

# FORM FI-161 Instructions

## Fiduciary Return of Income

Please print in **BLUE** or **BLACK** ink only.

**Please do not staple or bind your return.**

You may use binder clips, paper clips, or rubber bands.

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## GENERAL INFORMATION

### WHO MUST FILE A 2014 VT FIDUCIARY RETURN OF INCOME (Form FI-161)?

A VT Fiduciary Return of Income must be filed for every estate and trust required to file a U.S. Income Tax Return for Estates and Trusts **AND** that earned or received more than \$100 of VT income OR received \$1,000 or more in gross income from the sources listed under VT Portion on Schedule E.

A VT Fiduciary Tax Return must be filed for any Section 468B Designated and Qualified Settlement Funds required to file a Federal Form 1120-SF that earned or received more than \$100 of VT income OR that earned or received \$1,000 or more in gross income from the sources listed under VT Portion on Schedule E.

A VT Fiduciary Tax Return must also be filed for an Electing Small Business Trust required to file a Federal 1041.

A VT Fiduciary Tax Return filer may be entitled to certain State incentives or credits.

If you have any questions, contact the VT Department of Taxes at (802) 828-6820.

**NOTE:** Use VT Income Tax Form IN-111, not this form, to report income of a decedent from the beginning of the tax year to the date of death.

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### DEFINITIONS

#### Resident Estate

means the estate of a decedent who was domiciled in Vermont at the time of death.

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#### VT Income of a Resident Estate or Trust

means the adjusted gross income of a resident less income exempted from state taxation under the laws of the United States.

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#### VT Income of a Nonresident Estate or Trust

means the sum of the following items, to the extent the items are required to be included in Federal adjusted gross income:

- Rents and royalties from ownership of property located in VT
- Gains from the sale or exchange of VT property including the sale of timber or timber rights
- Wages, salaries, commissions or other income received for services performed in VT
- Income from every business, trade, profession or occupation conducted in VT, including money received **(1)** under an agreement not to compete with a business operation in VT, **(2)** for goodwill associated with the sale of a VT business, or **(3)** for contractual services associated with the

sale of a VT business, unless it is shown that the compensation for services does not constitute income from the sale of the business

- VT income previously deferred under a non-qualified deferred compensation plan and income derived from such previously deferred income
- Examples of other income: gambling winnings including lotteries, raffles or a lump-sum payment from the sale of a right to receive a future lottery annuity.

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### **VT Income of Part-Year Resident Estate or Trust**

means any income described in VT Income of a Nonresident Estate or Trust and all items earned or received during the period of VT residency described in VT Income of a Resident Estate or Trust.

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### **VT Taxable Income**

means Federal taxable income with **(1)** the addition of interest, dividends or other distributions from non-VT state and local obligations to the extent this income is excluded from Federal adjusted gross income; the capital gain deferral in a previous year for investment in a qualified business upon disposition of the taxpayer's interest in the business; the difference between depreciation using standard MACRS on assets qualified for 2014 Federal bonus depreciation and the reported Federal depreciation on those qualified assets as a result of VT disallowance of the bonus depreciation; state and local income taxes deduction on Form 1041, Line 11 in excess of \$5,000 with **(2)** the subtraction of interest income from U.S. government obligations to the extent such income is included in Federal adjusted gross income; capital gains exclusion; and as a result of VT disallowance of the bonus depreciation, the difference between depreciation using standard MACRS on assets qualified for prior year Federal bonus depreciation and the reported Federal depreciation on those qualified assets.

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### **VT Trust**

A trust is a VT trust if the settlor was a VT resident when the trust became irrevocable; or, if the trust is still revocable and the settlor was a VT resident when the trust was created. Also, a trust is a VT trust if the settlor was domiciled in VT at his/her death.

