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The Department is implementing new measures to combat personal income tax fraud for the 2016 tax filing season. These new measures may result in a delay in receiving refunds. One measure is that we ask for a taxpayer's driver's license number and state and date of issue. This is not required information, but it will help us verify the taxpayer's identity and make processing the return go more smoothly.

Checking the status of refunds continues to be available on our [website](#). For more information about other important changes we are making this filing season to better identify and prevent fraud while maintaining the integrity of Vermont's tax administration, please see our [press release](#) or [webpage](#) on this topic.

Important Announcements

Be Sure to Use Updated Forms

All of the forms and instructions you need to file tax returns for tax year 2015 are available

on our [website](#). These forms are available as a fillable PDF to download and complete on your computer and mail in for easier processing. It's very important that everyone [downloads](#) and files the most recent version of our tax forms. Be sure to check our website for the correct version of each form when you're filing taxes. Anyone who requires a paper copy of a form or booklet may order [online](#).

Did You See Our "Important Tax Season Update" on Feb. 4?

If you missed our "[Important Tax Season Update](#)" on Feb. 4, here's another opportunity to read our important messages. We made a change to Line 16 of Form IN-111 and added a property tax adjustment calculator.

Inform Your Clients about IRS Impersonators and Other Scams

Scammers are targeting taxpayers across the U.S., including Vermont, posing as IRS personnel. They are becoming more aggressive, bullying the most vulnerable, the elderly as well as recent immigrants who might fear deportation. Find more information about identity theft and fraud and what to do if you or a client becomes a victim at these sites:

- Report fraud to the Department by calling 802-828-2865 or 866-828-2865 (toll-free)
- Visit our [website](#)
- Report to the Consumer Assistance Program at the [Vermont Attorney General's Office](#)
- Report scam calls using a form available through TIGTA's [website](#)
- Submit the IRS Identity Theft Affidavit, [Form 14039](#), to the IRS. Be sure to make copies for your records and to submit to the state if we request it.

IRS Recommends Deep Scans for Security of Computer Drives

The IRS urges all tax return preparers to perform a security deep scan of their computer drives and devices. Please take the following steps immediately:

- Ensure that you and your employees have robust security software that helps block malware and viruses and that it remains turned on and active at all times.
- Use the "deep scan" function to fully scour all computer drives and files for any malware or viruses. These bugs can hide in places that a "quick scan" does not search. Perform a deep scan periodically.
- Ensure that your security software updates automatically so that it is always up-to-date and on-guard against new and emerging malware and viruses.
- Review the security plan for your office and operations. If you do not have a security plan, review a checklist suggested by [Publication 4557](#), Safeguarding Taxpayer Data.
- Educate your employees about the dangers of phishing malware, emails, and other scams that could lead to malware/virus infections. One phishing email can result in all office computers being hacked for sensitive data.

The IRS has teamed up with state revenue departments and the tax industry to make clear these dangers to tax and financial data. [Taxes. Security. Together.](#) We all have a role to play.

Health Care Reporting Forms Due Date Has Been Extended

On Dec. 28, the [IRS extended the due dates](#) for new health care information reporting forms in 2016.

- The due date for furnishing to employees the 2015 Form 1095-B, Health Coverage, was changed from Jan. 31, 2016 to March 31, 2016.
- The due date for furnishing to employees the 2015 Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, was also changed from Jan. 31, 2016, to March 31, 2016.
- Please note changes to the filing due date as well for these forms: 2015 Form 1094-B, Transmittal of Health Coverage Information Returns, and 2015 Form 1095-B, Health Coverage, as well as Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, from Feb. 29, 2016 to May 31, 2016. If filing electronically, the due date was changed from March 31, 2016 to June 30, 2016.

Individual taxpayers must state they have coverage to avoid the individual penalty. Individuals do not have to wait for their Form 1095-B or 1095-C in order to file.

- If the form arrives prior to filing the tax return, it should be included with their filing.
- If the form arrives after filing the tax return, they should just keep the form. There's no need to have it amended.
- For taxpayers who are getting premium tax credits because their employer health care coverage is unaffordable, the determination from Vermont Health Connect that their coverage was unaffordable will still stand, and they will most likely be unaffected by the change.
- There may be instances where someone didn't apply for subsidies through Vermont Health connect but bought a Vermont Health Connect plan and had unaffordable employer coverage--and will want to get the premium tax credit through tax filing. Anyone in that situation should rely on other sources besides the 1095-B form to prove they had unaffordable coverage.

Questions and Answers for New Information Reporting Forms

The IRS has posted a set of [questions and answers](#) that introduce the new Forms 1095-B and 1095-C. The questions and answers explain who should expect to receive the forms, how they can be used, and how to file with or without the forms.

