

# Welcome to the Vermont Department of Taxes 2023 Tax Symposium

**VDT Tax Symposium 10/19/23**  
**Craig Bolio, Commissioner of Taxes**





## Service

We lean into problem solving.

We are responsive to taxpayers, and we listen.

We treat each taxpayer fairly.

We provide reliable, clear communication and guidance.

We promote voluntary compliance to reduce the tax gap.



## Integrity

We keep systems and confidential information secure.

We set realistic expectations and follow through when we say we will do something.

We collect the correct amount of tax.

We hold ourselves accountable.

We provide honest and accurate information.



## Growth

We work together to adapt to new challenges and continuously improve.

We provide a solid career path and communicate with staff to meet goals and recognize accomplishments.

We provide educational opportunities to foster an environment that promotes professional and personal growth.



## Community

We work as one team across the Department.

We encourage asking for and accepting help when needed.

We treat all people with kindness.

We value difference of thought, experience, and culture.

We work across agencies towards common goals.

*What are you  
going to hear  
about today?*

# Montpelier, VT - July 11, 2023

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# Montpelier, VT - July 11, 2023

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# Montpelier, VT - July 11, 2023

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# July Flooding – 133 State Street

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# July 2023 Flooding – Department Response

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- Got to work immediately on implementing Continuity of Operations Plan (COOP)
- The 110 or so staff that could work remotely immediately pivoted to full-time remote work.
  - This meant critical functions like answering phones and emails, processing electronic payments and returns, issuing ACH refunds, etc. all went uninterrupted.
- Department began planning for the worst, hoping for the best – preparing for the possibility of a long-term relocation immediately, before receiving any estimates from our Department of Buildings and General Services (BGS).



# The Cleanup Begins– July 17<sup>th</sup>

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# The Cleanup Begins– July 17<sup>th</sup>

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# A New Location– July 18<sup>th</sup>

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- We secured our COOP location on the National Life campus in Montpelier.
- We arranged for our mail to be delivered and set up our workspaces.
- On July 19, the processing team began working on the backlog of mail.
- By the end of the week, we had about twenty staff set up and working at our new location. The remainder of the staff continued to work remotely.
- A small team of employees made several trips into our building to get supplies and move computers and printers to our new location.

# August 3<sup>rd</sup> – Moving the Scanner

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# August 3<sup>rd</sup> – Moving the Scanner

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# August 3<sup>rd</sup> – Moving the Scanner

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# August 3<sup>rd</sup> – Moving the Scanner

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# August 4<sup>th</sup> - Catching Up

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- Our dedicated staff scanned over 24,000 pages in one day.
- In less than a week, they had scanned and processed the entire backlog of mail.
- All paper checks received were scanned and deposited.
- We caught up with refunding; both electronic refunds and paper checks.



# Why Did the Transition Go Well?

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- Most of our staff can work remotely
- We had a general structure in place for our COOP, but were not overly rigid – learned lessons from COVID
- Our staff involved with the move came in with a relentless can-do/problem solving attitude and we worked the process effectively
- We didn't have any tax records or public records in the basement!

# Closing

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Flood resources and information about extensions available at:

[tax.vermont.gov/flood](https://tax.vermont.gov/flood)

# 2023 Legislative Update

Rebecca Sameroff

Deputy Commissioner

October 19, 2023

# Personal Income Tax Credits (Act 72)

- Simplifies refundable credits for part-year residents
  - Previously, apportionment was handled differently for each
    - Vermont Earned Income Tax Credit (EITC)
    - Vermont Child and Dependent Care Credit (CDCC)
    - Child Tax Credit (CTC)
  - EITC and CDCC are now apportioned to part-year residents by a simple ratio of VT income/"everywhere income," just like the Child Tax Credit
  - Eligible expenses for the CDCC are no longer limited to in-state care

# Personal Income Tax Credits (Act 72)

- Expands credit access to those without SSNs and ITINs
  - Process and guidance for claiming CTC and EITC when the claimant, spouse, or qualified dependents don't have taxpayer ID numbers
  - Other states?
    - Nearly all states base eligibility on federal eligibility (requires SSN)
    - Few allow filing with no SSN (with ITIN): California, Colorado, Maine, Washington; Washington D.C.
    - No other state currently allows a claim without a federal ITIN.

# Child Care Contribution (Act 76)

- Composed of a payroll tax on wages and self-employment income tax
- Collection begins July 1, 2024
- Revenues go to the Child Care Contribution Special Fund
  - Investments in the child care system with the aim of improving availability, quality, and affordability
  - Will also fund tax administration
- Details after our morning break!

# Fuel Tax Form and Data (Act 3; Act 18)

Two bills considering different iterations of the Clean Heat Act

- Modifications to the fuel form (FGR-165) and aviation jet fuel form (SUT-458) to collect volume data on each fuel type
- Requires the Department to disclose specific information to the Public Utility Commission and the Department of Public Service; allows disclosure to the Agency of Natural Resources
  - Limited to a one-year period only (2024); confidential

# Income from Sports Betting (Act 63)

- New industry will be established this year
  - 2-6 operators, competitive bidding, revenue sharing with State
- Just like lottery winnings, income from sports wagering transactions made within Vermont shall be considered Vermont taxable income regardless of the individual's residency status.
- Department of Taxes may require taxes to be withheld from payment of sports wagering proceeds.