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### **EXTENSION TO FILE THE VT FIDUCIARY TAX RETURN**

To receive a five-month extension of time to file the fiduciary tax return, file a copy of the Federal extension request or a letter requesting an extension of time on or before the due date. **NOTE:** An extension of time to file the Vermont Fiduciary Tax Return does not extend the due date for the tax payment. Interest and penalty accrue on any tax owed from the due date to receipt of payment.

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### **LATE-FILED RETURNS**

Returns without an extension of time may be filed up to 60 days after the due date without a late file penalty charge. Returns without an extension filed on the 61st day after the due date or later will be charged a \$50 late file penalty. Returns with an extension filed on or before the extended due date are not charged a late file penalty. However, returns with an extension filed one or more days after the extended due date are charged a \$50 late file penalty. **NOTE:** The late file penalty applies even if the return results in a refund or no tax due.

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### **TAX DUE**

Returns with tax due that are filed after the due date are assessed interest and late payment penalty charges on the unpaid tax.

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## AMENDING OR CORRECTING VT FIDUCIARY TAX RETURN INFORMATION

VT law requires an amended VT return be filed within 60 days of knowledge of the change, or receipt of the notice of change by IRS, or the filing of an amended return with the IRS. A late file penalty will be assessed if the amended VT return is not filed within the 60 days.

- **Change to VT income** An amended return is due even if the change is not the result of filing an amended Federal tax return or an adjustment made by the Internal Revenue Service; for example, the amount of income taxable to VT is different from the amount originally reported. The amended return must be filed within 3 years of the due date of the return, including extensions.
- **Change of Federal tax information by IRS** If the IRS adjusted the Federal taxable income, capital gains amount or any other change that affects the VT tax, an amended VT Fiduciary tax return must be filed within 60 days of notification by the IRS, even if this is past the 3-year limit. Attach a copy of all Federal forms showing changes to the VT amended return. The IRS and VT Department of Taxes routinely share information. Differences in the information on file with the IRS and the VT Department of Taxes, other than those allowed by VT law, are identified and may be audited.
- **Filing an Amended Federal tax return** Filing an amended VT return is required within 60 days of filing an amended return with the Internal Revenue Service if VT income is affected.

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## FORM FOR AMENDING VT FIDUCIARY TAX RETURN

Check the Amended box in the upper right-hand corner on the applicable tax year(s) Form FI-161.

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## NET OPERATING LOSSES

No VT refund is available for a carryback. The VT carryback or carryforward election for a net operating loss must be the same as elected for Federal purposes.

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## LINE-BY-LINE INSTRUCTIONS

