum unified credit (Federal Form 706, Line 11) is \$943,300 for deaths occurring in 2011 & 2012 and \$1,045,800 for deaths occurring in 2013-2015.

## VT ESTATE TAX DEFINITIONS

***Vermont Resident Decedent*** means a person whose domicile is in Vermont at date of death.

\* ***Non-Vermont Gross Estate*** - For a decedent who is a Resident of Vermont, Non-Vermont Gross Estate means the total value of real estate and tangible personal property (cars, boats, clothes, jewelry, furniture, etc.) which is located outside Vermont at the date of death and is taxed in another state.

\*\* ***Vermont Gross Estate*** - For a decedent who is a Nonresident of Vermont, Vermont Gross Estate means the value of real estate and tangible personal property (cars, boats, clothes, jewelry, furniture, etc.) which is located in Vermont at date of death.

**PLEASE NOTE:** Bank accounts, stocks, bonds and mortgages are intangible assets and are taxable by the State in which the decedent was a resident at time of death regardless of where the asset was located at the date of death.

## FOR ADDITIONAL INFORMATION

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

**Ph:** 1-802-828-6820

**Fax:** 1-802-828-2720

**E-mail:** [tax.estate@vermont.gov](mailto:tax.estate@vermont.gov)

**NOTE:** An estate with a closely-held farm business may be eligible for a special reduction in the Vermont estate tax. Contact the Vermont Department of Taxes at (802) 828-6820 for more information.



<b>VT Form E-1</b>	<b>ESTATE TAX RETURN</b> Resident and Nonresident
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**This form applies only to estates of decedents who died after December 31, 2008 and before January 1, 2016.**

Last Name of Decedent	First Name	Initial	Social Security Number
State of Domicile at Time of Death			Date of Death
Fiduciary's Name and Address			
Attorney's Name and Address			

<b>A.</b> This section is for estates of Vermont <b>Resident</b> Decedents where <b>all of the decedent's property is located in Vermont.</b>	
Estate Tax due from Schedule A, Line 6 on the back of this form. Please remit this amount. . . . . <b>A.</b>	
<b>B.</b> This section is for estates of Vermont <b>Resident</b> Decedents where the <b>decedent's property is located in Vermont and in other states.</b> (Please use computation Schedule B on the back of this form.)	
Estate Tax due from Schedule B, Line 8 on back of this form. Please remit this amount. . . . . <b>B.</b>	
<b>C.</b> This section is for estates of <b>Nonresident</b> Decedents where the decedent's <b>property is located in Vermont and in other states.</b> (Please use computation Schedule C on the back of this form.)	
Estate Tax due from Schedule C, Line 13 on back of this form. Please remit this amount. . . . . <b>C.</b>	
<b>D.</b> Prior tax payments to Vermont . . . . . <b>D.</b>	
<b>E.</b> If Line D is greater than Line A, B, or C, subtract Line A, B, or C from Line D. This is the amount to be refunded to you. . . . . <b>E.</b>	
<b>F.</b> If Line D is less than Line A, B, or C, subtract Line D from Line A, B, or C. This is the amount you owe. . . . . <b>F.</b>	

<b>DECLARATION OF FIDUCIARY</b>			
I hereby certify this return is true, correct and complete to the best of my knowledge. Preparers cannot use return information for purposes other than preparing returns.			
<b>SIGN HERE</b>	Date _____	Telephone Number _____	
<input type="checkbox"/> Check here if authorizing the VT Department of Taxes to discuss this return and attachments with your preparer.			
<b>Preparer's Use Only</b>	Date _____	Telephone Number _____	
Preparer's signature _____			
Address _____			
City, State, ZIP Code _____			

Make checks payable to **VERMONT DEPARTMENT OF TAXES** and mail this form to:

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

# COMPUTATION SCHEDULES

## SCHEDULE A. Vermont Estate Tax Calculation - For use by all filers.

To complete the worksheet below, you will need to complete a pro forma Federal Form 706 leaving Line 3b blank. If the estate is not subject to federal tax, the complete 706, including exhibits and appraisals must be submitted with the Vermont return. If the estate is subject to federal tax, the exhibits and appraisals do not need to be submitted with the Vermont return.