# Cannabis Tax Reforms (Act 65; Act 3)

Effective June 2023:

- Any cultivator licensed by the CCB who cultivates cannabis outdoors:
  - Shall be eligible to use the agricultural sales tax exemptions (supplies, machinery, compost)
  - Can enroll in Current Use as long as all other program requirements are met
- Vape cartridges used for cannabis and other cannabis products are now exempt from the Tobacco Products Tax.

# Sales and Use Tax (Act 72)

- Extended sunset of the existing SUT exemption for advanced wood boilers by one year
- Clarified that SUT (not Meals Tax) is imposed on alcoholic beverages sold for off-premises consumption in the retail sections of breweries, wineries, distilleries, etc.
- Both effective on passage, June 2023

# Meals and Rooms Tax collected in error (Act 72)

- Before receiving a refund from the Department, MRT operators must show that miscollected tax was paid back to the purchaser
- Sales Tax statute already includes same language regarding refunds for erroneously collected tax
- Also clarifies that purchasers can request a refund directly from the Department
  - Updated REF-620 form and instructions

# Other erroneous collection issues (Act 72)

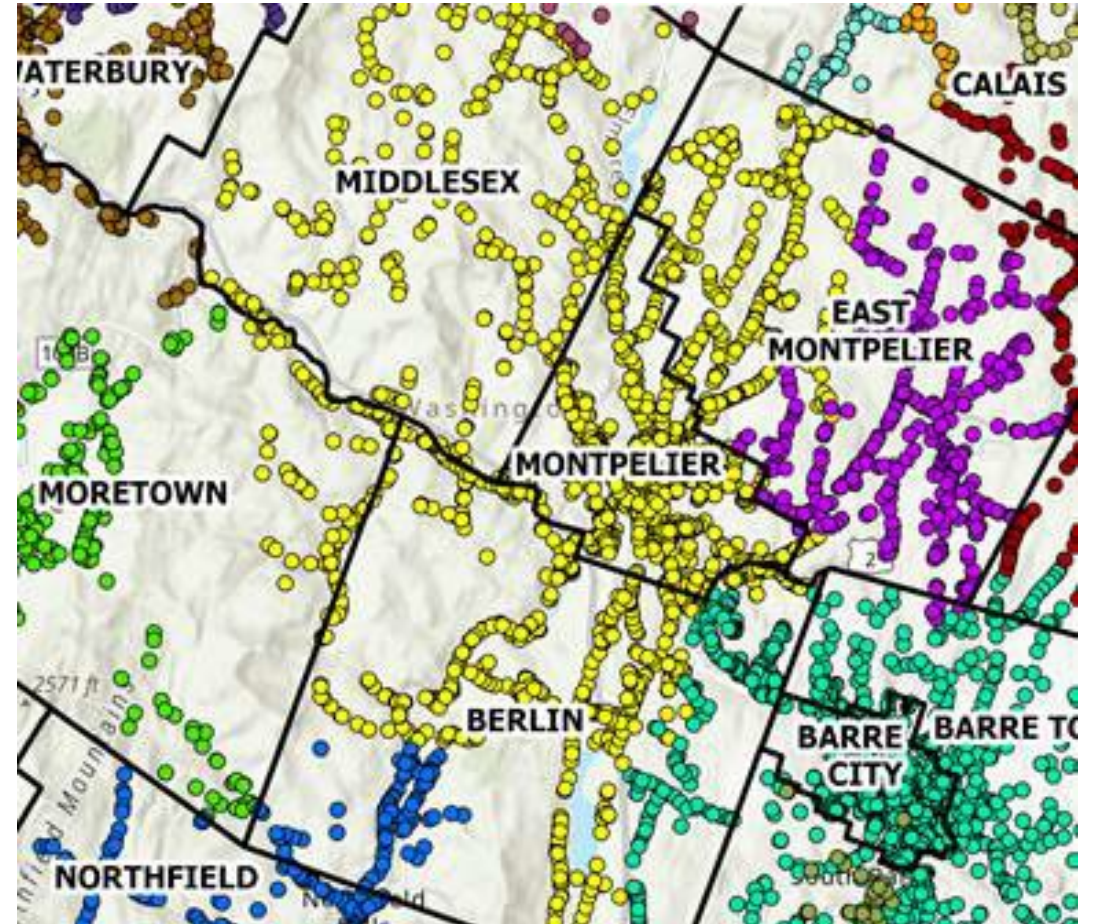
- Handling Local Option Tax (LOT) collected erroneously in a jurisdiction not authorized to impose LOT
  - LOT mistakes happen\*
  - Refund purchaser if possible!
  - Otherwise retain in appropriate state fund

\* Even for brick-and-mortar business locations!

# Sidebar: LOT Administration hurdles

Reliance on USPS town names and ZIP Codes can be misleading.

Yellow dots represent addresses where USPS assigns the town name Montpelier (corresponding with ZIP Code 05602), even though many of these addresses are physically within the boundaries of Middlesex, East Montpelier, Berlin, and Moretown.