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|----------------|--|
| <b>Line 1</b>  | Enter the taxable income amount from Federal Form 1041, Line 22. For Qualified Settlement Funds, enter the amount from Federal Form 1120-SF.   |
| <b>Line 2a</b> | Enter the calculation of Non-VT State & Local Obligations from Schedule A, Line 18. For nonresident taxpayers, use Schedule E, Line 58 to adjust for Non-VT State and Local Obligations.   |
| <b>Line 2b</b> | <b>Federal Bonus Depreciation</b> VT does not recognize the bonus depreciation allowed under Federal law for 2014. Enter the difference between the depreciation calculated by standard MACRS methods and the depreciation calculated using the Federal bonus depreciation for assets placed in service in 2014. Go to <a href="http://www.tax.vermont.gov">www.tax.vermont.gov</a> "Publications" to see Technical Bulletin 44 for information on calculating the amount to add back to taxable income. |
| <b>Line 2c</b> | <b>State and Local Income Taxes</b> Enter the amount of state and local income taxes above \$5,000 which are included on Federal Form 1041, Line 11.   |
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|                 |   |
|-----------------|---|
| <b>Line 4a</b>  | <p><b>Interest Income from U.S. Obligations</b> Interest income from U.S. government obligations (such as U.S. Treasury Bonds, Bills, and Notes) is exempt from VT tax under the laws of the United States. Enter the amount of interest income from U.S. Obligations on this line.</p> <p>Interest income is exempt when received directly from the U.S. Treasury or from a trust, partnership, or mutual fund that invests in direct obligations of the U.S. government.</p> <p>Income from the sale of U.S. government obligations is taxable in VT. Income from repurchase agreements, securities of FNMA, FHMC or GNMA or other investments that are not direct obligations of the U.S. government are also taxable. See Technical Bulletin 24 for more information.</p> <p><b><u>Supporting Documentation Required</u></b> No attachment to return required. However, obtain statements for the taxpayer's records in the event the Department requests such documentation.</p> <p>Acceptable statements need to show the sources of U.S. government interest income and the percentage from each source. Summary information from a K-1, or just a statement "U.S. government securities" without further identification is not acceptable.</p> <p><b>NOTE: If U.S. interest is distributed on Line 18 of the Federal 1041, the deduction is lost.</b></p> |
| <b>Line 4b</b>  | <p><b>Capital Gains Exclusion</b> See Schedule FI-162 and instructions to calculate the capital gains exclusion for 2014. See Technical Bulletin 60 on our website under "Publications". Schedule FI-162 is not included here. It may be downloaded at <a href="http://www.tax.vermont.gov">www.tax.vermont.gov</a> in the "Forms" section, or mailed to you by calling (802) 828-2515.</p>   |
| <b>Line 4c</b>  | <p><b>Adjustment for Bonus Depreciation on Prior Year Property</b> Enter the difference between the depreciation calculated by standard MACRS methods and the depreciation calculated at the Federal level. For information on calculating the amount that can be subtracted from taxable income, see Technical Bulletin 44.</p>  |
| <b>Line 5</b>   | Subtract Line 4d from Line 3.   |
| <b>Line 6</b>   | Using Schedule B compute the tax on the VT taxable income. Enter the tax from Line 23 or Line 25.   |
| <b>Line 7</b>   | Most taxpayers should enter 100% on this line. However, a nonresident or part-year resident estate or trust should first complete Schedule E and then Schedule C to determine the income adjustment.  |
| <b>Line 9</b>   | <p><b>Credit for Income Tax Paid to Other State or Canadian Province (FOR FULL-YEAR AND SOME PART-YEAR RESIDENT ESTATES &amp; TRUSTS)</b> Complete Schedule D and enter the amount here.</p>  |
| <b>Line 11a</b> | <p><b>From 1099, Statements of VT Income Tax Withheld, Estimated and/or Extension Payments.</b> Enter the amount of VT income tax withheld. Attach the copy of the 1099 or other payment statement(s) to verify the amount. Estimated payments are not required to be made for trusts and estates. However, if you chose to make "estimated" payments, enter the amount paid and/or the amount paid with the Extension of Time to File on this line as well.</p>  |
| <b>Line 11b</b> | <p><b>From Form RW-171, VT Real Estate Withholding.</b> If VT real estate was sold during 2014 and the buyer withheld VT income tax from the sales price, enter the amount withheld shown on Form RW-171, Vermont Withholding Tax Return for Transfer of Real Property, Schedule A, Line 12 here.</p> <p><u>Installment sales</u> - for information on installment sales, go to <a href="http://www.tax.vermont.gov">www.tax.vermont.gov</a> under "Publications" see Technical Bulletin 10.</p>  |
| <b>Line 11c</b> | <p><b>From Form WH-435, Estimated Payment Made on Behalf of a Trust or Estate by a Business Entity for Nonresident Partner, Member or Shareholder.</b> NONRESIDENTS enter the estimated income tax payments made on behalf of the Trust or Estate by a partnership, limited liability company, or S corporation toward the 2014 VT Fiduciary income tax. The entity would have made these payments on Form WH-435. See Technical Bulletin 6.</p>  |

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**SCHEDULE A**

INTEREST AND DIVIDEND INCOME FROM NON-VT STATE AND LOCAL OBLIGATIONS ARE TAXABLE IN VT. A VT obligation is one from the State of VT or VT municipality.

