



* 1 2 4 0 4 1 1 0 0 *

VERMONT *Tax Credits Earned, Applied, Expired, and Carried Forward* **FORM BA-404**

PLEASE PRINT CLEARLY in BLUE or BLACK INK ONLY

Enter all amounts in whole dollars.

Business Name

Federal ID Number

(A) Amount Carried Forward from Prior Years	(B) Amount Earned Current Year	(C) Amount Applied Current Year	(D) Amount Carried Forward to Future Years
1. Total EATI Credits <input type="text"/>	NOT AVAILABLE	<input type="text"/>	<input type="text"/>
2. Charitable Housing § 5830c <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Research and Development § 5930ii <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Machinery and Equipment § 5930ii <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Affordable Housing § 5930u <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6. 2011 Federally Declared Disaster § 5930bb(d) NOT AVAILABLE	<input type="text"/>	<input type="text"/>	NOT AVAILABLE
7. Recently Deployed Veteran § 5930nn <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8. Vermont Entrepreneur's Seed Capital Fund § 5830b <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9. Qualified Sale of Mobile Home Park § 5828 <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10. Wood Products Manufacture § 5930y NOT AVAILABLE	<input type="text"/>	<input type="text"/>	NOT AVAILABLE
11. Historic Rehabilitation § 5930cc(a) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
12. Facade Improvement § 5930cc(b) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
13. Code Improvement § 5930cc(c) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
14. Business Solar Energy § 5930z <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
15. TOTAL FOR ALL CREDITS (Add Lines 1-14) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Form BA-404 Instructions Tax Credits Earned, Applied, and Carried Forward

GENERAL INFORMATION

Form BA-404 must be completed and attached to an income tax return if any tax credits are earned, applied, or carried forward. Generally, tax credits are limited to a percentage of the tax attributable to the income generated by the entity authorized for the credit. For details, review the guidelines of the credit program in which you are participating.

For any credit type being claimed, complete all applicable columns of Form BA-404. In most cases, Column D (Amount Carried Forward to Future Years) should equal Column A (Amount Carried Forward from Prior Years) plus Column B (Amount Earned Current Year) minus Column C (Amount Applied Current Year). However, in cases where a credit expires without being used, the expired credit should further reduce the value reported in Column D.

CREDIT DOCUMENTATION

For **Economic Advancement Tax Incentives** (Line 1), provide the Expired Annual Activity Report as applicable.

For the **Business Solar Energy Credit** (Line 14), include a copy of the federal credit calculation, Federal Form 3648, and a copy of the Certificate of Eligibility provided by the Clean Energy Development Fund. If the federal credit was earned based on investments both in and out of Vermont, provide a breakdown of the investment amounts and a recomputed credit calculation based only on investments that occurred in Vermont.

If you have opted to take the Treasury grant rather than the business credit at the federal level, the Vermont Business Solar tax credit is not available. Similarly, if you have received a grant from the Vermont Clean Energy Development Fund, the Business Solar tax credit is not available. If you have received grants or assistance for financing the project from any other public or private source, the basis investment amount for the credit calculation must be adjusted downward to account for the assistance. For more information see **Technical Bulletin 45** at the Department website.

For **all other credit types**, include a copy of the authorization document, a detailed description of the activity that generated the credit, and a calculation schedule.

APPLYING CREDITS TO OFFSET TAX

C-Corporation (Form CO-411)

Enter the total amount of credits applied on Form CO-411, Line 12. If Form CO-411 is filed for a Vermont Consolidated group, credits may only offset tax attributable to income earned by the entity authorized for the credits. Include a statement to show separate company income and tax.

Combined Report for Unitary Businesses (Form CO-411-U)

Enter the amount of credits applied on Form CO-421 (Unitary Affiliate Schedule), Line 10. Credits may only be applied to offset the tax of the entity that was authorized to earn the credits.

Business Income Tax Return (Form BI-471)

For S-Corporations, Partnerships, and LLCs treated as “pass-through” entities for tax purposes, tax credits are generally distributed to the owners of the entity in the same proportion that income or loss is distributed, and are not transferrable. Credits are applied on the Vermont income tax return of the individual or entity with the tax liability. Credits are reported on Schedule IN-112 or IN-119, and Schedule K-1VT of the Vermont Individual Income Tax Return.

If any or all of the entity income is taxed at the composite level, enter the amount of credits applied on Form BI-471, Line 13.

For further details, refer to the statutes and program guidelines for the specific credit program in which you are participating.

CONTACTING THE DEPARTMENT

Mailing address:

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

Taxpayer Services: (802) 828-5723

Email Address: tax-corporincome@state.vt.us

Web site Address: <http://tax.vermont.gov>

Fax: (802) 828-5787

Forms: (802) 828-2515