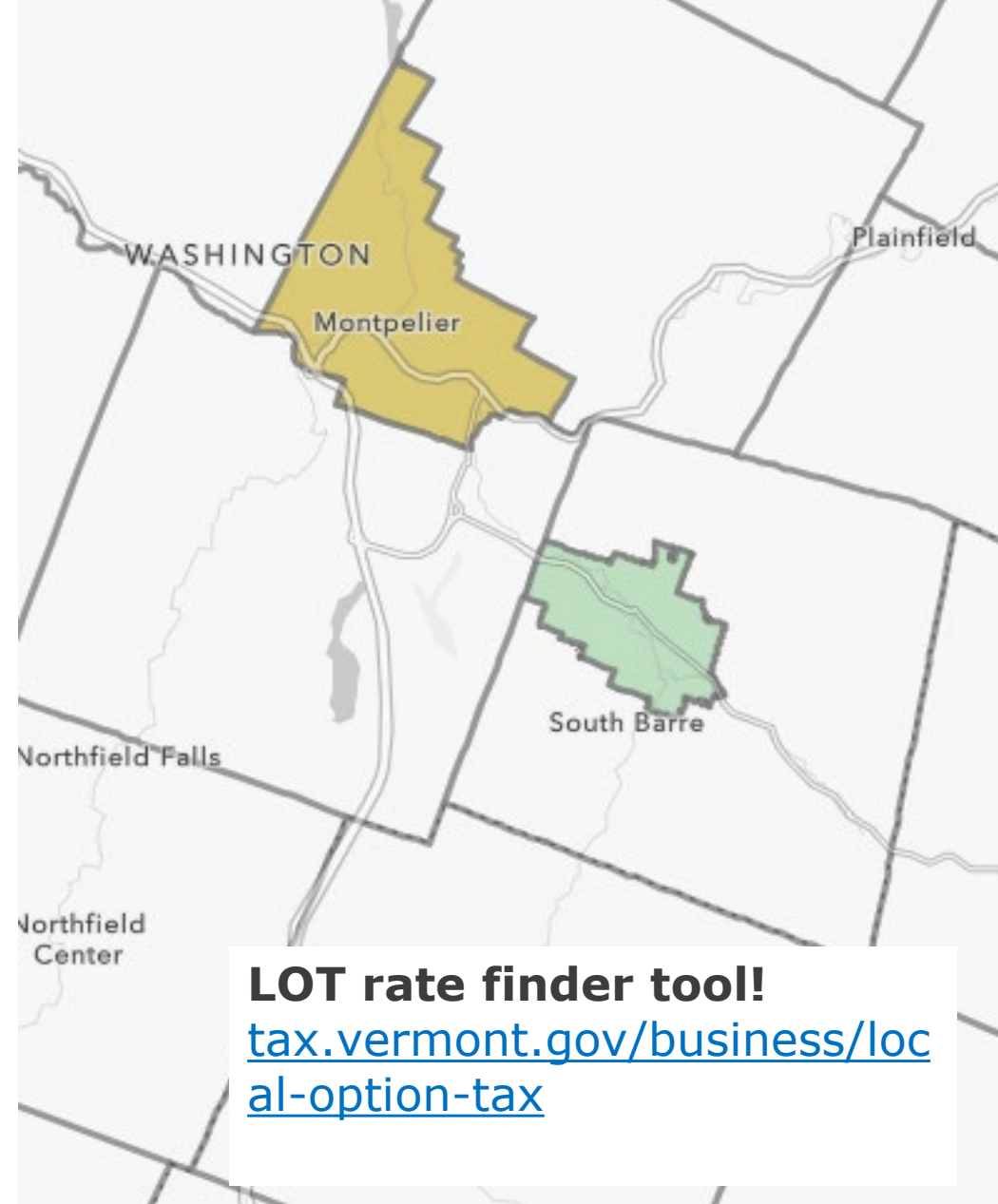
Vermont Center for Geographic Information (VCGI)

## Sidebar: LOT Administration outreach

- Correspondences go to every business in the new LOT town and adjacent town
- Correspondences go to all e-commerce retailers and any other vendors who make sales across the state
- Update publicly-available rate and boundary files, used by e-commerce retailers and third-party “rate aggregators” that service them
- Update our [Local Option Tax Finder tool](#), which can be used to check a delivery address or business’ physical location

# Municipal Issues

- Five new Local Option Tax (LOT) jurisdictions effective July 1, 2023:
  - Jamaica (MRT)
  - Londonderry (Rooms only)
  - Rutland City (SUT)
  - Shelburne (SUT, MRT)
  - Stowe (SUT)
  - *Plus Wardsboro (Rooms only) effective October 1*
- Authorizes Department to stand up an Appraisal and Litigation Assistance Program to assist municipalities faced with complex commercial properties



**LOT rate finder tool!**  
[tax.vermont.gov/business/local-option-tax](https://tax.vermont.gov/business/local-option-tax)

# Property-related Taxes (Act 72)

- New exemption from Land Use Change Tax (LUCT) for land owned or acquired by a Native American tribe or tribal nonprofit
- Property Transfer Tax (PTT) exemption for “controlling interest” property transfers for non-profits undergoing reorganization



# Property-related Taxes (Act 72)

- Extends the final deadline for filing a Property Tax Credit (PTC) Claim until March 15 of the following year
  - Only available to those who file timely Homestead Declarations
  - Credit reduced by \$150 after October 15
  - PTC sent directly to taxpayer

# Reappraisal Bill (Act 68) - a brief history

## Two distinct topics gained traction in House Ways and Means

### Reappraisals

Origin: Pitch from the Vermont League of Cities and Towns for an established reappraisal cycle instead of reappraisal triggers; hot real estate market.