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**Line 16** Enter the total interest and dividend income received from all state and local obligations exempted from Federal tax. You may not reduce interest and dividend income by investment expenses if those expenses are not used to reduce income on your federal return.

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**Line 17** Enter the interest and dividend income from VT obligations. This may have been paid directly or through a mutual fund or other legal entity that invests in VT state and local obligations. If the income is received from a mutual fund that has only a portion of its assets invested in VT state and local obligations, enter only the VT obligation amount.

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**Line 18** Subtract Line 17 from Line 16. Enter result here and also on Line 2a. This is the amount of interest and dividend income from non-VT state and local obligations that must be included in VT taxable income.

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**SCHEDULE B**

If an estate or trust filed Federal Form 1041, use Lines 19-23. If Federal Form 1120-SF was filed, use Lines 24-25.

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**Line 19** Compute the tax by using the VT 2014 tax rate schedule.

| VT 2014 Tax Rate Schedule |              |                  |                    |
|---------------------------|--------------|------------------|--------------------|
| If Taxable Income is Over | But Not Over | the VT Tax is    | of the amount over |
| \$0                       | \$2,500      | 3.55%            | \$0                |
| \$2,500                   | \$5,900      | \$89.00 + 6.80%  | \$2,500            |
| \$5,900                   | \$9,050      | \$320.00 + 7.80% | \$5,900            |
| \$9,050                   | \$12,300     | \$566.00 + 8.80% | \$9,050            |
| \$12,300                  | ---          | \$852.00 + 8.95% | \$12,300           |

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**Lines 20a-b** Complete these lines if the estate or trust is liable for tax on lump-sum distributions from Federal Form 4972 or recapture of Federal investment credit from Federal Form 4255.

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**Line 20c** Add Lines 20a and 20b and multiply the sum by 24%.

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**Line 22a** Investment tax credit from Form 3468. This credit is limited to the amount of investment tax credit attributable to the VT-property portion.

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**Line 22b** Multiply Line 22a by 24%.

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**Line 22c** VT-Based Business Solar Energy Investment Credit carryforward. Unused VT-based business solar energy investment tax credit may be carried forward no more than five years following the year the credit is claimed. See Technical Bulletin 45 on our website under "Publications".

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**Line 22d** Add Lines 22b and 22c.

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**Line 23** Subtract Line 22d from Line 21. Enter amount here and on Line 6.

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**Line 24** If filing Federal Form 1120-SF, Qualified Settlement Fund, enter amount from Federal Form 1120-SF here.

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**Line 25** Multiply Line 24 amount by 8.95%. Enter amount here and on Line 6.

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**SCHEDULE C**

Nonresident or part-year resident estates or trusts must first complete Schedule E to determine the non-VT portion of income used in calculating the adjustment percentage on Schedule C.

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**SCHEDULE D**

A credit may be allowed against VT Fiduciary income tax on estate/trust income paid to another state or Canadian province on income taxed by both VT and the other taxing jurisdiction.

**Supporting Documentation Required:** Copy of the tax return filed in the other state(s). For Canadian province(s), a copy of the provincial tax return filed, copy of Federal Form 1116 (Foreign Tax Credit), and copy of, Revenue Canada income tax return. Convert amounts on Canadian returns to U. S. dollars.

**See Technical Bulletin 38 if you have capital gain, business income, or made adjustments to arrive at your Federal Adjusted Gross Income.**

**More Than One State or Province?**

- Complete a VT Schedule D for each state or province. Do NOT combine the income and credit of all states or provinces on one Schedule D.
- Add Line 50 from each VT Schedule D to calculate the tax credit entry on Form FI-161, Line 9.
- Attach all VT Schedules D and the supporting documents required.

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**Line 30** Enter the name of the state or Canadian province where fiduciary income tax was paid.

