Renter Rebate Program for Tax Year 2015

You may be eligible for a renter rebate if you have: 1) resided in Vermont for the entire 2015 calendar year; 2) rented in Vermont for all 12 months (see box below for one exception); and 3) met the household income requirement. The maximum renter rebate amount for 2015 is $3,000. This fact sheet offers guidance on who can file, how to file, and other important information.

Who is eligible for a renter rebate?

In order to file a renter rebate claim, you must meet **ALL** of the following eligibility requirements:

- You were domiciled* in Vermont for the entire 2015 calendar year;
- You were not claimed as a dependent of another taxpayer;
- Your household income for 2015 does not exceed $47,000;
- You are the only person in the household making a renter rebate claim; and
- You rented for all 12 months of the year (see exception in box below).

** 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) found at www.bit.ly/vttaxregs*

What forms are needed for a renter rebate claim?

You need the following three forms, available from our website, to file a renter rebate claim:

1. **PR-141**, Renter Rebate Claim: this form uses information from the HI-144 and LC-142 to calculate your renter rebate.
2. **LC-142**, Vermont Landlord's Certificate: this form is completed by your landlord. If your landlord owns two or more units, he/she must provide it to you by January 31. If your landlord owns just one rental unit, you must request the LC-142. **Be sure to enter your name and Social Security Number at the top of the LC-142 after you receive it from your landlord.**
3. **HI-144**, Vermont Household Income Schedule: Household income is different from the income you report on an income tax return. You must include all sources of income, taxable and nontaxable, including the income of any other persons living in your household for any period of time during 2015. This includes your spouse/civil union partner, roommates, and family members, including children. For more help with this, refer to our fact sheet on the HI-144.

How do I file a renter rebate claim?

While you can determine if you meet the other eligibility requirements without a form, to determine if you meet household income eligibility requirements, you must complete Schedule HI-144.

If your household income is less than $47,000, you may proceed with a renter rebate claim. You will need the LC-142 from your landlord. The LC-142 shows rent actually paid, not the rent that should be paid over the course of a year. If you are not current on your rent, your LC-142 will reflect that situation. Using the information your landlord has provided and the information on the HI-144, you can complete the PR-141 to calculate your renter rebate.

All renter rebate claims must be paper-filed, even if you file your taxes online. You may submit this claim separately from your Vermont Income Tax Return (IN-111). However, if you choose to file your renter rebate with your tax return, you may enter the renter rebate amount found on form PR-141 on the appropriate line on IN-111. Include forms LC-142, HI-144, and PR-141 with your return.

Renter rebate claims are due the same day as Vermont income tax returns, April 15 (April 18, 2016). If you file for an extension, the renter rebate claim is still due on the due date of the income tax return. No claims will be accepted after Oct. 15 (Oct. 17, 2016).

Please note that only one rebate claim is allowed for any rental unit. If someone else in your unit is filing a renter rebate claim, you cannot file one.

Exception to Renting for 12 Months

You may be eligible for a renter rebate if you owned a Vermont homestead in 2015 but sold the homestead before April 1. To qualify, you must have begun renting immediately after the sale through Dec. 31, 2015, and did not receive a Property Tax Adjustment. This is the ***only*** situation where a claimant can rent for less than 12 months.

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.

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Important Notes

Deceased renter: A renter rebate cannot be made on behalf of a deceased person. The right to file a renter rebate claim is personal to the claimant and does not survive the claimant's death.

Unable to receive LC-142: You may still file a renter rebate claim if you are unable to obtain a LC-142 from your landlord. Complete a Landlord's Certificate – including your landlord's name, address, and phone number – and attach copies of your canceled checks or receipts for rent paid. In addition, attach a letter explaining why you could not get a Landlord's Certificate.

Lived in two or more rental locations: If you have more than one Landlord's Certificate, add Line 16 from each certificate and enter this amount on your PR-141, Renter Rebate Claim. File all LC-142s with your claim.

Non-home use: Rent eligible for a rebate is for your living space. If you use more than 25% of your rental unit's floor space for business purposes, the rent eligible is reduced. The percentage of business use should be the same percentage used on your federal income tax return. If you sublet part of your home, you must reduce your home use.

Renter rebate for nursing or residential care home: The renter rebate claim is for room charge only. Services such as heat, electricity, personal services, medical services, etc. are deducted from the total. Generally, the room charge is about 25% of the home's total charges to the person. For a percentage greater than 25%, the nursing home or residential care home must provide a breakout of costs.

In the process of divorce or legal separation and the process is not finalized with a decree signed by a judge: In this situation, you are required to include the income of your spouse or civil union partner on Schedule HI-144. You may wish to consult a tax professional regarding limitations to these claims in the case of separation or divorce.

Note about Medicaid recipients: Payments made by Medicaid on behalf of the claimant to the nursing home cannot be included as part of rent paid.

Offset of renter rebate/Injured Spouse Claims: The Department will notify you if the renter rebate will be used to pay money owed to a Vermont state agency. If your spouse is responsible for the bill, and you are not, you have 30 days from the date of the notice to submit the injured spouse claim to the Department. You may receive the portion of the renter rebate equal to the percentage of your income to the combined income of you and your partner.

To make an injured spouse claim, send the request letter, a copy of Federal Form 8379 (if you filed one with the IRS), and all W-2s and 1099s to:

Vermont Department of Taxes
ATTN: Injured Spouse Unit
PO Box 1645
Montpelier, VT 05601-1645

Forms Needed to File:

Household Income Schedule, HI-144

Renter Rebate Claim, PR-141

Landlord's Certificate, LC-142

Individual Income Tax Return, IN-111

Find all of the Vermont tax forms online at www.bit.ly/vttaxforms

Mail completed renter rebate forms to:

Vermont Department of Taxes
PO Box 1881
Montpelier, VT 05601-1881

Contact Us:

For questions about filing a renter rebate claim, contact the Vermont Department of Taxes at 802-828-2865 or 866-828-2865 (toll-free).

For more information on the renter rebate, please refer to Vermont statute 32 V.S.A. §§ 6061-6075 at http://legislature.vermont.gov/statutes/title/32