

Renter Credit Program

Important Information for Renters

For more information, visit our website at tax.vermont.gov

Questions?

Call the Department of Taxes at (802) 828-2865 or email us at tax.individualincome@vermont.gov



IMPORTANT CHANGES FOR RENTERS

The Vermont legislature made substantial changes to the Renter Rebate program in Act 160 of 2020. These changes will take effect in the 2021 tax year, impacting claims filed during the 2022 income tax filing season. Here are a few important changes to the program that renters should know about.

FREQUENTLY ASKED QUESTIONS

What's the new name?

The name of the tax credit has changed from “Renter Rebate” to “Renter Credit.”

Do I have to live in Vermont the whole year?

You still must live in Vermont the whole year to get the credit, but you don't have to rent for all twelve months anymore. The new credit is available to anyone who rented at least six months, and the six months don't need to be consecutive. If you rented for less than the full year, the credit will be scaled based on the number of months you rented. For example, renting for nine months would entitle you to 75% of the full year credit amount.

What happens if I share my apartment with somebody?

Under the old Renter Rebate program, only one claim was allowed per rental unit. This meant that unrelated renters had to share personal income information with each other. That's not the case anymore. Under the new credit, non-married adults who live together can each claim the credit independently but the credit that each of them will receive will be scaled down by 50% to reflect that they are in a shared living situation. Non-married adults who live together will no longer have to share personal income information with others in their rental unit and will not have to split up or share the credit they receive.

Do I still have to fill out the household income form?

There won't be a separate household income form anymore. Instead, claimants will complete a shorter and simpler income section on the credit application.

What are the income eligibility limits?

The income limits for the program are much different than they used to be. Previously, the income limit was \$47,000 regardless of your family size or where you lived. The new limits are 50% of the county median income by family size as determined by the Department of Housing

FREQUENTLY ASKED QUESTIONS CONTINUED

and Urban Development (HUD). The income limits in the new program will grow each year with inflation while the old income limit of \$47,000 hadn't changed for twenty years.

Are there “benefit cliffs” in the new program?

The old program had what are known as “cliffs” in the calculation – places where your credit would drastically change if your income was just one dollar more. The new program does not. If you are under HUD's extremely low-income limit (25% of median income) based on county and family size you get the full credit amount, and there's a smooth credit phaseout between that income level and the eligibility limit.

How is my credit calculated?

The credit amount in the new program is 10% of the fair market rent for an apartment of your family size in your county. For example, if you are two people living in Middlebury, you will get a credit based on a two-bedroom apartment in Addison County, which HUD calculates as \$12,700 per year, generating a credit of \$1,270.

Is there a way for me to estimate what my Renter Credit will be?

Yes, the Tax Department has created a calculator that will let you estimate the amount of your credit.

Do I still need to get a landlord certificate?

No, you don't need to ask your landlord for a certificate. Your landlord will submit a certificate directly to the Tax Department containing all the necessary information for each building and unit they own (i.e., the address of each building as well as the names of renters and their unit number).

Do I need to know the School Property Account Number (SPAN) for my address?

Yes, the Renter Credit Application will ask you to include the correct SPAN. The Tax Department will provide a tool to help you find the correct SPAN for your address.

What do I need to do if I receive subsidies, including federal aid, to help pay the rent?

For renters who receive subsidies, your credit will be based on actual rent paid. Your landlord will submit information to the Department and the Department will calculate your credit for you. Housing aid received through programs from the CARES Act or the American Rescue Plan Act are considered subsidies for this program.

WHAT YOU WILL NEED FOR TAX YEAR 2021

- *New [Form RCC-146](#).
[Renter Credit Claim](#)
- School Property Account Number (SPAN)
- File by April 15 or October 15

RESOURCES

Renter Credit Program Overview

tax.vermont.gov/individuals/renter-credit

School Property Account Number (SPAN) Search Tool

tax.vermont.gov/span-finder

Renter Credit Calculator

tax.vermont.gov/individuals/renter-credit/estimate

Renter Credit Program Income Eligibility Limits

tax.vermont.gov/individuals/renter-credit/income-eligibility-limits

CONTACT US

If you have questions, contact the Department's Individual Income Tax Section at tax.individualincome@vermont.gov or call (802) 828-2865.