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**Line 31** For other state or Canadian province – Negative taxable income, enter the negative amount. Positive total income and taxable income, enter the income.

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**Lines 32 through 38**

Adjustments for bonus depreciation, non-VT state and local obligations, and U. S. government interest income are made to create the income comparable to the total income used for Vermont tax purposes.

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**Line 39** Enter the Total Income from Federal Form 1041, Line 9. For Qualified Settlement Funds, enter the figure from Federal Form 1120-SF. **NOTE:** If negative VT taxable income, enter zero.

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**Lines 40 through 45**

Adjustments for bonus depreciation, non-VT state and local obligations, and U. S. government interest income are made to make the income comparable to the other state or Canadian province.

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**Line 46** Subtract Line 45 from Line 42. If Line 45 is greater than Line 42, enter zero.

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**Line 47** Enter the Vermont fiduciary income tax calculated on Form FI-161, Line 6.

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**Line 48** Divide Line 38, Modified Total fiduciary income for the other state or Canadian province by Line 46, Modified total fiduciary income for Vermont, and multiply that result by Line 47.

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**Line 49** Enter the amount of income tax paid to the other state or Canadian province. This amount is income tax paid to the state or Canadian province; not the amount of withholding. City and county tax paid to the state is not allowed. Credit for the Canadian provincial income tax does not include the portion used as a foreign credit on Federal Form 1040.

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**Line 50** Enter the lesser of Line 48 or Line 49. This is your credit for income tax paid to another state or Canadian province. If this is the only state or province, also enter on Form FI-161, Line 9. Otherwise, see instructions for “More Than One State or Province.”

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## SCHEDULE E

**Lines 51-58** Enter in Column A all the items comprising Federal income as they appear on the Federal Form 1041. Enter in Column B the VT portion of all items listed in Column A.

**Nonresidents:** Use Line 58 to adjust Column A for non-VT state and local obligations and U.S. obligation interest.

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**Line 52A** Use amount from Federal Form 1041, Line 2a.

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**Lines 53, 55, and 56**

Use amount from Federal K-1 **before** recalculation for exclusion of bonus depreciation for both Column A and Column B.

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## Contacting the Department

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

**Phone:** (866) 828-2865 (toll-free in VT)

**Phone:** (802) 828-6820 (local and out-of-state)

**Fax:** (802) 828-2720

**E-mail:** [estate@state.vt.us](mailto:estate@state.vt.us)



|                        |  |                       |
|------------------------|--|-----------------------|
| <b>2014</b><br>VERMONT | <b>FIDUCIARY RETURN OF INCOME</b><br>or FISCAL YEAR ending _____ | FORM<br><b>FI-161</b> |
|------------------------|--|-----------------------|

|   |   |  |   |
|---|---|--|---|
| Name of Estate or Trust<br><br>Name, Address & Title of Fiduciary | <input type="checkbox"/> Estate<br><input type="checkbox"/> Trust<br><input type="checkbox"/> Revocable Trust<br><input type="checkbox"/> Irrevocable Trust | Employer Identification Number<br><br>Date of Death<br><br>State of Domicile at Death and/or Creation of Trust | <input type="checkbox"/> Check here if this is an <b>AMENDED</b> return |
|---|---|--|---|

Were any distributions reported on Line 18 of Federal Form 1041 made to nonresident beneficiaries?  Yes  No

Did the estate or trust have non-VT municipal bond income?  Yes  No (If yes, see instructions for both Line 2a and Schedule A.)

