

Vermont Tax Information for Owners of Housing Subject to a Housing Subsidy Covenant

This fact sheet presents Vermont tax information related to properties meeting both of the following conditions: 1) Subject to a housing subsidy covenant and 2) Occupied by the owner. Topics covered include the tax form that all owners of these properties must file annually, the Homestead Declaration, Form HS-122, Section A; other optional forms, including the Property Tax Credit Claim, Form HS-122, Section B; and understanding your property tax bill.

TIP: Be sure to gather in advance all the information you need to fill out the forms you will be filing.

Filing the Vermont Homestead Declaration, Form HS-122, Section A

By Vermont law, property owners whose homes meet the definition of a Vermont “homestead” must file Vermont Form HS-122, Homestead Declaration, Section A, annually by the April due date (April 15 in 2020). Your property may be claimed as a “homestead” if you meet, or expect to meet, the following requirements:

- You are a Vermont resident
- You own and occupy a homestead as your domicile* as of April 1, 2020

Note: If you meet these requirements, except that your homestead is leased to a tenant on April 1, 2020, you may still claim it as a homestead if it is not leased for more than 182 days in the 2020 calendar year.

**Domicile is a legal concept that has implications for Vermont income tax, the statewide education tax, and property tax credits. For the full definition of “domicile,” see Vermont Reg. § 1.5811(11) (A)(i).*

Owners of housing subject to a housing subsidy covenant should have available the following information when filing the Homestead Declaration, per the appropriate lines as shown below:

- [A] The property owner’s (Claimant’s) Social Security Number
- [B] The property’s School Parcel Account Number (SPAN) from your property tax bill

| Annual Vermont Homestead Declaration | | | | |
|--|------------|----------|--|--|
| <p>SECTION A. This form must be filed each year by every Vermont resident whose property meets the definition of a homestead. A Vermont homestead is the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual’s domicile on April 1, 2020. If your homestead is leased to a tenant on April 1, 2020, you may still claim it as a homestead if it is not leased for more than 182 days in the 2020 calendar year.</p> | | | | |
| Please PRINT in BLUE or BLACK INK | | | | |
| Claimant's Last Name | First Name | MI | Claimant's Social Security Number | |
| Spouse's/CU Partner's Last Name | First Name | MI | Spouse's or CU Partner's Social Security Number | |
| Mailing Address (Number and Street/Road or PO Box) | | | Claimant's Date of Birth (MMDDYYYY) / / | |
| City | State | ZIP Code | SPAN - REQUIRED (From the 2019/2020 property tax bill) | |
| Location of Homestead (Use a number, street/road name. Do not use a PO Box or "same.") | | | City/Town of Legal Residence on April 1, 2020 & State | |
| <p>Federal Filing Status <input type="checkbox"/> Single <input type="checkbox"/> Married/CU Filing Jointly <input type="checkbox"/> Married/CU Filing Separately <input type="checkbox"/> Head of Household</p> | | | | |

[A]
[B]

Disclaimer: The information provided here is intended to be an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information presented here.

Filing a Property Tax Credit Claim, Form HS-122, Section B

The Vermont Property Tax Credit assists Vermont homeowners, whose household income is approximately \$138,250 or less in 2019, in paying their property tax. In order to file a property tax credit claim, you must meet **ALL** of the following eligibility requirements:

- Your property qualifies as a homestead, and you have filed a Homestead Declaration for the 2020 grand list.
- You were domiciled* in Vermont for the entire 2019 calendar year (*see note on previous page).
- You were not claimed as a dependent of another taxpayer for 2019.
- You have the property as your homestead as of April 1, 2020.
- You meet the “household income” criteria (\$138,250 or less for calendar year 2019). Note that household income is not the same as federal taxable income. It includes all income, taxable and nontaxable, of everyone residing in the household at any time during the year. Be prepared to enter

this information on Schedule HI-144, Household Income.

