

FORM E2A Instructions

Estate Tax Information and Application for Tax Clearances

General Information

Please print in BLUE or BLACK ink only.

This application must be filed with the Vermont Department of Taxes before the necessary Vermont clearance can be issued. An administrator, executor, or trustee will not be discharged or relieved from bond until any/all required taxes are paid to the commissioner of taxes. A final account of an administrator, executor, or trustee will not be allowed until the account shows and the judge of probate finds that all income taxes and estate taxes have been paid.

This application is also used to obtain tax clearance on a trust that is in probate court. In this case, instead of listing the “Decedent’s” name, list the name of the trust with the trust’s FEIN in place of the “Decedent’s SSN.” The trustee’s name and address go in the “Administrator/Executor/Trustee Information” box. Question 1 must be answered and the only other part necessary to complete is Section B, VERMONT FIDUCIARY TAX.

Section A

Every individual who **1)** is required to file a federal return AND **2)** earned or received more than \$100 of Vermont income or received gross income of \$1,000 from the sources listed in Vermont law at 32 V.S.A. § 5823(b)(1), must file a Vermont return. If a Vermont income tax return is to be filed on behalf of the decedent for the year of death, the Department must have this return on file before the tax clearance can be issued. An exception will be made if a joint return is to be filed. Please enter the spouse’s Social Security Number in the space provided on the application.

Section B

If you are required to file federal Form 1041, U.S. Income Tax Return for Estates and Trusts (the estate received any taxable income for the year, gross income of \$600 or more, or a beneficiary is a nonresident alien), then you must also file Form FIT-161, Vermont Fiduciary Return of Income, with a copy of the filed federal Form 1041. The final federal fiduciary return normally distributes income, net of expenses, to the beneficiaries via the federal Schedule K-1, Beneficiary’s Share of Income, Deductions, Credits, etc., resulting in no federal or Vermont taxes. Please mark the last return “FINAL.” All required Vermont fiduciary tax returns (except the final) must be filed before the tax clearance can be issued.

Section C

If you are required to file federal Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, then you must also file Form EST-191, Vermont Estate Tax Return. A copy of the federal estate tax closing letter and/or line adjustments must also be filed before a Vermont tax clearance will be issued.

If the **gross value** of the decedent's assets (including assets located in Vermont and located in other states) at time of death are **more than** shown in the chart below (including adjusted taxable gifts made by the decedent), a Vermont estate tax return must be filed even if no federal estate tax return is required to be filed.

For deaths occurring		Gross value of decedent's assets
On or after	Through	
Jan. 1, 2009	Dec. 31, 2010	\$2,000,000
Jan. 1, 2011	Dec. 31, 2019	\$2,750,000
Jan. 1, 2020	Dec. 31, 2020	\$4,250,000
Jan. 1, 2021	- - -	\$5,000,000

For deaths occurring after Dec. 31, 2008, and when the decedent uses a marital or other deduction to reduce the taxable value of the estate from an amount that would otherwise be subject to Vermont estate tax: Submit the first page of the federal Form 706 and Schedule M even if no Vermont or federal estate tax is due.

The return and instructions are available on our web site www.tax.vermont.gov or call the Department at (802) 828-6820.

The Vermont Department of Taxes will not issue the tax clearance until tax returns are filed and taxes paid, or a copy of this application is filed verifying that no taxes are due.