Are any present or future trust beneficiaries skip persons?  Yes  No

|   |             |    |
|---|-------------|----|
| <b>1.</b> Federal taxable income from Form 1041, Line 22 or modified gross income of Qualified Settlement Fund (Form 1120-SF) . . . . . | <b>1.</b>   | \$ |
| <b>2a.</b> Income from Non-VT state and local obligations (from Schedule A, Line 18) . . . . .  | <b>2a.</b>  |    |
| <b>2b.</b> Bonus Depreciation allowed under Federal law for 2014 . . . . .  | <b>2b.</b>  |    |
| <b>2c.</b> State and local income taxes above \$5,000 included on Form 1041, Line 11 (see instructions) . . . . .                       | <b>2c.</b>  |    |
| <b>3.</b> Federal Taxable Income with Additions (add Lines 1, 2a, 2b, and 2c.) . . . . .  | <b>3.</b>   |    |
| <b>4a.</b> Interest income from U.S. obligations . . . . .  | <b>4a.</b>  |    |
| <b>4b.</b> Capital Gains Exclusion (from Schedule FI-162, Line 21) . . . . .  | <b>4b.</b>  |    |
| <b>4c.</b> Adjustment for prior years' Bonus Depreciation . . . . .   | <b>4c.</b>  |    |
| <b>4d.</b> Add Lines 4a, 4b, and 4c . . . . .   | <b>4d.</b>  |    |
| <b>5.</b> VT taxable income (subtract Line 4d from Line 3) . . . . .  | <b>5.</b>   |    |
| <b>6.</b> VT tax from Schedule B, Line 23 or Line 25 . . . . .  | <b>6.</b>   |    |
| <b>7.</b> Income adjustment (from Schedule C, Line 29, or 100.00%) . . . . .  | <b>7.</b>   | %  |
| <b>8.</b> Adjusted tax (multiply Line 6 by Line 7) . . . . .  | <b>8.</b>   |    |
| <b>9.</b> Other states credit (from Schedule D, Line 50) . . . . .  | <b>9.</b>   |    |
| <b>10.</b> Total VT taxes (subtract Line 9 from Line 8) . . . . .   | <b>10.</b>  |    |
| <b>11. Payments</b>   |             |    |
| <b>11a.</b> Estimated Tax, Extension and/or 1099 Payments . . . . .   |             | \$ |
| <b>11b.</b> VT Real Estate Withholding.<br>Attach copy of Form RW-171 . . . . .   |             | \$ |
| <b>11c.</b> Nonresident Payments from VT Form WH-435 . . . . .  |             | \$ |
| <b>11d.</b> 2013 Overpayment Applied . . . . .  |             | \$ |
| <b>11e. Total Payments</b> (add Lines 11a, 11b, 11c, and 11d) . . . . .   | <b>11e.</b> |    |
| <b>12. Overpayment:</b> If Line 10 is less than Line 11e, subtract Line 10 from Line 11e . . . . .                                      | <b>12.</b>  |    |
| <b>13.</b> Amount of overpayment to be credited to 2015 taxes . . . . .   | <b>13.</b>  |    |
| <b>14.</b> Amount of overpayment to be REFUNDED: Line 12 less Line 13 . . . . .   | <b>14.</b>  |    |
| <b>15. BALANCE DUE:</b> If Line 11e is smaller than Line 10, enter amount due . . . . .   | <b>15.</b>  |    |

**File this return with the VT Department of Taxes, Montpelier, VT 05633-1401, no later than the 15th day of the fourth month following the close of the operating or income year. Attach a legible copy of the U.S. Income Tax Return for Estates and Trusts, Form 1041; or, Federal Form 1120-SF for the same taxable period.**

Under penalties of perjury, I have examined the above information, and to the best of my knowledge and belief, it is true, correct, and complete. Preparers cannot use return information for purposes other than preparing returns.

|                  |            |                        |
|------------------|------------|------------------------|
| <b>SIGN HERE</b> | Date _____ | Telephone Number _____ |
|------------------|------------|------------------------|

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 _____ |            |                        |