Four Reasons for Amending 2014 Tax Returns

When filing 2014 income tax returns in 2015, some taxpayers might have paid more than they were required to pay. Some taxpayers miscalculated their individual shared responsibility payment and simply paid too much. Others were actually not required to pay anything at all, because they were exempt from the Affordable Care Act's requirement to have coverage. An amended return may be filed in these situations:

- If an exemption wasn't claimed from the coverage requirement for which a taxpayer was eligible
- If the individual shared responsibility was overpaid when filing the 2014 tax

return.
See this [health care tax tip](#) for more information.

What's New for Businesses

Use myVTax to Remit Estimated Payments for Fiduciary Income Tax

Estimated payments for Fiduciary Income Tax are required beginning with the first quarter of 2016, due April 15, 2016, and thereafter. For more information, see [32 V.S.A. § 5852](#).

- Taxpayers may make estimated payments for the April 15 due date as a non-login payment in [myVTax](#) by clicking on "Make a Payment" in the Business menu at the bottom of the page. Select "Fiduciary Income Tax" as the Account Type. Pay for free by ACH Debit or credit card (with a 3% charge by the coordinating bank).
- Taxpayers may also register to view their Fiduciary Income Tax account in [myVTax](#). Click on the bar in the middle of the page: "Not yet signed up for myVTax? Click Here to Sign up today" and follow the instructions. When registering, all account information and Tax Department correspondence will be visible. It's a great way to manage these accounts!

If you have questions about registration and login, contact us at tax.myVTax@vermont.gov or call 802-828-6802.

How to Submit Your W-2s, 1099s, and WHT-434 in myVTax

Businesses submitting W-2s, 1099s, and WHT-434 annual reconciliations can file them electronically using [myVTax](#). See our [guide](#) to learn how to submit these forms.

If you are having trouble submitting these forms, contact our Business Tax Section at 802-828-2551. **Please note:** Due to an increase in call volume, you may experience some delays.

Reporting Health Care Costs on Form W-2

As of July 1, 2015, Vermont requires that every employer withholding income tax from an employee's income also must provide the total cost of employer-sponsored health care coverage on the W-2 form. The amount reported should include both the portion paid by the employer and the portion paid by the employee. This information must be reported in the same way as federal law requires it to be reported and must be shown in Box 12 on the form.

The only difference between the federal requirement and the Vermont requirement is that employers with fewer than 250 W-2s must also report.

Multiemployer plans

The IRS has released transition guidance for certain types of plans. Those who are not required to report at the federal level due to having a multiemployer plan do not need to report in Vermont. The IRS provides additional information about the federal requirements on their [website](#).

Reminders

Some General Tax Filing and Paying Reminders

Check Client Bank Account Numbers

The Department gets many direct deposit payments returned because of incorrect account numbers or closed bank accounts. Some of these are recurring in multiple years, so please be sure to double check those account numbers **every** year. Thank you!

Making Estimated Payments with the Correct Voucher

The easiest way to make estimated payments is using an ACH debit transaction via our [VTPay](#) site. If you file using paper, be sure to enclose the estimated payment voucher, [IN-114](#), with the check. This ensures accurate application of the check to the account.

Correctly Enter Household Income on HI-144

Clients who are applying for a property tax adjustment claim or renter rebate claim need to determine their Household Income for the related Schedule HI-144. Here's a reminder about who are household members for this purpose.

- Besides the filer, be sure to include the income of any spouse/civil union partner, roommates, and family members (including children) even if they file their own income tax returns and are not considered dependents.
- Unless a couple is legally separated, the spouse/civil union partner's income must be included even if that person is not living in the household. The only exception to this is the income of a spouse who is age 62 or older and has moved permanently to a nursing home or other care facility.

More detailed instructions for property tax adjustments are available through [Form HS-122](#), as well as our [fact sheet](#).

Reminders Specific to Businesses

E-Filing Mandate for Tax Practitioners

Beginning with the 2015 tax year, effective Jan. 1, 2016, tax practitioners, who prepare more than 25 returns for Vermont corporate income, business income, and fiduciary income taxes, must submit them electronically. The director of the Division of Taxpayers Services will consider a written request for an exemption based on extraordinary circumstances. Refer to the Commissioner's [mandate](#) here.

Set Up Third Party Access in myVTax

It's easy to enroll for your myVTax account through which your clients can give you third party access to their myVTax accounts. You then will have the ability to file and pay taxes on their behalf. In addition, you have the option to receive notice of any correspondence we send your clients. Before you begin, have the following information available: 1) the legal name of your firm; 2) your identification number (PTIN or FEIN); and 3) a valid email address. Go to [myVTax](#), click on Tax Professionals, and then Register as a Third Party myVTax User. Check out our [fact sheet](#) for help.

Corporate and Business Income Tax Forms

The current corporate and business income forms are on our website. They are updated as needed, so the revision date may be older.

Remember Our Direct Phone Line for Tax Practitioners

You can reach the Department at 802-828-6815, Monday-Friday, 7:45-4:30. Or email us at tax.preparer@vermont.gov

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