### Nonhomestead Property Categories

Origin: Interest from legislators to (1) have more data for informed policymaking and (2) eventually apply different tax treatment to different property "types."

## Topics combined into one big bill, H.480

\*House bill centralized reappraisal contracting within PVR. But this didn't come to pass after advocacy on the Senate side.

# Reappraisal Bill – What actually became law?

- No longer using the common level of appraisal (CLA) as a trigger for town reappraisals, effective retroactively
- Beginning 2025, requires municipalities to conduct full reappraisals every six years unless a longer period of time is approved by PVR.
  - Dec. 15: Progress report on phasing in this cycle
- Certified training programs – audience and content

# Reappraisal Bill – Plus a giant report

- Exploring implementation of a more centralized reappraisal system
  - Other jurisdictions?
- Recommendation for distinguishing between different types and uses of property
  - Via updated property classifications and/or centralizing existing municipal property data at the state level
  - Wish list includes: # of residential units, land value, year constructed, occupancy/vacancy, types of rental or affordable housing

# Another report! (Act 72)

- Legislative report on erroneously collected tax by businesses due December 2023
  - Recommend legislative action to require businesses to notify purchasers of erroneously or illegally collected taxes (Sales Tax, Meals and Rooms Tax, LOT)
    - Threshold (\$ or number of transactions)
    - Mechanism and timing
    - Role of the Department in enforcement and oversight
    - Confidentiality considerations
- What do y'all think?

Find more detail on tax-related legislative changes from the 2023 session or a prior session:

## Tax Legislative Highlights



[tax.vermont.gov/tax-law-and-guidance/tax-legislation/2023](https://tax.vermont.gov/tax-law-and-guidance/tax-legislation/2023)

Website: Tax Law and Guidance > Highlights of Tax Legislation > 2023

# New Child Care Contribution

Will Baker

Legal Director

# Child Care Contribution (Act 76)

- Composed of a payroll tax on wages and self-employment income tax
- Revenues go to the Child Care Contribution Special Fund
  - Investments in the child care system with the aim of improving availability, quality, and affordability
  - Will also fund tax administration, which includes ongoing costs of 15 additional FTEs at the Department
- Collection begins July 1, 2024
- Estimated \$81.9M in FY25 and \$92.7M in FY26



# Child Care Contribution (Act 76)

- **Wages:**
  - 0.44% rate on employee wages
  - Remitted by the employer just like Withholding Tax
    - Same rules and mechanisms (filing frequencies, penalties, etc.)
    - Reported WHT-436 quarterly return, details in progress!
  - Option to withhold up to 25% of the tax from employees' wages
    - i.e., the 75/25% employer/employee split
  - Applies to wages earned within the State

# Child Care Contribution (Act 76)

- Self-employed:
  - 0.11% rate on net self-employment income
  - Note this aligns with the “25% employee share” of the payroll tax on wages
  - Remitted by the taxpayer just like PIT (same estimated payments, penalties, etc.)
  - Filing details in progress!
  - For non-residents, applies to income earned in the State

# myVTax Tips for Tax Preparers

Aaron Kaigle

VTax Division

VT Department of Taxes

October 19, 2023



# Summary



- What's New
- Features
- Estimated payments
- Look ahead

# What's new?

- › Password expiration policy
- › Streamlined refund review
- › Legislative changes:
  - Child Tax Credit
  - 6 New Local Option Tax Towns



**Logon**  
 PREPARER  
 aaron.kaigle@vermont.gov

Welcome, PREPARER  
 You last logged in on Monday, Nov 21, 2022 8:46:56 AM  
[Manage My Profile](#)  
[Accountant Center](#)

- All
- Favorites
- Recent
- Action Center 275

**Filters** All Account Types All Actions

Page 1 of 3 Filter

**BERU'S BREWS**  
 \*\*\_\*\*\*4444  
 133 STATE ST  
 MONTPELIER VT 05633-0002

**You have 3 unread messages**  
 Messages sent to you may contain important information about your accounts.  
[View Messages](#)

**Malt and Vinous Beverage**  
 \*\*\_\*\*\*4444  
 BERU'S BREWS  
 133 STATE ST  
 MONTPELIER VT 05633-0002

**Malt and Vinous Beverage for Nov-30-2020 needs to be filed**  
 A return needs to be filed. Returns filed late may be subject to a penalty.  
[File Return](#)

**Malt and Vinous Beverage for Oct-31-2020 needs to be filed**

< Work with Someone Else

## Manage My Profile

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**Profile** Action Center <sup>1</sup> I Want To

### Profile

Username

preparer

Name

PREPARER

[Update Name](#)

My Email

aaron.kaigle@vermont.gov

[Change Email](#)

My Phone Number

+1 (802) 123-4567

[Edit Phone Number](#)

### Security

Password

Last changed October 19, 2020

[Change Password](#)

Secret Question

What is name of the street you grew up on?