**SCHEDULE A. TAXABLE MUNICIPAL BOND INCOME**

|  |     |    |
|--|-----|----|
| 16. Total interest and dividend income from all state and local obligations exempt from Federal tax (see Line-by-Line Instructions) . . . . .  | 16. | \$ |
| 17. Interest and dividend income from VT state and local obligations included in Line 16. . . . .  | 17. |    |
| <b>18. INCOME FROM NON-VT STATE AND LOCAL OBLIGATIONS TO BE ADDED TO VT TAXABLE INCOME.</b> (Subtract Line 17 from Line 16, but not less than zero.) Enter here and on Line 2a. <b>(If municipal bond income was distributed, it is not taxable on this return.)</b> . . . . . | 18. |    |

**SCHEDULE B. TAX COMPUTATION**

If using Federal Form 1041, complete Lines 19 - 23; if using Federal Form 1120-SF, complete Lines 24 & 25.

|   |             |  |
|---|-------------|--|
| 19. VT tax from tax rate schedule (see instructions). . . . .                                 | 19.         |  |
| 20. Additions to VT tax   |             |  |
| <b>20a.</b> Tax on lump-sum distributions (from Federal Form 4972). . . . .                   | <b>20a.</b> |  |
| <b>20b.</b> Recapture of Federal investment credit (from Federal Form 4255). . . . .          | <b>20b.</b> |  |
| <b>20c.</b> Total additions (add Lines 20a and 20b; then, multiply by 24%). . . . .           | <b>20c.</b> |  |
| 21. Add Lines 19 and 20c . . . . .  | 21.         |  |
| 22. Subtractions from VT tax  |             |  |
| <b>22a.</b> Investment tax credit - VT-based only (from Federal Form 3468). . . . .           | <b>22a.</b> |  |
| <b>22b.</b> Multiply Line 22a by 24% . . . . .  | <b>22b.</b> |  |
| <b>22c.</b> VT-based Business Solar Energy Credit Carryforward . . . . .                      | <b>22c.</b> |  |
| <b>22d.</b> Add Lines 22b and 22c . . . . .   | <b>22d.</b> |  |
| 23. Total tax. Subtract Line 22d from Line 21. Enter here and on Line 6. . . . .              | 23.         |  |
| <b>OR</b>   |             |  |
| 24. If filing for Qualified Settlement Fund, enter amount from Federal Form 1120-SF . . . . . | 24.         |  |
| 25. Multiply amount on Line 24 by 8.95%. Enter here and on Line 6 . . . . .                   | 25.         |  |

**SCHEDULE C. INCOME ADJUSTMENT**

|  |     |   |
|--|-----|---|
| 26. Total Income (from Schedule E, Line 59, Column A) . . . . .  | 26. |   |
| 27. Non-VT income of nonresident or part-year resident estate or trust (from Schedule E, Line 60). . . . . | 27. |   |
| 28. VT income (subtract Line 27 from Line 26) . . . . .  | 28. |   |
| 29. Adjustment percentage. Divide Line 28 by Line 26. Enter here and on Line 7 . . . . .                   | 29. | % |

**SCHEDULE D. VT CREDIT FOR TAX PAID TO OTHER STATE OR CANADIAN PROVINCE  
FOR RESIDENTS AND SOME PART-YEAR RESIDENTS ONLY**

**You must complete a separate Schedule D for each state or Canadian province and attach a copy of the other state return. See instructions.**

