

Vermont Tax Information for Owners of Housing Subject to a Housing Subsidy Covenant

This fact sheet presents Vermont tax information related to properties meeting both of the following conditions: 1) Subject to a housing subsidy covenant; and 2) Occupied by the owner. Topics covered include the tax form that all owners of these properties must file annually, the Homestead Declaration, Form HS-122, Section A; other optional forms, including the Property Tax Adjustment Claim, Form HS-122, Section B; and understanding your property tax bill.

Recommendation
Be sure to gather in advance all the information you need to fill out the forms you will be filing.

Filing the Vermont Homestead Declaration, Form HS-122, Section A

By Vermont law, property owners whose homes meet the definition of a Vermont “homestead” must file a Homestead Declaration, Form HS-122, Section A, annually by April 15. Your property may be claimed as a “homestead” if you meet, or expect to meet, the following requirements:

- You are a Vermont resident
- You own and occupy a homestead as your domicile* as of April 1, 2016

Note: If you meet these requirements, except that your homestead is leased to a tenant on April 1, 2016, you may still claim it as a homestead if it is not leased for more than 182 days in the 2016 calendar year.

**Domicile is a legal concept that has implications for Vermont income tax, the statewide education tax, and property tax adjustments. For the definition of “domicile,” see Vermont Reg. § 1.5811(11)(A)(i).*

Owners of housing subject to a housing subsidy covenant should have available the following information when filing the Homestead Declaration, per the appropriate lines on the screen shot below:

- The property owner’s (Claimant’s) Social Security Number (SSN)
- A1. The code of the Vermont school district in which the property is located, which is printed on the property tax bill, and is the middle three digits of the School Property Account Number (SPAN)
- A3. The property’s SPAN from your property tax bill

| Annual Vermont Homestead Declaration | | | |
|--|------------|----------|---|
| <p>SECTION A. 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. If your homestead is leased to a tenant on April 1, you may still claim it as a homestead if it is not leased for more than 182 days in the 2016 calendar year.</p> | | | |
| Claimant’s Last Name | First Name | Initial | Claimant’s Social Security Number |
| Spouse’s or CU Partner’s Last Name | First Name | Initial | Spouse’s or CU Partner’s Social Security Number |
| Mailing Address (Number and Street/Road or PO Box) | | | Claimant’s Date of Birth (MM DD YYYY) |
| City | State | ZIP Code | |
| Location of Homestead (number, street/road name (Do not use “PO Box,” “same,” or town name)) | | | A1. Vermont School District Code |
| A2. City/Town of Legal Residence on April 1, 2016 | | State | A3. SPAN Number - REQUIRED (From the 2015/2016 property tax bill) |

Disclaimer: This fact sheet is intended to provide an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information provided in this fact sheet.

Filing a Property Tax Adjustment Claim, Form HS-122, Section B

The Vermont Property Tax Adjustment assists Vermont homeowners, whose household income is approximately \$137,500 or less in 2015, in paying their property tax. In order to file a property tax adjustment claim, you must meet ALL of the following eligibility requirements:

- Your property qualifies as a homestead, and you have filed a Homestead Declaration for the 2016 grand list
- You were domiciled* in Vermont for the entire 2015 calendar year (*see note on previous page)
- You were not claimed as a dependent of another taxpayer for 2015
- You have the property as your homestead as of April 1
- You meet the “household income” criteria (\$137,500 or less for calendar year 2015). Note that household income is not the same as federal taxable income. It includes all income, taxable and nontaxable, of everyone residing in the household at any time during the year. Be prepared to enter this information on the Household Income Schedule HI-144.

If you are eligible to file a claim, use Form HS-122, Section B. Be sure to answer the eligibility questions on the form and have available the following information per the appropriate lines on the screen shot below:

- B4. Housesite Value, from your 2015/2016 property tax bill
- B5. Housesite Education Tax, from your 2015/2016 property tax bill
- B6. Housesite Municipal Tax, from your 2015/2016 property tax bill
- B7. Ownership Interest, from your property tax bill
- B8. Household Income, Schedule HI-144, which must be attached
- B10. Allocated Education Tax – when applicable, it’s provided by your housing trust
- B11. Allocated Municipal Tax – when applicable, it’s provided by your housing trust

DUE DATE: April 18, 2016. Claims accepted up to Oct. 17, 2016.