1. Federal tentative taxable estate from Federal Form 706, Page 1, Line 3a. . . . .	1. _____
2. Adjustment. . . . .	2. <u>60,000.00</u>
3. Adjusted taxable estate. Subtract Line 2 from Line 1 . . . . .	3. _____
4. Use the amount on Line 3 above to compute the estate tax liability using the Vermont Estate Tax Table. Enter the tax amount here. . . . .	4. _____
5. Enter amount from pro forma Federal Form 706, Page 1, Line 12 . . . . .	5. _____
6. Vermont estate tax. Enter the amount from Line 4 or Line 5, whichever is smaller. . . . .	6. _____

### Vermont Estate Tax Table - Computation of Estate Tax Liability

(1) Adjusted taxable estate equal to or more than -	(2) Adjusted taxable estate less than -	(3) Tax on amount in column (1)	(4) Rate of tax on excess over amount in column (1)	(1) Adjusted taxable estate equal to or more than -	(2) Adjusted taxable estate less than -	(3) Tax on amount in column (1)	(4) Rate of tax on excess over amount in column (1)
0	\$40,000	0	None	2,540,000	3,040,000	146,800	8.8%
\$40,000	90,000	0	0.8%	3,040,000	3,540,000	190,800	9.6%
90,000	140,000	\$400	1.6%	3,540,000	4,040,000	238,800	10.4%
140,000	240,000	1,200	2.4%	4,040,000	5,040,000	290,800	11.2%
240,000	440,000	3,600	3.2%	5,040,000	6,040,000	402,800	12.0%
440,000	640,000	10,000	4.0%	6,040,000	7,040,000	522,800	12.8%
640,000	840,000	18,000	4.8%	7,040,000	8,040,000	650,800	13.6%
840,000	1,040,000	27,600	5.6%	8,040,000	9,040,000	786,800	14.4%
1,040,000	1,540,000	38,800	6.4%	9,040,000	10,040,000	930,800	15.2%
1,540,000	2,040,000	70,800	7.2%	10,040,000	---	1,082,800	16.0%
2,040,000	2,540,000	106,800	8.0%				

## SCHEDULE B. Vermont Resident Decedents with real and tangible personal property located outside Vermont. (Attach a copy of the complete 706 unless a federal tax is due. In those cases, attach the 706 excluding exhibits and appraisals.)

1. Vermont estate tax from Schedule A, Line 6. . . . .	1.	\$
2. Tax liability actually paid for death taxes to a state other than Vermont (Copies of nonresident returns must be attached.) . . . . .	2.	\$
3. Federal Total Gross Estate from Federal Form 706, Page 1, Line 1 . . . . .	3.	\$
4. Non-Vermont Gross Estate* (see instructions for definition) . . . . .	4.	\$
5. Ratio of non-Vermont Gross Estate to Federal Estate (Line 4 divided by Line 3) . . . . .	5.	
6. Adjusted Vermont estate tax (Multiply Line 1 by Line 5). . . . .	6.	\$
7. Enter the lesser of Line 2 or 6 . . . . .	7.	\$
8. <b>Tax Due</b> (Line 1 less Line 7). Enter here and on front of return, Section B . . . . .	8.	\$

## SCHEDULE C. Nonresident Decedents with real and tangible personal property located in Vermont. (Attach a copy of the complete 706 unless a federal tax is due. In those cases, attach the 706 excluding exhibits and appraisals.)

9. Vermont estate tax from Schedule A, Line 6. . . . .	9.	\$
10. Federal Total Gross from Federal Form 706, Page 1, Line 1 . . . . .	10.	\$
11. Vermont Gross Estate** (see instructions for definition) . . . . .	11.	\$
12. Ratio of Vermont Gross Estate to Federal Estate (Line 11 divided by Line 10) . . . . .	12.	
13. Adjusted Vermont estate tax (Multiply Line 9 by Line 12)		
<b>Tax Due.</b> Enter here and on front of return, Section C. . . . .	13.	\$