



**2013**

# **VT ECONOMIC INCENTIVE INCOME TAX CREDITS**

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**Schedule IN-119**

## SCHEDULE IN-119

### VT Economic Incentive Income Tax Credits

Please refer to VT Statutes Annotated available online at: <http://www.leg.state.vt.us/statutesMain.cfm> for more information.

#### AFFORDABLE HOUSING CREDIT (Line 1) - 32 V.S.A. § 5930u

**This credit requires prior approval by the Vermont Housing Finance Agency.**

A copy of the certificate and the credit allocation to the affordable housing project by the housing agency must be provided for each credit claimed.

This credit is applied for five consecutive tax years, beginning with the tax year of the eligible cash contribution. Total tax credits available equal the amount of the first year allocation, plus the succeeding four years allocations. Affordable housing tax credits which exceed the current tax year's liability may be carried forward up to fourteen succeeding tax years.

#### REHABILITATION FOR OLDER & HISTORIC BUILDINGS CREDITS (Lines 2 - 5) (These credits were repealed in 2005 and are only available as carryforwards)

These credits required prior approval by the Vermont Division for Historic Preservation.

**Line 2** Rehabilitation of Certified Historic Buildings Credit - 32 V.S.A. § 5930n

**Line 3** Older or Historic Buildings Credit - 32 V.S.A. § 5930p

**Line 4** Commercial Buildings Code Improvements Credit - 32 V.S.A. § 5930r

**Line 5** Platform Lifts, Elevators or Sprinkler Systems Credit - 32 V.S.A. § 5930q

#### DOWNTOWN & VILLAGE CENTER TAX CREDITS (Lines 6 - 8) - 32 V.S.A. § 5930cc

These credits require prior approval by the VT Division for Historic Preservation. Tax credits which exceed the current year's tax liability may be carried forward for up to nine succeeding years following the first year the credit was claimed. Credits unclaimed five years after the approval date are automatically rescinded and are available to the Board for award in subsequent years.

**Line 6 Historic Rehabilitation Tax Credit- 32 V.S.A. § 5930cc(a)** The qualified applicant of a qualified historic rehabilitation project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, corporate income tax, or bank franchise or insurance premiums tax liability a credit of ten percent of qualified rehabilitation expenditures as defined in the Internal Revenue Code, 26 U.S.C. § 47(c), properly chargeable to the federally certified rehabilitation.

**Line 7 Facade Improvement Tax Credit- 32 V.S.A. § 5930cc(b)** . The qualified applicant of a qualified facade improvement project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, state corporate income tax, or

bank franchise or insurance premiums tax liability a credit of 25 percent of qualified expenditures up to a maximum tax credit of \$25,000.00.

**Line 8 Code Improvement Tax Credit - 32 V.S.A. § 5930cc(c)** The qualified applicant of a qualified code improvement project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, state corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of \$12,000.00 for installation or improvement of a platform lift, a maximum tax credit of \$50,000.00 for installation or improvement of an elevator, a maximum tax credit of \$50,000.00 for installation or improvement of a sprinkler system, and a maximum tax credit of \$25,000.00 for the combined costs of all other qualified code improvements.

#### WOOD PRODUCTS MANUFACTURE TAX CREDIT (Line 9) 32 V.S.A. § 5930y

This credit has been repealed effective January 1, 2014. A business may be eligible for a credit against its income tax liability based on 2% of the wages paid in the taxable year for employee services in the manufacture of finished wood products. Finished wood products are defined as *wood products that are manufactured into the form in which they are offered for sale to consumers.* 32 V.S.A. § 5930y(b) (1) The employer must be located in a county designated by the Secretary of Commerce & Community Development as stipulated in 32 V.S.A. § 5930y(a).

#### VT ENTREPRENEUR'S SEED CAPITAL FUND CREDIT (Line 13) 32 V.S.A. § 5830b

Taxpayers who invest in this state-chartered corporation may receive a tax credit. The corporation provides investment capital to new Vermont firms or existing Vermont firms that are expanding in the state.

The credit may be claimed for a contribution made in the taxable year and may be carried forward for up to four succeeding years.

#### ECONOMIC ADVANCEMENT TAX INCENTIVE (EATI) CREDITS (Lines 14 - 21)

*The following credits are only available as carryforwards up to tax year 2016.*

**Line 14** Payroll - 32 V.S.A. § 5930c

**Line 15** Research & Development - Qualified Expenditures - 32 V.S.A. § 5930d

**Line 16** Capital Investment - 32 V.S.A. § 5930g

**Line 17** Workforce Development - 32 V.S.A. § 5930e

**Line 18** Export - General - 32 V.S.A. § 5930f

**Line 19** High-Technology Growth - 32 V.S.A. § 5930k

**Line 20** Sustainable Technology Research & Development - 32 V.S.A. § 5930w

**Line 21** Sustainable Technology Export - 32 V.S.A. § 5930x



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ATTACH TO FORM IN-111

Taxpayer's Last Name	First Name	Initial	Taxpayer's Social Security Number
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For credits earned through an S-Corporation, LLC, LLP, or Partnership, enter name and FEIN of the entity.

Name of entity \_\_\_\_\_ FEIN: \_\_\_\_\_

If credits from more than one business entity, fill out a separate IN-119 for each entity.