SECTION B. PROPERTY TAX ADJUSTMENT CLAIM
For Household Income up to \$137,500. Attach Schedule HI-144

To qualify, you must meet the requirements for filing a homestead declaration in addition to the following requirements. ALL eligibility questions must be answered.

- B1. Were you domiciled in Vermont all of calendar year 2015? Yes, Go to Line B2. No, STOP
- B2. Were you claimed as a dependent in 2015 by another taxpayer? Yes, STOP No, Go to Line B3.
- B3. Do you anticipate selling your Vermont housesite on or before April 1, 2016? Yes, STOP No, CONTINUE

Amounts for Lines B4 - B6 are found on the 2015/2016 property tax bill. Round amounts to the nearest dollar.

ATTACH REQUIRED SCHEDULE HI-144

| | | |
|--|------|-------|
| B4. Housesite Value..... | B4. | .00 |
| B5. Housesite Education Tax..... | B5. | .00 |
| B6. Housesite Municipal Tax..... | B6. | .00 |
| B7. Ownership Interest..... | B7. | .00 % |
| B8. Household Income (Schedule HI-144, Line y). Schedule HI-144 MUST be attached. | B8. | .00 |
| B8a. If Amended Schedule HI-144, Household Income, is attached, check here. <input type="checkbox"/> | | |
| Complete the following ONLY if applicable. See instructions for details. | | |
| Lot Rent | | |
| B9. Mobile Home Lot Rent (Form LC-142, Line 16 - attach Form to this claim)..... | B9. | .00 |
| OR Allocated Property Tax from Land Trust, Cooperative, or Nonprofit Mobile Home Park | | |
| B10. Allocated Education Tax..... | B10. | .00 |
| B11. Allocated Municipal Tax..... | B11. | .00 |
| OR Property Tax from contiguous property if housesite has less than 2 acres (see instructions). | | |
| B12. Contiguous property Education Tax..... | B12. | .00 |
| B13. Contiguous property Municipal Tax..... | B13. | .00 |

Understanding Your Property Tax Bill

Your property tax bill will change from year to year. There are many factors that are used to determine property tax, including the following:

- Your municipality's education tax rate(s) will increase or decrease due to a number of factors such as changes to your school district's spending (spending per equalized pupil), base rate, and the municipality's Common Level of Appraisal (CLA).
- If you qualify, or previously qualified, for a property tax adjustment, your tax bill may change because of changes to your household income from year to year.
- If you file your Homestead Declaration after the April 15 due date (April 18, 2016), you may be charged a penalty, and possibly a higher tax rate, by the town. Penalties will be indicated on your property tax bill.
- Owner-occupied housing that is subject to a housing subsidy covenant must be valued at 60-70 percent of the fair market value. 32 V.S.A. § 3481(1)(C).*

*32 V.S. A. § 3481 (1)(A) "Appraisal value" shall mean...

Subdivision (1)(C) effective January 1, 2015:

(C) For owner-occupied housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, imposed by a governmental, quasi-governmental, or public purpose entity, that limits the price for which the property may be sold, the housing subsidy covenant shall be deemed to cause a material decrease in the value of the owner-occupied housing, and the appraisal value means not less than 60 and not more than 70 percent of what the fair market value of the property would be if it were not subject to the housing subsidy covenant. Every five years, starting in 2019, the Commissioner of Taxes, in consultation with the Vermont Housing Conservation Board, shall report to the General Assembly on whether the percentage of appraised valued used in this subdivision should be altered, and the reasons for his or her determination.

For More Information

Contact the lister in your town for further explanation about your property tax bill.

For further assistance with filing the Homestead Declaration and a Property Tax Adjustment Claim, contact the Taxpayer Services Division at 802-828-2865 or toll-free at 866-828-2865.

Additional information is available on the Vermont Department of Taxes website at www.tax.vermont.gov

