

Be on Guard against Identity Theft and Tax Scams

Identity theft, tax refund fraud, and similar tax scams continue to target taxpayers in Vermont. Taxpayers have reported emails and phone calls from people posing as employees of the Internal Revenue Service (IRS) and the Vermont Department of Taxes. Some scammers are clever enough to pose as their victims' tax preparers to obtain private information. A common ploy scammers use is to falsely claim taxes are owed and demand immediate payment using threats and bullying. Scammers often target the elderly using these tactics.

How to protect yourself from becoming a victim

- Never give out personal information unless you are sure of the identity of the person requesting it.
- If you suspect that an email or phone call is fraudulent, do not engage in conversation. Contact the Department at 802-828-2865 or 1-866-828-2865 (toll-free) to verify an email or phone call.

How to report fraud

- Report suspected fraud immediately to the Vermont Department of Taxes and the IRS. Information about how to report fraud is available on the Department website at www.bit.ly/idtheftfraud.
- Suspected fraud also should be reported to the Vermont Attorney General's Consumer Assistance Program at 1-800-649-2424 (toll-free).

New Online Options for Filers at www.myVTax.vermont.gov

Now You Can Do More Online through myVTax!

- File extensions for personal income tax
- File Renter Rebate Claim (Form PR-141)
- Complete and submit Landlord's Certificate (Form LC-142)
- Set up and manage your personal income tax account to view account status and balances
- Set up third party access for your tax preparer
- View correspondence for all tax types and respond to correspondence
- Send secure messages to the Department
- Enter into a payment plan

Please note: To e-file your IN-111 and associated schedules, you must use a commercial software vendor. If you are eligible, you may file for free using one of Vermont's Free File vendors. For eligibility guidelines, visit <http://tax.vermont.gov/individuals/free-file>.

Access Familiar Services in a New Way

The following services will continue to be available, but they have moved to **myVTax**:

- Access "Where's My Refund?" service to view information on your return and refund status
- Check your estimated payments and carryforwards
- File the Homestead Declaration and Property Tax Adjustment (Form HS-122)
- Make payments via ACH Debit electronic payments for personal income tax
- File and pay property transfer tax (formerly ePTTR)

SCHEDULE IN-113 Income Adjustment

WHO MUST FILE IN-113

You must file Schedule IN-113 if you are either:

- a nonresident or part-year resident and had Vermont income,

OR

- a Vermont resident claiming income exempt from Vermont income tax

Nonresident: Complete both Parts I and II to determine the allocation of Vermont income. Visit our website for definition of nonresident income.

Resident: Complete Part II to adjust for the following income exempt from Vermont income tax: military pay, Federal railroad retirement income, Federal credit for Vermont portion of expenses that qualifies for the Americans with Disabilities Act, or bond/note income from qualified investments.

Part-Year Resident: Part-year residents may, in some cases, be able to adjust Vermont income by both the Vermont percentage of income and claim a credit for income tax paid to another tax jurisdiction. The income tax paid must be for income earned in Vermont while a Vermont resident. Visit our website for information.

For Married Filing Separately or Civil Union Filing Separately, all income of the individual filing must be included in Column A, not just Vermont income. The adjustment calculation excludes the non-Vermont income.

Supporting Documents Required: Copies of pages 1 and 2 of the Federal income tax return and any Federal schedules reporting Vermont income or loss.

Dates of Vermont Residency in 2016 Enter the dates you lived in Vermont in 2016.

Name of State(s) During Non-Vermont Residency Write the names of the other states, Canadian provinces, or countries where you were a resident in 2016.

PART I (For Nonresidents and Some Part-Year Vermont Residents)

Unless otherwise indicated in the line instruction, the Vermont portion is the income received from Vermont or received while a Vermont resident.

Lines 1 - 15, Column A Enter the income for these categories as shown on your Federal income tax return.

NOTE: For Line 3A - Use amount from 1040, Line 9a, or 1040A, Line 9a.

For Line 10A - Use amount from Federal K-1 *before* recalculation for exclusion of bonus depreciation.

For Line 13A - Use amount reported on Federal income tax return.

For Line 15A - Use amounts from 1040, Lines 14 and 21.

Nonresidents: Use Line 15A to adjust for non-Vermont state and local obligations and U.S. obligation interest.

Line 15, Column A Examples of other income: gambling winnings including lotteries, raffles, or lump-sum payment from sale of right to receive future lottery annuity; reimbursement this year for items itemized last year such as medical expenses; interest; income from rental of personal property; taxable distributions from Coverdell Education Savings Account or Qualified Tuition Plan, medical savings account or Archer Medical Savings Account.

Lines 1 - 15, Column B Enter the Vermont portion for these categories from your Federal income tax return.

NOTE: For Line 3B - Use the amount of ordinary dividends received while a Vermont resident.

For Line 7B - Include amount from Line 2 of K-1VT plus all additional Vermont-sourced capital gains.

For Line 10B - Use sum of Line 1 and Line 3 of K-1VT *before* recalculation for exclusion of bonus depreciation.

For Line 13B - Enter total amount received for Vermont unemployment.

For Line 15B - Use the amount of other income earned or received from 1040, Lines 14 and 21 from Vermont sources.

Nonresidents: Do not include tax-exempt interest here to adjust for non-Vermont state and local obligations and U.S. obligation interest.

Lines 17 - 25 Column A Enter the amount for these categories as shown on your Federal income tax return.

Lines 17 - 25, Column B Enter the portion of the deductions paid or incurred during your Vermont residency or resulting from Vermont income earned or received.

Line 26, Column A Enter the combined amounts of Educator Expenses from 1040, Line 23, or 1040A, Line 16, and Tuition and Fees from 1040, Line 34, or 1040A, Line 19.

Line 26, Column B The Vermont portion of Educator Expenses and Tuition and Fees during Vermont residency.

Line 27, Column A Enter deduction(s) to AGI that are included in the total on Federal return 1040, Line 36.

Line 27, Column B Enter the portion of the deductions paid or incurred during your Vermont residency or resulting from Vermont income earned or received.

PART II Adjustment for Vermont Exempt Income

Line 32 If Part I is completed, enter the amount from Line 29. Otherwise, enter Adjusted Gross Income from Form IN-111, Line 10.

Line 33 **Part-Year Residents and Nonresidents:** Enter the amount from Part I, Line 31. **Full-Year Residents:** Enter -0-.

Line 34 Enter the amount of Vermont exempt military pay received in 2016 that is included in your Federal adjusted gross income. Exempt military pay is:

- I.** Wages earned from the armed services for full-time active duty outside of Vermont. **You may be asked to provide the Required Supporting Documents:** Copy of active duty orders.
- II.** Up to \$2,000 for National Guard or U.S. Reserve training pay earned in Vermont if your adjusted gross income for tax year 2016 is less than \$50,000. **You may be asked to provide the Required Supporting Documents:** Copy of DFAS form or certification statement from unit that all training was completed during the calendar year.
- III.** Student loan repayment can be taken only if the amount is included in your adjusted gross income. Enter the repayment benefit made under 10 U.S.C. Chapters 109 and 1609 for **2016**. **You may be asked to provide the Required Supporting Documents:** Certification statement from armed services showing your name, address, Social Security Number, amount of student loan repayment, and payment date.

Line 35 Enter the amount you received in 2016 for Regular Railroad Retirement Benefits (Tier 1) and Supplemental Railroad Annuity Payments (Tier 2). This income is taxable at the Federal level, but exempt from Vermont income tax. If you receive Social Security that includes Tier 1 or Tier 2 benefits, enter only the portion included in your Federal adjusted gross income. **You may be asked to provide the Required Supporting Documents:** Copies of 1099, 1099RB, WP-4, or any other document you received showing payment of these benefits.

Line 36 The interest or income from a bond or note of: **(1)** Vermont Student Assistance Corporation (VSAC), **(2)** Build America, **(3)** Vermont Telecommunications Authority, or **(4)** Vermont Public Power Supply Authority is exempt from Vermont income tax to the extent the interest or income is included in Federal Adjusted Gross Income. Enter the amount of interest or income from these sources that is also included in your Federal Adjusted Gross Income.

Line 37 Add Lines 33 through 36 and enter result. This is the total amount of income not subject to Vermont income tax. No entry is needed on this line if you did not have entries on Lines 33 through 36.

Line 38 Subtract Line 37 from Line 32. This is the Vermont income subject to tax.

Line 39 Divide Line 38 by Line 32. Also enter on Form IN-111, Line 21.

Carry out to two decimal places. *Example:* XX.XX%

Dealing with negatives:

- If Line 32 or 33 is a negative, enter 100%
- If Line 38 is a negative, enter 0%
- If Lines 32 and 38 are a negative, enter 0%

Taxpayer Assistance

Call, email, or visit Taxpayer Services

Business hours: Mon-Fri, 7:45 a.m. - 4:30 p.m.

Phone: Mon, Tue, Thu, Fri, 802-828-2865 or 866-828-2865 (toll-free in Vermont)

Email: tax.individualincome@vermont.gov

Address: 133 State Street, Montpelier

NOTE: The Taxpayer Services Division does not take calls on Wednesdays in order to focus on processing returns. All other divisions are available by telephone.

2017 Due Dates

Form #	Form Description	Initial Due Date	Final Date Accepted <i>NOTE:</i> Penalties, interest, and late filing fees may accrue after initial due date.
IN-111	2016 Vermont Income Tax Return	April 18	
IN-151	Application for Extension of Time to File Form IN-111 VT Individual Income Tax Return	April 18	
PR-141	2016 Renter Rebate Claim	April 18	Oct. 16
HS-122	2017 Homestead Declaration	April 18	Oct. 16
HS-122	2017 Property Tax Adjustment Claim	April 18	Oct. 16

Taxpayer Advocate

The Vermont Department of Taxes offers free, confidential service when a taxpayer encounters difficulty resolving tax issues. The Taxpayer Advocate may be able to help if:

- You are experiencing extreme economic hardship from the Department's action, or
- It is taking more than 180 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date promised by the Vermont Department of Taxes

The Taxpayer Advocate will review your situation, help you understand what needs to be done to resolve it, and keep you updated on the progress of your situation. Please note that the Taxpayer Advocate cannot override the provisions of the law or represent taxpayers at Department hearings.

To contact the Taxpayer Advocate:

Telephone: 802-828-6848

Fax: 802-828-5873

Email: tax.taxpayeradvocate@vermont.gov

Mail: ATTN: Taxpayer Advocate

Vermont Department of Taxes

133 State Street

Montpelier, VT 05633-1401