

FORM LGT-179 Instructions

Vermont Land Gains Schedules

Must be attached to the Vermont Land Gains Tax Return Form LGT-178

Line-by-Line Instructions

Section A

Do not complete if this is a transfer of land only or if Form LGT-178, Line I1 shows no gain or a loss.

Line A1 Enter the value of the land only. You may allocate the gain between land and buildings using one of the following 3 methods.

1. **The statewide percentages defined in Technical Bulletin 34 (TB-34). If you will use the percentages, skip to the instructions for Line A3.**
2. The municipal listers card - Divide the listed value of the land plus improvements (e.g.; septic system or well) by the total listed value of the land improvements and buildings. Enter the result on this line and attach a copy of the Listers card and your computation.
3. An appraisal done by a qualified USPAP qualified appraiser. Enter the value given for the land only on this line, and attach a copy of the appraisal.

If you do not wish to use Section A to allocate the value of the land only, you may allocate the amount realized between building and land. See Technical Bulletin 34 for more information on how to use this method.

Line A2 Enter the value paid or transferred from Form LGT-178, Line G1 on this line

Line A3 If you WILL use the statewide percentages from TB-34 (copied below), choose the description that best defines the property being transferred and enter the percentage assigned to that property description on this line. If you will NOT use the statewide percentages, divide Line A1 by Line A2 and enter the result as a percentage on this line.

STATEWIDE PERCENTAGES FROM TB-34 FOR USE ON LINE A3

1. City of Burlington & South Burlington 35%
2. Condominiums & timesharing intervals (statewide) 10%
3. Lakeshore lot with average camp 45%
4. Other (Statewide except Burlington & South Burlington)
 - A. up to 1.9 acres 25%
 - B. 2 acres to 10.9 acres 30%
 - C. 11 acres to 25 acres 35%

Line A4 Enter the total realized gain from Form LGT-178, Line I1 on this line.

Line A5 Multiply the percentage on Line A3 by the value entered on Line A4 and enter the result on this line. Then if an exemption was NOT claimed on Form LGT-178, Line E1, also enter this value on Form LGT-178, Line I3. If an exemption WAS claimed on Form LGT-178, Line E1, you must go on to complete Section F of this schedule.

Section B	Selling Expenses
Line B1	Enter the value of any legal expenses associated with the transfer of this property.
Line B2	Enter the value of any commission associated with the transfer of this property.
Line B3	Enter the value of any advertising expenses associated with the transfer of this property.
Line B4	Enter the value of any other allowed expenses associated with the transfer of this property. NOTE: You must also enter a description of what the cost is associated with.
Line B5	Add Lines B1-B4 and enter the result on this line and also on Form LGT-178, Line G4.
Section C	Cost of Land (used for the cost of acquiring land only)
Line C1	Enter the value paid or transferred by the seller for the land only when they acquired the property.
Line C2	Enter the cost of any land improvements (ex: sewer, water, etc.) paid for by the seller while they owned this property. If you enter a value here you MUST attach a list with a description of each project separately and the cost for each listed separately.
Line C3	Enter the amount of Property Transfer Tax paid by the seller at the time when they purchased the property (if applicable).
Line C4	Enter the amount of all legal fees paid by the seller at the time of purchase.
Line C5	Enter the value of any other allowed costs associated with this land. NOTE: You must also enter a description of what the cost is associated with.
Line C6	Add Lines C1-C5 and enter the result on this line and also on Form LGT-178, Line H1.
Section D	Cost of Structures (used for the cost of structures only)
Line D1	Enter the cost the seller paid for acquiring any structures, plus the cost of any subsequent capital improvements to the structures paid by the seller while they owned this property. Do not include any personal property, such as furniture or any non-capital expenses such as taxes and/or interest unless capitalized under IRC § 266.
Lines D2 – D4	Enter the value of any other allowed costs associated with the structures. NOTE: You must also enter a description of what the cost is associated with.
Line D5	Add Lines D1-D4 enter the result on this line and on Form LGT-178, Line H2.
Section E	FOR INSTALLMENT SALES ONLY
	To qualify as an installment sale, the land must have been held by the seller for at least one year the total land gains due must exceed \$2,000; and payments must be made directly to the seller by the buyer in installments after the date of closing. A sale financed by a mortgage, deed of trust, or other financing arrangement in which the seller is paid in full at the closing is not an installment sale.
Line E1	Enter the amount of the principal payment to be given to the Seller by the Buyer and attach a copy of the promissory note or other documentation showing the dates and amounts of this and all subsequent payments to be made. NOTE: When subsequent payments are made to the seller by the buyer after this return has been filed, the seller must complete Form LGT-174 and pay any amount of tax due at the time of each payment.
Line E2	Enter the total value to be paid or transferred from Form LGT-178, Line G1 on this line.

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- Line E3** Divide Line E1 by Line E2 and enter the result on this line as a percentage.
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- Line E4** Enter the amount of tax due shown on Form LGT-178, Line I5.
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- Line E5** Multiply Line E3 by Line E4 and enter the result here and pay this amount for your initial payment of tax due. **NOTE:** Remember, when subsequent payments are made to the seller by the buyer after this return has been filed, the seller must complete Form LGT-174 and pay any amount of tax due at the time of each payment.
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Section F

Complete this section ONLY if an exemption was claimed on Form LGT-178, Line E1

- Line F1** Enter the total number of acres transferred.
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- Line F2** Enter the total number of acres transferred that are allowed by the exemption claimed, up to the maximum number of acres that the exemption allows. In general, no more than ten acres of land qualify for the purchaser's or seller's principal residence exemption or the builder's exemption. However, if local zoning requires more than ten acres for residential property, the minimum acreage specified in the ordinance may be exempted, up to a maximum of 25 acres. There is no limit on the number of acres exempted by the Agricultural Exemption A (Exemption 04). Agricultural Exemption B (Exemption 05) is limited to 25 acres.
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- Line F3** Enter the percentage of the area used for exempt purposes as defined in the exemption claimed on Form LGT-178, Line E1. If the entire property is used for exempt purposes, enter 100%. If the property is used in part for nonexempt purposes, enter the percentage of area used for exempt purposes.
- If the property is used only for exempt purposes and the entire acreage qualified for exemption and you were not required to complete Section A of this schedule, you are not required to complete Lines F4-F6. Skip to Line F7 and enter -0-.
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- Line F4** If only part of the property is exempt, multiply Line F2 by Line F3 and enter the result here.
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- Line F5** To determine the non-exempt portion of the property, subtract Line F4 from Line F1 and enter the result here.
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- Line F6** To determine the percentage of gain from the non-exempt acres, divide Line F5 by Line F1 and enter the result here as a percentage.
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- Line F7** If the transfer DID include a building, multiply Line F6 by Line A5 and enter the result on this line and on Form LGT-178, Line I3. If the transfer DID NOT include a building, multiply Line F6 by the value shown on Form LGT-178, Line I1 and enter the result here and on Form LGT-178, Line I3.
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NOTE: Residents, Part-Year Residents, and Nonresidents - If the sale of property resulted in a gain which was included in your Federal Adjusted Gross Income, a Vermont Income Tax Return must be filed and income tax paid on that gain. If the seller was a nonresident at the time of the sale, the buyer must withhold 2.5% of the consideration paid for the transfer and remit it with Form REW-171 within 30 days of the transfer. If the buyer fails to withhold this amount, the buyer will be personally liable for the amount required to be withheld. See instructions on Form REW-171 or Form PTT-172 (formerly PT-172).
