

VT Form <b>RW-171</b>	<b>VERMONT WITHHOLDING TAX RETURN                  FOR TRANSFER OF REAL PROPERTY</b>
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**TO BE COMPLETED BY THE BUYER OR OTHER TRANSFEREE REQUIRED TO WITHHOLD**

**FILE THIS RETURN AND ALL SCHEDULE A's WITH THE  
 VERMONT DEPARTMENT OF TAXES, 133 STATE STREET, MONTPELIER, VERMONT 05633**

PLEASE TYPE OR PRINT CLEARLY. USE BLUE OR BLACK INK ONLY.

1. Name of Withholding Agent (Buyer or other transferee)		2. Social Security Number / Federal I.D. Number	
3. Address (Number and Street)			
4. City, State, and ZIP Code			
5. Name of Withholding Agent (Buyer or other transferee)		6. Social Security Number / Federal I.D. Number	
7. Address (Number and Street)			
8. City, State, and ZIP Code			
9. Location and Description of Property			10. Date Property Acquired by Seller (MMDDYYYY)
11. Date of Transfer (MMDDYYYY)	12. Total Consideration Paid	13. Rate of Real Estate Withholding (REW) <input type="checkbox"/> (A) 2.5% OF SALES PRICE <input type="checkbox"/> (B) LESS THAN 2.5%. <i>Attach withholding certificate and enter certificate number</i> <input style="width: 80px;" type="text"/>	14. Amount Withheld

**15. NUMBER OF SCHEDULE A's FILLED OUT FOR THIS PROPERTY TRANSFER**

(A separate Schedule A is required for each individual or entity receiving proceeds from the transfer.)

PLEASE REMEMBER TO ATTACH ALL SCHEDULE A's FROM LINE 15 TO THIS FORM FOR PROPER SELLER REW CREDIT. FORM WILL BE RETURNED UNLESS ALL REQUIRED SCHEDULE A'S ARE COMPLETED AND ATTACHED.

MAKE CHECK PAYABLE TO: **VERMONT DEPARTMENT OF TAXES**

**I hereby certify that this return and attached Schedule A's are true, correct and complete to the best of my knowledge. If prepared by a person other than the taxpayer, this declaration further provides that under 32 V.S.A. § 5901 this information has not been and will not be used for any other purpose or made available to any person other than for the preparation of this return unless a separate valid consent form is signed by the taxpayer and retained by the preparer.**

\_\_\_\_\_  
 Signature of buyer Date Daytime Telephone Number

\_\_\_\_\_  
 Signature of buyer Date Daytime Telephone Number

\_\_\_\_\_  
 Signature of preparer if other than buyer Date Telephone Number

\_\_\_\_\_  
 Address of preparer

# VERMONT WITHHOLDING TAX RETURN FOR TRANSFER OF REAL PROPERTY (Form RW-171)

## GENERAL INFORMATION

**PURPOSE OF FORM** - A 2.5% withholding obligation is imposed on the buyer or other transferee (referred to herein as “buyer”) when Vermont real property is acquired from a nonresident of Vermont. The buyer must withhold 2.5% of the consideration paid for the property. If the buyer fails to withhold, the buyer will be personally liable for the amount required to be withheld.

**WHO MUST FILE** - A buyer of a Vermont real property interest, including a corporation, limited liability company, partnership or fiduciary that is required to withhold tax, must file Form RW-171. If two or more persons are joint buyers, each of them is obligated to withhold. However, the obligation of each will be met if one of the joint buyers withholds and transmits the required amount to the Commissioner of Taxes.

A nonresident individual is one who is domiciled outside the state at the time of closing. A partnership, limited liability company or a subchapter S corporation is deemed to be a nonresident of Vermont if the controlling interest is held by nonresidents. A corporation (other than a subchapter S corporation) that was incorporated outside Vermont is a nonresident unless it has its principal place of business in Vermont and does no business in the state of incorporation.

**WHEN TO FILE** - A buyer must report and transmit the tax withheld to the Commissioner of Taxes within 30 days after the date of transfer.

**WHERE TO FILE** - File Form RW-171 directly with the Commissioner of Taxes, Vermont Department of Taxes, 133 State Street, Montpelier, VT 05633. Do not file this return with the town clerk.

**EXEMPTIONS** - The buyer is not required to withhold or file this return if one of the following applies:

1. At the time of the transfer, the seller certifies to the buyer on the Property Transfer Tax Return, under penalty of perjury, the transferor’s social security number and the fact that each seller is a Vermont resident or an estate.
2. The buyer or seller has obtained a certificate from the Commissioner of Taxes in advance of the sale, stating that no income tax is due or that the parties have provided adequate security to cover the liability.
3. The buyer certifies on the Property Transfer Tax Return that this is a transfer without consideration. A transaction is NOT exempt if consideration is paid. Consideration paid includes the value of services or goods, forgiveness of debt, or other items which are deemed consideration under the Internal Revenue Code.
4. The seller is a mortgagor conveying the mortgaged property to a mortgagee in a foreclosure or transfer in lieu of foreclosure, with no additional consideration.