[Update Your Secret Question](#)

Two-Step Verification Settings

Codes are sent via email

[Change Two-Step Settings](#)

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Profile **Action Center**<sup>1</sup> I Want To

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**You have 6 unread messages** ✕

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Profile Action Center <sup>1</sup> I Want To

What are you looking for?

 <b>Access Management</b> Manage access of accounts I have access to. <a href="#">&gt; Manage My Access</a> <a href="#">&gt; Delete My Profile</a>	 <b>My Users</b> Manage users who work for me. <a href="#">&gt; Create Additional Username</a> <a href="#">&gt; Remove Additional Username</a>	 <b>Payment Channels</b> Manage my bank accounts used to make payments on e-Services. <a href="#">&gt; Manage Payment Channels</a>
 <b>Submissions</b> Search for previous submissions. <a href="#">&gt; Search Submissions</a>	 <b>Messages</b> View messages I've received from the agency. <a href="#">&gt; Send a Message</a> <a href="#">&gt; View Messages</a>	 <b>Activity</b> View my activity on e-Services. <a href="#">&gt; View Activity</a>
 <b>Return Signature</b> Update Return Signature Preferences <a href="#">&gt; Update Return Signature</a>	 <b>Email Preference</b> Update Email Preferences when being notified about your customer's activities. <a href="#">&gt; Change Email Preference</a>	

You last worked with  
**CHULMANS CANTINA**

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[All](#) [Favorites](#) [Recent](#) [Action Center](#) <sup>275</sup>

### Who do you want to work with?

Filter

**BERU'S BREWS** <sup>61</sup>

\*\*\_\*\*\*4444

133 STATE ST MONTPELIER VT 05633-0002

[★ Add to Favorites](#)

**CHULMANS CANTINA** <sup>186</sup>

\*\*\_\*\*\*8888

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\*\*\*\_\*\*-1111

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## Accountant Center

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[Accountant Center](#) [Action Center](#) 275

What are you looking for?

### Submissions

Search for previous submissions for all customers.

- > Search Submissions
- > Access a Saved myVTax Request

### Messages

View messages I've received from the agency for all customers.

- > Send a Message
- > View Messages

### Letters

View letters I've received from the agency for all customers.

- > View Letters

### Payments & Returns

Manage payments and returns for all customers.

- > Manage Payments & Returns
- > File W2 / 1099 / WHT-434
- > File Bulk WHT436
- > Lot Rent Bulk Upload
- > Landlord Certificate Bulk Upload
- > Generate a Lot Rent Landlord Certificate
- > Generate a Landlord Certificate

### Access

Request Access to Client Accounts.

- > Request Access to Client Accounts

< Work with Someone Else

### BERU'S BREWS

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[Accountant Center](#)

- Summary
- Action Center <sup>61</sup>
- Settings
- I Want To**

🔍 What are you looking for?

**Submissions**  
Search for previous submissions.

> Search Submissions

**Messages**  
View messages I've received from the agency.

> Send a Message  
> View Messages

**Letters**  
View letters I've received from the agency.

> View Letters

**Payments & Returns**  
Manage payments and returns for accounts of this customer.

- > Manage Payments & Returns
- > File W2 / 1099 / WHT-434
- > File Bulk WHT436
- > Lot Rent Certificate Bulk Upload
- > Landlord Certificate Bulk Upload
- > Generate a Landlord Certificate
- > Generate a Lot Rent Landlord Certificate

**Names & Addresses**  
View or update names and addresses associated to this customer.

> Manage Names & Addresses

**Access Management**  
Manage access of accounts I have access to.

> Request Access to Client Accounts

# Estimated Payments

VERMONT myVTax

Visit [tax.vermont.gov/flood](https://tax.vermont.gov/flood) to learn more about tax relief, how to reach the Department of Taxes, and other important information for taxpayers impacted by the July 2023 flood.

Username  
Password  
Log in  
Forgot username or password?  
Need An Account?  
Sign Up

Search our online services

**Payments**  
List of tasks related to payments

- > Make a Payment
- > Find my Estimated Payment
- > Pay Use Tax
- > Set Up a Payment Plan

**Returns**  
List of tasks related to returns

- > File a Return
- > File an Extension
- > Check the Status of your Return
- > Return Filing Verification

**Submissions & Correspondence**  
Search for previous submissions, respond to a correspondence

- > Respond to Correspondence
- > Access a Saved myVTax Request
- > Find my 1099g

**Property Owners**  
List of tasks for a property owner

- > Generate a Lot Rent Landlord Certificate
- > Generate a Landlord Certificate
- > Lot Rent Certificate Bulk Upload
- > Landlord Certificate Bulk Upload
- > Commissioner's Certificate
- > Register an Account as a Landlord
- > Learn More About Real Estate Transaction Taxes

**Help & Resources**  
Common resources for help

- > myVTax Features
- > Third Party Access
- > FAQ
- > Request a Formal Ruling
- > Legislative Updates
- > Contact Information
- > Request a Refund (Sales & Use/Meals & Rooms)
- > Request a Refund (Miscellaneous Tax Types)

**Municipal Officials**  
List of tasks for a municipal official

- > Lister and Assessor Resources
- > Town Clerk Resources
- > Certification and Education Programs
- > Reports
- > Real Estate Transaction Taxes

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What's Ahead?

# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[tax.preparer@vermont.gov](mailto:tax.preparer@vermont.gov)



(802) 828-6815



[myVTax.vt.gov](https://myVTax.vt.gov)  
[tax.vermont.gov/myvtax/get-help](https://tax.vermont.gov/myvtax/get-help)

# Vermont Department of Taxes

## Compliance

Tracy M. Phillips, Tax Compliance Audit Manager

October 19, 2023



# Educational Outreach Initiatives

› Compliance Corner

› Campaigns,  
Fact Sheets,  
Industry Guidance

› Business Outreach  
Program

› Trust Tax  
Compliance  
Reviews

### 2023 Legislative Highlights

The Department of Taxes has published its annual legislative highlights, summarizing legislative changes impacting taxpayers. Read the 2023 legislative highlights to find out what's changed.

[Read the 2023 report](#)



- Forms and Publications
- Tax Law and Guidance
- Data and Statistics
- Help

FREE FILE OFFERS

WHERE'S MY REFUND

FILE OR PAY ONLINE

SCHEDULE AN APPOINTMENT

COMPLIANCE CORNER

TAX FORMS AND INSTRUCTIONS

April 12, 2023  
[April 18 Vermont Personal Income Tax and Homestead Declaration Due Date](#)

January 18, 2023  
2023 Tax Filing Season Opens January 23



## Compliance Corner

- [Tips & News](#)
- [Notable Cases](#)
- [Discoveries](#)
- [Voluntary Compliance](#)
- [Current Work](#)

## Vermont Sales Tax and Maple Production

Vermont's 6% sales tax applies to retail sales of tangible personal property, which includes much of the equipment and supplies used to produce maple syrup and maple products. There are some sales tax exemptions available for some items, but not all. The information below is to help determine whether a purchase is taxable or exempt.

### Agricultural Machinery, Equipment, and Supplies Used in Maple Production

Producers purchasing machinery and equipment should review the Department of Taxes fact sheet, "[Agricultural Machinery, Equipment, and Supplies: Taxable or Exempt?](#)" ([tax.vermont.gov](http://tax.vermont.gov)) to make sure sales tax is applied correctly.

Please keep the following in mind when referring to the fact sheet:

- This exemption applies to the collection of sap and production of maple syrup. For machinery and equipment, the fact sheet asks five qualifying questions. A maple producer must be able to respond "yes" to all five questions to make sure the sales tax treatment is correct for each purchase of machinery or equipment.
- The agricultural exemption is limited to the collection of sap and production of maple syrup. It does not apply to machinery and equipment purchased for making maple candy and other products from syrup. See the section below on manufacturing for making products from syrup. (Note that processing sap into maple syrup and processing maple syrup into maple products both qualify as manufacturing.)
- Equipment is exempt if used to handle and preserve maple syrup at your business location or used to prevent or deter the destruction, injury or spoilage of maple syrup. Note, however, that permanent fences, silos, and barns are not exempt.
- Some machinery and equipment do not qualify for the agricultural exemption because they

cannot meet all the requirements. Some common examples of items that are taxable because they cannot meet the requirements (unless a different exemption applies): building materials, machines and equipment used to construct a building in which maple syrup is produced; office furniture and supplies; machinery for landscaping or land clearing; property used to exhibit or market agricultural products; machinery and equipment used for fire or accident prevention; and protective gear.



### Manufacturing Maple Products

Manufacturers of maple syrup and maple products may purchase certain supplies, machinery, equipment, and monitoring devices that are used in or consumed as an integral or essential part of an integrated production operation without paying sales tax on those items. The information below explains the sales tax exemption for manufacturing. [Additional information can be found on the Department of Taxes website \(tax.vermont.gov\).](#)

Note that the exemption is not available for nonindustrial businesses whose operations are primarily retail. This is true even if they produce or process tangible personal property as an incidental part of conducting the retail business. For example,

# Outreach Campaigns

- [Maple](#)
- [PIT - Net Operating Loss](#)
- [Campgrounds](#)
- [Event Organizers and Vendor Outreach](#)

# Restaurants

## How Vermont Meals Tax Applies to Sales

Restaurants, or similar eating establishments provide meals, prepared food, and alcoholic beverages or products. Restaurant operators should know and understand the law and regulations relating to the Vermont Meals Tax.

Taxable meal facilitators sell food or beverages intended for immediate consumption; or have prior or projected (first year of business only) year total sales of at least 80% taxable food and beverage sales.

The following business types, who meet the criteria above, are considered restaurants for tax-purposes: Amusement parks, Arenas or stadiums, Bars (serving food), Cafes, Cafeterias, Delis, Diners, Fairs or markets, Food trucks, Private or social clubs, Street vendors, Taverns, and Theater concessions .



### Taxable Meals

Generally, taxable meals are food and beverage offered for a charge, to be consumed on or off premises, available for immediate consumption. All food is taxable when sold by a restaurant, except grocery-type items sold for consumption off-premises.



### Meal Delivery Platforms

A company that facilitates sales of meals or alcoholic beverages through an online platform, and collects payment from the customer, is considered an "operator" by Vermont law. Operators have legal responsibilities for collecting meals and alcohol tax and remitting it to the Vermont Department of Taxes. These companies are also referred to as "taxable meal facilitators."



### Alcoholic Beverages

Meals and non-alcoholic beverages are taxed at a different rate than alcoholic beverages. The separate 10% tax on alcoholic beverages applies to sales by holders of first and third class liquor licenses. This includes alcohol that is sold for consumption on the premises of a restaurant. Please note: If tax is included in the purchase price of the item, you must state on the menu, price list, bill, receipt, or vending machine that the sales price includes the amount of tax charged.



### Alcoholic Beverages Provided for Takeout

Businesses are allowed to sell and deliver alcoholic beverages, as long as the beverages are purchased with a meal; these beverages are subject to the 10% tax. Delivery of alcohol products is also allowed if delivered by licensed retail stores; these beverages are subject to the 6% sales tax. Delivery charges are taxable.



### Gratuities

Meals and Rooms Tax does not need to be collected on tips, under certain circumstances. To be exempt from the Meals and Rooms Tax, a tip must be either gratuitously and voluntarily left by a customer for service and received by a service employee, or it may be a charge for service that is indicated by the seller on the bill or invoice, provided that:

1. It does not exceed twenty percent of the total meals or rent charge; and
2. It is separately accounted for, and documentation exist that supports that it was fully distributed to service employees.

### Non-taxable Meals

These are not considered taxable meals, even when sold by a restaurant:

- Self-serve, bulk, non-prepackaged grocery items such as fruit, vegetables, candy, flour, nuts, coffee beans.

Grocery-type Items furnished for take-out such as the following:

- Whole pies or cakes and loaves of bread
- Whole uncooked pizzas delicatessen and nonprepackaged candy sales by weight or measure (except party platters)
- Pint or larger closed containers of ice cream or frozen confection
- Eight-ounce or larger containers of salad dressing or sauces
- Maple syrup
- Quart or larger containers of cider or milk
- Single bakery items sold in quantities of three or more (Often called the "three donut rule," the rule applies to all similar baked goods.)



For more information about the Vermont taxes you must pay or collect and remit to the Vermont Department of Taxes please visit our website at [tax.vermont.gov/business/restaurant](https://tax.vermont.gov/business/restaurant) .

# Outreach Campaigns Under Development

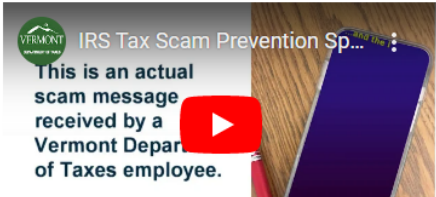
- Restaurants
- Net Metering
- Cannabis
- Concrete

Search...



- Individuals
- Businesses
- Property
- Tax Professionals
- Municipal Officials
- Forms and Publications**
- Alphanumeric Form List
- School District Codes
- Order Paper Forms
- Prior Year Forms
- Power of Attorney
- Publications and Fact Sheets**
- Individuals
- Property
- Businesses
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- Sales and Use Tax
- Meals and Rooms Tax
- Withholding
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- Tax Professionals

### General Publications

No.	Title	Revised
<a href="#">IG-1164</a>	10 Things You Can Do to Get Your Refund Faster	January 2021
<a href="#">FS-1039</a>	Annual Unclaimed Refunds: Notice Letters that a Refund is About to Be Sent to Unclaimed Property	May 2019
<a href="#">PO-1075</a>	Be on Guard! Identity Theft & Tax Refund Fraud Threatens Vermonters	March 2020
<a href="#">GB-1230</a>	Guide to Meals and Rooms Tax and Sales and Use Tax Statistical Data	December 2019
<a href="#">GB-1160</a>	Guide to the Offer in Compromise Program	December 2021
<a href="#">FS-1156</a>	Notice of Intent to Assess (NOIA)	October 2017
<a href="#">FL-1096</a>	Phone scammers are posing as the IRS: HANG UP!	March 2020
<a href="#">GB-1104</a>	QuickStart Taxpayer Guide: ACH Credit Payments	March 2021
<a href="#">PO-1181</a>	Stay Alert - Avoid ID Theft & Tax Scams	February 2021
<a href="#">GB-1229</a>	Vermont Department of Taxes ACH Credit Processing	April 2019
<a href="#">RP-1231</a>	Vermont Department of Taxes Organizational Chart	February 2021
<a href="#">Watch</a>	Find helpful videos and tutorials on various tax administration topics on the <a href="#">Internal Revenue Service's official YouTube channel</a> .	
		July 2019



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### ACCOMMODATIONS AND FOOD SERVICE

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- [Taxation of Chips and Soft Drinks](#)

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- › [Utilities](#)



# Business Outreach

- › Designed to help newly established businesses better understand tax collection and filing obligations
- › A representative from the Department's Compliance Division reaches out to selected businesses
  - Provides optional educational assistance
    - › One-on-one conversation
    - › Follow-up Written Materials



