

It's just a reminder that you're receiving this email because you have expressed an interest in Vermont Department of Taxes. Don't forget to add lynette.kemp@vermont.gov to your address book so we'll be sure to land in your inbox!

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Vermont Tax Update

January 2017

This Winter there are exciting new changes at the Tax Department. We always want to make filing taxes easier, and in December we rolled out some great new personal income tax features in [myVTax](#). Read more about that below.

Our [website](#) has been updated to include information about what [myVTax](#) can do for both practitioners and taxpayers.

Important Announcements

2017 Filing Season Updates

Filing season starts on January 23, when the IRS begins accepting tax returns. Identity theft and refund fraud continue to be on the rise. We are taking important steps to help detect and prevent refund fraud. The Vermont Tax Department has partnered with the IRS, other state tax agencies, companies and trade associations to establish stronger security measures. There has been particular focus in filing online, including validation of identity and return information at the time of filing. Our new online system, [myVTax](#), offers additional tools to help ensure that you and only you receive your refund. Please be advised that after you submit your return, you may receive a letter from us requesting additional information.

We are also taking steps to provide protection of your tax dollars. Here are some things you can expect to see when you file your taxes this year:

- **Driver's License Information**

The State of Vermont is requesting additional information this filing season in an effort to combat stolen-identity tax fraud. Please provide the requested information from your driver's license or state-issued identification card. **This is a required field when filing your return this year.** If you don't have a driver's license or state-issued identification card, you can check the box indicating that you do not have one. If you have a preparer file your return, be sure they have your driver's license number, including state and date of issue, and expiration date.

- **Refund Expectation**

Taxpayers should be aware that our measures to combat personal income tax fraud for the 2017 tax filing season may cause delays in refunds. The Department will begin processing returns the first week of February, however we may hold some returns until we receive W-2 withholding reports from employers, which are due on Jan. 31. Curious to know the status of your refund? After you file your return, you can find out the status by visiting [myVTax](#).

- **Return Verification Letters and Paper Checks**

Over the last few years, the Department might have issued you a paper check, even if you selected to receive your refund by direct deposit or prepaid debit card. This protection helped the Department avoid sending your money to an account or debit card that wasn't under your control. However, with our IT system, we will now be sending return verification letters instead of automatically flipping your request to a paper check. This letter asks for you to go to [myVTax](#) and enter in the PIN included on the letter. This will verify your request and allow us to proceed with processing your refund.

- **New Features - Making Filing Easier**

The Department continues to make improvements to make filing easier for all taxpayers. As a result, this year folks can file their renter rebate claim online! This can be done through your tax software or directly on [myVTax](#).

- **Landlord Certificate Now Required by Jan. 31**

Starting this year, Form LC-142, the Landlord's Certificate, must be filed with both the Department of Taxes and tenants by Jan. 31. If filing on paper, give the original to the tenant and send a copy to the Department. Form LC-142 is not available for download. See the [Form Request](#) page on our website about having it mailed or faxed. When filing on [myVTax](#), the Department will automatically get a copy. Simply print out or email the tenant's copy. Use of [myVTax](#) is easy and free.

Take a Minute! Fraud Talk

Although warnings about fraud are all over the media, and the Department regularly sends out alerts on our website, social media, and other communications, people are still losing their money to fraud. Please take a minute to think about calls from criminals who pretend to be...

- a utility company, such as [Green Mountain Power](#), the IRS, or the Vermont Department of Taxes, demanding immediate payment
- the IRS, sending [fake CP2000](#) (discrepancy notice from the IRS) bills
- a grandchild [requesting money](#)
- a computer company, such as [Microsoft](#), in order to gain access to your computer to conduct an "update."

These are just a few of the scams that we know about that are tricking people into giving up their personal information or money. Please tell your friends and family, especially if they are elderly or vulnerable, to be always vigilant and never respond to calls, emails, or letters that appear suspicious and/or use aggressive tactics. One suggestion to fight fraud is to use the telephone caller ID function to screen out scam calls--scammers don't usually leave messages with phone numbers.

Remember that the IRS will never call to demand payment using a specific payment method such as a pre-paid debit card, gift card, or wire transfer, nor ask for credit card numbers over the phone. The IRS will generally mail you a bill first if you owe any taxes. You always have the ability to question or appeal the amount the IRS says you owe.

Don't Wait to File

The IRS and the Vermont Department of Taxes remind you that the earlier you file your 2016 returns, the less likely a criminal--armed with your personal information--can file your return first and claim your refund.

What's New on our Website

Resources

[myVTax Videos and Guides](#) and [Fact Sheets](#) on a variety of how-to topics are now available. Check back often as we will be adding more as they become available.

myVTax: New Features

On [myVTax](#), individual taxpayers can now e-file Homestead Declaration, Property Transfer Tax, Landlord Certificate, Renter Rebate Claim, Household Income, Land Gains Tax, and check on the status of a return. Go to [myVTax services and features](#) for a complete list.

Individual taxpayers can register for a myVTax account and add a tax practitioner. There are two ways to do this:

- Taxpayer uses myVTax to [authorize access](#), or
- Tax practitioner can [request access](#) by submitting a form

Reminders

IRS and Vermont Free File

Taxpayers whose Adjusted Gross Income (AGI) is \$64,000 or less can take advantage of the [IRS Free File](#) program using commercial tax filing software. If your AGI is above \$64,000 you can still free file using the IRS Free Fill Fillable Forms.

Some--but not all--commercial software programs have Vermont forms too. Many Vermonters qualify to e-file for free through Vermont Free File, but do not take advantage of it. To see if you qualify, visit [Vermont Free File](#).

Free Tax Preparation for Eligible Vermonters

The [IRS](#) and [AARP](#) sponsor free tax assistance for [eligible Vermonters](#). All volunteers receive training from the IRS and the Vermont Department of Taxes. Assistance is available to prepare and file the following:

- Federal Income Tax Return
- Vermont State Income Tax Return
- Homestead Declaration and Property Tax Adjustment Claim
- Household Income Schedule/Renter Rebate Claim

Vermont Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) is a benefit for working people with low to moderate incomes. To qualify, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file. EITC reduces the amount of tax you owe and may give you a refund. If you qualify for the [federal EITC](#), then you are eligible for the [Vermont EITC](#).

Be Sure to Use Updated Forms

All of the forms and instructions you need to file tax returns for tax year 2016 are available on our [website](#). These forms are available as a fillable PDF to [download](#) and complete on your computer and mail in for easier processing. It's very important that everyone downloads and files the most recent version of our tax forms. Be sure to check our website for the correct version of each form when you're filing taxes. Anyone who requires a paper copy of a form or booklet may order online.

Making Estimated Payments with the Correct Voucher is Now Easier

The easiest way to make estimated payments is using an ACH debit transaction via our [myVTax](#) site. If you file using paper, be sure to enclose the Estimated Tax Payment Voucher, [IN-114](#), with the check. This ensures accurate application of the check to the account.

Donation Options on Your Vermont Income Tax Return

You can use your tax refund or payment to support four Vermont organizations. Read about the Vermont Children's Trust Fund, Vermont Veterans Fund, Green Up Vermont, and the Vermont Nongame Wildlife Fund on our [website](#). Enter the amount of your gift on Form IN-111, Vermont Income Tax Return, Line 29. You may contribute to more than one organization.



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