If you are eligible to file a claim, use Form HS-122, Section B. Be sure to answer the eligibility questions on the form and have available the following information per the appropriate lines on the screen shot below:

- [B4]** Housesite Value— from your 2019/2020 property tax bill
- [B5]** Housesite Education Tax— from your 2019/2020 property tax bill
- [B6]** Housesite Municipal Tax— from your 2019/2020 property tax bill
- [B7]** Ownership Interest— from your property tax bill
- [B8]** Household Income, Schedule HI-144— include this schedule when you file
- [B11]** Allocated Education Tax— when applicable, it’s provided by your housing trust
- [B12]** Allocated Municipal Tax— when applicable, it’s provided by your housing trust

| SECTION B. PROPERTY TAX CREDIT CLAIM | |
|--|--|
| For Household Income up to \$138,250. Complete and attach Schedule HI-144. | |
| To qualify, you must meet the requirements for filing a homestead declaration in addition to the following requirements. ALL eligibility questions must be answered. | |
| B1. Were you domiciled in Vermont all of calendar year 2019? | <input type="checkbox"/> Yes, Go to Line B2. <input type="checkbox"/> No, STOP. |
| B2. Were you claimed as a dependent in 2019 by another taxpayer? | <input type="checkbox"/> Yes, STOP. <input type="checkbox"/> No, Go to Line B3. |
| B3. Do you anticipate selling this Vermont housesite on or before April 1, 2020? | <input type="checkbox"/> Yes, STOP. <input type="checkbox"/> No, Continue |
| Amounts for Lines B4-B6 are found on the 2019/2020 property tax bill. Round amounts to the nearest dollar. | |
| B4. Housesite Value | B4. _____ .00 |
| B5. Housesite Education Tax | B5. _____ .00 |
| B6. Housesite Municipal Tax | B6. _____ .00 |
| B7. Ownership Interest | B7. _____ % |
| B8. Household Income (Schedule HI-144, Line z). You MUST attach Schedule HI-144 | B8. _____ .00 <input type="checkbox"/> Check here if amended Schedule HI-144, Household Income, is included. |
| Complete the following ONLY if applicable . See instructions for details. | |
| Lot Rent | |
| B9. E-file Certificate Number (From Form LC-142) | B9. _____ - |
| B10. Mobile Home Lot Rent (Allocable Rent from Form LC-142 - include Form LC-142 with claim.) | B10. _____ .00 |
| OR Allocated Property Tax from Land Trust, Cooperative, or Nonprofit Mobile Home Park | |
| B11. Allocated Education Tax | B11. _____ .00 |
| B12. Allocated Municipal Tax | B12. _____ .00 |
| OR Property Tax from contiguous property if housesite has less than 2 acres (see instructions.) | |
| B13. Contiguous property Education Tax | B13. _____ .00 |
| B14. Contiguous property Municipal Tax | B14. _____ .00 |
| MAXIMUM CREDIT AMOUNT IS \$8,000. | |

Understanding Your Property Tax Bill

Your property tax bill will change from year to year. There are many factors that are used to determine property tax, including the following:

- Your municipality's education tax rate(s) will increase or decrease due to a number of factors such as changes to your school district's spending (spending per equalized pupil), base rate, and the municipality's Common Level of Appraisal (CLA).
- If you qualify, or previously qualified, for a property tax credit, your tax bill may change because of changes to your household income from year to year.
- If you file your Homestead Declaration after the April due date, you may be charged a penalty, and possibly a higher tax rate, by the town. Penalties will be indicated on your property tax bill.
- Owner-occupied housing that is subject to a housing subsidy covenant must be valued at 60-70% of the fair market value. 32 V.S.A. § 3481 (1)(C).

Subdivision (1)(C) effective Jan. 1, 2015:

(C) For owner-occupied housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. §

610, imposed by a governmental, quasi-governmental, or public purpose entity, that limits the price for which the property may be sold, the housing subsidy covenant shall be deemed to cause a material decrease in the value of the owner-occupied housing, and the appraisal value means not less than 60 and not more than 70 percent of what the fair market value of the property would be if it were not subject to the housing subsidy covenant. Every five years, starting in 2019, the Commissioner of Taxes, in consultation with the Vermont Housing Conservation Board, shall report to the General Assembly on whether the percentage of appraised value used in this subdivision should be altered, and the reasons for his or her determination.

For More Information

Contact the lister in your town for further explanation about your property tax bill.

For further assistance with filing the Homestead Declaration and a Property Tax Credit Claim, contact the Taxpayer Services Division at (802) 828-2865 or toll-free at (866) 828-2865.

Need more information? Visit tax.vermont.gov

**Want to e-file your Homestead Declaration and Property Tax Credit?
Visit myVTax.vermont.gov**