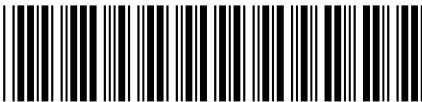
**ALL CREDITS REQUIRE PRIOR APPROVAL**

	<u>Column A</u>	PLUS (+)	<u>Column B</u>	EQUALS (=)	<u>Column C</u>
	Earned in 2013		Carryforward		2013 Credit
<b>Prior approval required from VT Housing Finance Agency for Line 1</b>					
1. Affordable Housing, 32 V.S.A. § 5930u . . . . .	.00		.00		.00
<b>Prior approval required from VT Division for Historic Preservation for Lines 2-8</b>					
2. Rehabilitation of Certified Historic Buildings, 32 V.S.A. § 5930n . . . . .	NOT AVAILABLE		.00		.00
3. Older or Historic Buildings Rehabilitation, 32 V.S.A. § 5930p . . . . .	NOT AVAILABLE		.00		.00
4. Commercial Building Code Improvements, 32 V.S.A. § 5930r . . . . .	NOT AVAILABLE		.00		.00
5. Platform Lifts, Elevators, and Sprinkler Systems, 32 V.S.A. § 5930q . . . . .	NOT AVAILABLE		.00		.00
6. Historic Rehabilitation, 32 V.S.A. § 5930cc(a) . . . . .	.00		.00		.00
7. Facade Improvement, 32 V.S.A. § 5930cc(b) . . . . .	.00		.00		.00
8. Code Improvements, 32 V.S.A. § 5930cc(c) . . . . .	.00		.00		.00
9. Wood Products Manufacture, 32 V.S.A. § 5930y . . . . .	.00		.00		.00
10. Add Column C, Lines 1-9. . . . .					.00
11. Enter amount from Schedule IN-112, Part IV, Line 6. . . . .					.00
12. Add Lines 10 & 11. If no credits from Lines 13-21, enter amount on Form IN-111, Line 24. . . . .					.00
13. VT Entrepreneur's Seed Capital Fund, 32 V.S.A. § 5830b. Go to worksheet on back to calculate the credit. . . . .					.00

**ECONOMIC ADVANCEMENT TAX INCENTIVE CARRY FORWARD CREDITS**

Lines 14-21 require prior approval from VT Economic Progress Council

14. Payroll, 32 V.S.A. § 5930c . . . . .	.00		.00		.00
15. Research & Development, 32 V.S.A. § 5930d . . . . .	.00		.00		.00
16. Capital Investment, 32 V.S.A. § 5930g . . . . .	.00		.00		.00
17. Workforce Development, 32 V.S.A. § 5930e . . . . .	.00		.00		.00
18. Export, 32 V.S.A. § 5930f . . . . .	.00		.00		.00
19. High-Tech Growth, 32 V.S.A. § 5930k . . . . .	.00		.00		.00
20. Sustainable Technology R & D, 32 V.S.A. § 5930w . . . . .	.00		.00		.00
21. Sustainable Technology Export, 32 V.S.A. § 5930x . . . . .	.00		.00		.00
22. Add Lines 14-21. Go to worksheet on back to calculate the credit. . . . .					.00



\* 1 3 1 1 9 1 2 0 0 \*

**Tax Credit Calculation Worksheet**

23. Enter adjusted VT income tax amount from Form IN-111, Line 22. ....	23.	_____	<b>.00</b>
24. Enter credit for income tax paid to another state or Canadian province from Form IN-111, Line 23. ....	24.	_____	<b>.00</b>
25. Subtract Line 24 from Line 23. ....	25.	_____	<b>.00</b>
26. Enter amount from Line 11. ....	26.	_____	<b>.00</b>
27. Enter amount from Line 10. ....	27.	_____	<b>.00</b>
28. Add Lines 26 and 27. ....	28.	_____	<b>.00</b>
29. Enter the smaller of Line 25 OR Line 28. ....	29.	_____	<b>.00</b>
30. Subtract Line 29 from Line 25, <i>but not less than zero</i> . ....	30.	_____	<b>.00</b>
31. Multiply Line 30 by 50%. ....	31.	_____	<b>.00</b>
32. Enter amount from Line 13. ....	32.	_____	<b>.00</b>
33. Enter the smaller of Line 31 or Line 32. ....	33.	_____	<b>.00</b>
34. Subtract Line 33 from Line 30, <i>but not less than zero</i> . ....	34.	_____	<b>.00</b>

Complete Lines 35-42 if claiming Economic Advancement Tax Incentive (EATI) carry forward credits. Otherwise go to Line 43.

35. VT tax from Form IN-111, Line 22. ....	35.	_____	<b>.00</b>
<b>Ratio Schedule K-1 to Adjusted Gross Income</b>			
36. Schedule K-1 income from entity with EATI credit(s). If EATI credits from more than one entity, see instructions. If negative, enter "0" here and on Line 38. ....	36.	_____	<b>.00</b>
37. Adjusted Gross Income <u>Resident</u> : Form IN-111, Line 10; <u>Nonresident</u> : Schedule IN-113, Line 42. If negative, enter "0" here and on Line 38. ....	37.	_____	<b>.00</b>
38. Divide Line 36 by Line 37 <i>but not greater than 100.00%</i> . ....	38.	_____	<b>%</b>
39. VT Tax attributable to Schedule K-1 Income (Multiply Line 35 by Line 38) ....	39.	_____	<b>.00</b>
40. Statutory Credit Limitation (Multiply Line 39 by 80%) ....	40.	_____	<b>.00</b>
41. Credit Claimed. Enter amount from Line 22. ....	41.	_____	<b>.00</b>
42. Maximum allowable EATI Credit (Enter the smaller of Line 40 or Line 41). If EATI credits from more than one entity, see instructions. ....	42.	_____	<b>.00</b>

43. Total Credits Allowable. Enter the total of Lines 29, 33 and 42. ....	43.	_____	<b>.00</b>
44. <b>TOTAL INCOME TAX CREDITS AVAILABLE.</b> Enter the smaller of Line 25 or Line 43. Enter this amount on Form IN-111, Line 24. ....	44.	_____	<b>.00</b>