|  |                  |  |
|--|------------------|--|
| <b>30.</b> Name of state or Canadian province. . . . .   | <b>30.</b>       |  |
| <b>31.</b> Enter total Income taxed in another state or Canadian province and also subject to VT tax. . . . .  | <b>31.</b> _____ |  |
| <b>32.</b> 2014 Bonus Depreciation add back taxed in another state or Canadian province <b>AND</b> taxed in VT . . . . .   | <b>32.</b> _____ |  |
| <b>33.</b> Non-VT state/local obligations taxed in another state or Canadian province <b>AND</b> taxed in VT. . . . .  | <b>33.</b> _____ |  |
| <b>34.</b> Add Lines 31-33 . . . . .   | <b>34.</b>       |  |
| <b>35.</b> Bonus Depreciation subtracted from income in another state or Canadian province in TY 2014 . . . . .  | <b>35.</b> _____ |  |
| <b>36.</b> U. S. Government interest income. . . . .   | <b>36.</b> _____ |  |
| <b>37.</b> Add Lines 35 & 36. . . . .  | <b>37.</b>       |  |
| <b>38.</b> Modified total Income for income taxed in other state or Canadian province <b>AND</b> taxed in VT (Subtract Line 37 from Line 34) . . . . .                                     | <b>38.</b>       |  |
| <b>39.</b> Total Income (from Federal Form 1041, Line 9) . . . . .   | <b>39.</b> _____ |  |
| <b>40.</b> Non-VT state/local obligations from Form FI-161, Line 2a . . . . .  | <b>40.</b> _____ |  |
| <b>41.</b> Bonus Depreciation from Form FI-161, Line 2b. . . . .   | <b>41.</b> _____ |  |
| <b>42.</b> Add Lines 39-41 . . . . .   | <b>42.</b>       |  |
| <b>43.</b> U. S. Government interest income from Form FI-161, Line 4a . . . . .  | <b>43.</b> _____ |  |
| <b>44.</b> Bonus Depreciation from Form FI-161, Line 4c. . . . .   | <b>44.</b> _____ |  |
| <b>45.</b> Add Lines 43 & 44. . . . .  | <b>45.</b>       |  |
| <b>46.</b> Subtract Line 45 from Line 42. . . . .  | <b>46.</b>       |  |
| <b>47.</b> VT income tax from Form FI-161, Line 6. . . . .   | <b>47.</b>       |  |
| <b>48.</b> Computed tax credit (Divide Line 38 by Line 46 and multiply result by Line 47).<br>Result cannot be more than 100% of VT tax.<br>Line 38 _____ x Line 47 _____<br>Line 46 _____ | <b>48.</b>       |  |
| <b>49.</b> Income tax paid to another state or Canadian province based on modified total income from Line 38 above. . . . .  | <b>49.</b>       |  |
| <b>50.</b> <b>VT CREDIT</b> for income tax paid to another state or Canadian province.<br>Enter the <i>lesser</i> of Line 48 or Line 49. Also enter on Form FI-161, Line 9. . . . .        | <b>50.</b>       |  |

Name of Estate or Trust

Employer Identification Number

**SCHEDULE E. INCOME ADJUSTMENT CALCULATION** Nonresidents and Part-Year Residents must complete this section

| <b>INCOME</b>  | <b>A. Federal Amount \$</b> | <b>B. VT Portion \$</b> |
|--|-----------------------------|-------------------------|
| <b>51.</b> Interest income..... <b>51.</b>   |                             |                         |
| <b>52.</b> Total ordinary dividends ..... <b>52.</b>   |                             |                         |
| <b>53.</b> Business income or (loss) ..... <b>53.</b>  |                             |                         |
| <b>54.</b> Capital gain (or loss) ..... <b>54.</b>   |                             |                         |
| <b>55.</b> Rents, royalties, partnerships, S Corporations, LLCs, other estates<br>and trusts, etc. .... <b>55.</b>             |                             |                         |
| <b>56.</b> Farm income (or loss) ..... <b>56.</b>  |                             |                         |
| <b>57.</b> Ordinary gain (or loss) ..... <b>57.</b>  |                             |                         |
| <b>58.</b> Other income (specify type of income) _____ <b>58.</b>  |                             |                         |
| <b>59.</b> Total income (add Lines 51 through 58) ..... <b>59.</b>   |                             |                         |
| <b>60.</b> Non-VT income (Column A, Line 59 less Column B, Line 59).<br>Enter here and on Schedule C, Line 27 ..... <b>60.</b> |                             |                         |

Dates of VT residency in 2014: From: \_\_\_\_\_ to: \_\_\_\_\_

Name of state(s), Canadian province or country during non-VT residency: