SCHEDULE BI-472 Instructions

Non-Composite Schedule

For those Entities Filing Federal Form 1120S or 1065, Not Filing a Composite Return, and Having Vermont Nonresident Shareholder(s).

Please print in BLUE or BLACK ink only.

Do not complete this form if all shareholders are VT residents, or if business has elected or is required to file a composite return.

General Information

Schedule BI-472 is used to determine the amount of Vermont-sourced income distributed to shareholders of Subchapter S corporations, partners in partnerships, or members of LLCs who are not residents of Vermont, where the entity does not file a composite return. BI-472 is further used to determine the entity's tax liability related to that income. Per 32 V.S.A. § 5914 and § 5920, with respect to each of its nonresident shareholders, partners, or members, the entity shall, for each taxable period, be liable for all income taxes together with related interest and penalties imposed on the nonresident by Vermont. Payments are generally due quarterly, and are made with Form WH-435. See Technical Bulletin 06 for more details.

Schedule BI-472 and Schedules K-1VT are used to distribute non-resident estimated payments made with Form(s) WH-435. In order for shareholders, partners, or members to receive proper credit on their tax returns, these forms must be prepared completely and accurately. In accordance with statute, payments will be distributed in proportion to the shareholders', partners', or members' share of income.

Line-by-Line Instructions

Vermont has to design forms and schedules prior to IRS publication of forms. Please review the line description as well as references to federal form line numbers, as line numbers may differ from those referenced. In the event of conflict, use the line descriptions.

Header Information

Enter the business name and Federal Employer Identification Number (FEIN).

For each of the following (as applicable), enter an "X" in the box left of the line number to indicate a negative (or loss) amount.

NOTES: For Lines 1-5, include only items of income or loss that are part of the **apportionable** income base. Do not include items of income or loss that are directly allocated to Vermont or elsewhere. Income/loss **allocated** directly to Vermont will be reported on Lines 9-12. (For information regarding apportioned vs. allocated income, see Reg. § 1.5833.)

Vermont does not allow the special "bonus" depreciation provision of IRC 168(k). If the company has utilized bonus depreciation, all items should be recomputed to disregard the effects of the bonus depreciation.

Line 1 **Ordinary Business Income:** Enter the amount from Federal Form 1120S, Line 21, or Federal From 1065, Line 22, as applicable.

Line 2 **Net Real Estate Income:** Enter the amount from Federal Form 1120S, Schedule K, Line 2, or Federal From 1065, Schedule K, Line 2, as applicable.

Line 3 **Other Net Rental Income:** Enter the amount from Federal Form 1120S, Schedule K, Line 3, or Federal From 1065, Schedule K, Line 3, as applicable.

Line 4 **Guaranteed Payments (Partnerships only):** If this entity is a partnership, enter the amount from Federal Form 1065, Line 10/Schedule K, Line 4.

Line 5	**Section 179 Deduction:** Enter the amount from Federal Form 1120S, Schedule K, Line 11, or Federal From 1065, Schedule K, Line 12, as applicable.
Line 6	**Apportionable income:** Add Lines 1-4, then subtract Line 5.
Line 7	**Apportionment percentage:** Enter the amount from BA-402, Line 22, or 100%. Express as a percentage with 6 digits to the right of the decimal.
Line 8	**Business Income apportioned to Vermont:** Multiply Line 6 by Line 7.
Line 9	**Income directly allocable to Vermont generated by this entity:** Enter the amount of income directly allocable to Vermont generated by this entity - for example, capital gain on real estate and physical assets located in Vermont, royalties on property located in Vermont, etc. **Composite income deduction:** Also, if **(1)** this entity is a shareholder, partner, or member of a different pass-through business, and **(2)** that business filed a composite return and paid tax on income that flows through to this business, but **(3)** this business is required to file an income tax return due to other Vermont income or activity, then: in order to avoid double taxation of the composite-taxed income, use this line to deduct the income upon which composite tax was paid. Enter as a negative number. Include a statement with the name(s), FEIN(s), and amount(s) of income and tax paid on this company's behalf.
Line 10	**Vermont business income distributed to this entity by a different entity via Schedule K-1VT:** Enter the amount of Vermont business income distributed to this entity by a different entity via Schedule K-1VT. Include a statement with the name(s), FEIN(s), and amount(s).
Line 11	**Vermont sourced capital gain distributed to this entity by a different entity via Schedule K-1VT:** Enter the amount of Vermont sourced capital gain distributed to this entity by a different entity via Schedule K-1VT. Include a statement with the name(s), FEIN(s), and amount(s).
Line 12	**Other Vermont sourced income distributed to this entity by a different entity via Schedule K-1VT:** Enter the amount of other Vermont sourced income distributed to this entity by a different entity via Schedule K-1VT. Include a statement with the name(s), FEIN(s), and amount(s).
Line 13	**Total Vermont Net Income:** Add Lines 8-12.
Line 14	**Percentage of income from Line 13 passed through to nonresidents:** Enter the percent of VT-source income or loss passed through to non-Vermont-resident shareholders, partners, or members. "Various" is not a valid entry. While the proportion of ownership may have changed over the year, an exact amount of income would have been reported to nonresidents. You may need to "back into" this number from Line 15. Express as a percentage with 6 digits right of the decimal. See also Line 15 note.
Line 15	**Total income passed through to nonresidents:** Multiply Line 13 by Line 14. This is the basis amount for required estimated payments for non-residents. The current rate is 6.8%. ***NOTE:*** If any owners are exempt entities not subject to income taxation, or if some or all of the income is exempt from taxation (such as an ESOP or nonprofit to which this income is not characterized as unrelated business income), exclude the amount of exempt income from Line 15. Provide a statement of the name(s), FEIN(s), percentage(s) and amount(s) of income, and description of why or authority by which they are exempt from income taxation.
Line 16	**Nonresident estimated payment requirement:** Multiply Line 15 by 6.8%. This is the amount of non-resident estimated payments that should have been made quarterly with Form WH-435. Enter here and on Form BI-471, Line 2. If total Form WH-435 payments (including "catch-up" payments) are less than 6.8% of the amount on Line 15, the company will be subject to assessment for the underpayment, interest, and penalty.

For assistance, call (802) 828-5723.