Please check the applicable box on the Property Transfer Tax Return Withholding Certification section (page 3 of the form) if one of these exemptions applies.

**WITHHOLDING CERTIFICATE ISSUED BY THE COMMISSIONER OF TAXES** - A withholding certificate may be issued by the Commissioner of Taxes to reduce or eliminate withholding on transfers of Vermont real property interests by nonresidents. A certificate may be issued if:

1. No tax is due on the gain from the transfer;
2. The seller or buyer has provided adequate security to cover the tax liability;
3. Reduced withholding is appropriate because the 2.5% amount exceeds the seller’s maximum tax liability;
4. Reduced withholding is appropriate to reflect the gain allocated to a Vermont resident when there are both Vermont resident and nonresident sellers.

To obtain a certificate that no tax is due, or that a reduced amount may be withheld, call (802) 828-5860, x33.

## LINE-BY-LINE INSTRUCTIONS (Use Blue or Black ink Only)

Form RW-171 is a two-page form. Please submit page 1 (signature page) and page 2 (Schedule A) together. Failure to do so will result in the form being returned to the buyer.

**Lines 1-8.** Enter the name, address, social security number or federal ID number of each withholding agent (buyer), up to two buyers only.

**Line 9.** Enter the location of the property, including town and street address.

**Line 10.** Enter the date the property was acquired by the seller.

**Line 11.** Enter the date of this transfer.

**Line 12.** Enter the total contract sales price.

**Line 13.** Check the appropriate box to indicate the amount withheld. If the parties obtained a withholding certificate from the Commissioner of Taxes authorizing a reduced rate of withholding, enter the certificate number and attach a copy of the certificate to the return.

**Line 14.** Enter the dollar amount withheld.

**Line 15.** Enter the number of Schedule A’s filled out for this property transfer. A separate Schedule A is required for each individual or entity receiving proceeds from the transfer.

**REW - SCHEDULE A**

FILE ORIGINAL ONLY. DO NOT COPY. ATTACH TO RW-171, Page 1

PLEASE TYPE OR PRINT CLEARLY. USE BLUE OR BLACK INK ONLY.



**TO BE COMPLETED BY THE BUYER OR OTHER TRANSFEREE REQUIRED TO WITHHOLD**

1. The <b>SELLER</b> is identified by (check one only)			
<input type="checkbox"/> Social Security Number (SSN)		<input type="checkbox"/> Federal Employer Identification Number (FEIN or FID)	
2. Taxpayer's Last Name (Enter only if using SSN)	First Name	Initial	Social Security Number
Spouses's Last Name	First Name	Initial	Social Security Number
3. Business Entity name (Enter only if using FEIN or FID)			FEIN or FID
4. Mailing Address (Number and Street or Road Name)			
5. City		State	ZIP Code
6. Foreign Country (if not United States)			
7. Location and description of property			
8. Date property acquired by seller (MMDDYYYY)	9. Date of transfer (MMDDYYYY)		10. Total consideration
			•
11. Percentage of total gross proceeds received by this seller		• %	12. Amount withheld for this seller
			•

**LINE-BY-LINE INSTRUCTIONS**  
(Use Blue or Black Ink Only)

If there are multiple sellers, the buyer must fill out a separate Schedule A for each individual or entity receiving proceeds from the property transfer. Husband and wife may be included on a single Schedule A.

- Line 1** All individual owners **or** entity owners receiving proceeds from the sale that use a Social Security Number to identify themselves should check the "Social Security Number (SSN)" checkbox. All entities receiving proceeds from the sale that use a Federal Identification Number to identify themselves should check the "Federal Employer Identification Number (FEIN or FID)" checkbox.
- Lines 2-6** Enter the Social Security Number or Federal Identification Number, name, and address of the individual or entity.
- Line 7** Enter the location of the property, including town and street address.
- Line 8** Enter the date the property was acquired by the seller.
- Line 9** Enter the date of this transfer.
- Line 10** Enter the total contract sales price from Line 12, page 1.
- Line 11** Enter the percentage of the total proceeds from the property transfer that was received by this particular individual or entity. The percentages reported for all Schedule A's must add up to 100%.
- Line 12** Enter the amount of tax withheld on behalf of this taxpayer. **NOTE:** The amount of tax withheld on behalf of each seller should be in proportion to that seller's share of the proceeds as reported on Line 11. If a seller claims a real estate withholding amount that is not proportionate to that seller's share of the proceeds, please provide supporting documentation.

**DO NOT COPY. For additional Schedule A's, call (802) 828-2515.**