# Trust Tax Compliance Review (TTCR) Program

## › Process

- Taxpayers invited to participate
  - › Should the taxpayer not accept the TTCR invitation or simply not respond
    - TTCR audit will be converted to a traditional audit
- In the event the auditor finds notable discrepancies in the Base Period
  - › TTCR audit may also be converted to a traditional audit



# Trust Tax Compliance Review (TTCR) Program

## › Goals

- Conduct a limited scope audit/Condensed Audit Review
  - 3 consecutive months in the past (referred to as the Base Period)
  - 2-3 additional forward review months (referred to as the Future Review Periods)
- Provide taxpayers with immediate feedback on any reporting issues detected in the Base Period
  - Expectation the taxpayer will address the issues and report properly in the Future Review Periods
- Avoid large audit bills (where appropriate)
- Increase taxpayer touches
- Promote voluntary compliance



# Contact Us

We strive to provide user friendly systems, clear guidance, and easy ways to contact the Department when taxpayers need help.



[Tracy.Phillips@vermont.gov](mailto:Tracy.Phillips@vermont.gov)



Tracy Phillips: 802-828-5204



<https://tax.vermont.gov/>

# Vermont Department of Taxes

## Corporate and Business Income Tax Form Changes for Tax Year 2023

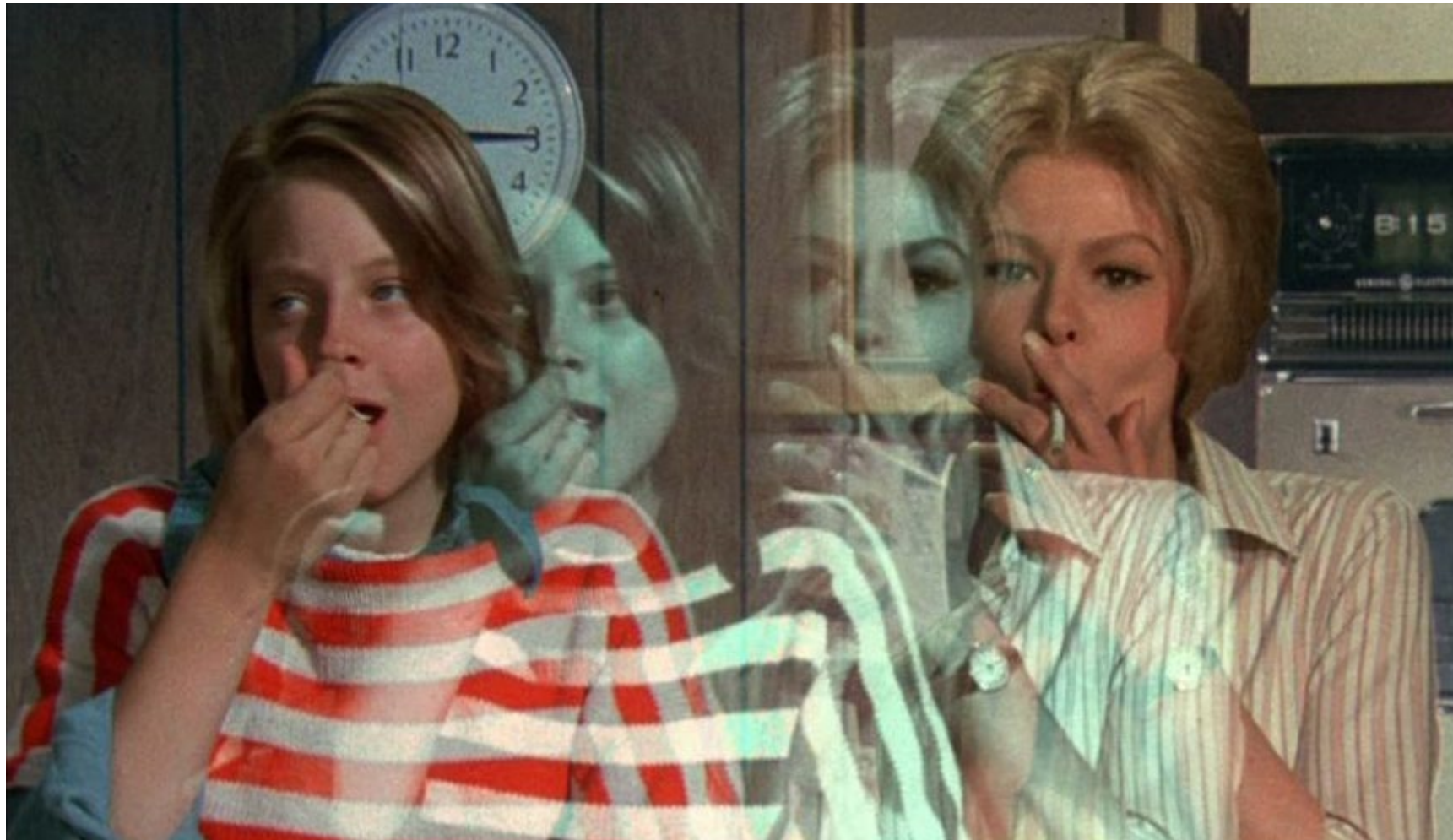
John Demeter – Compliance Division

Claudia Brousseau – Division of Taxpayer Services

Fall Tax Symposium

October 19, 2023

??? Claudia ← → John ???



# Why the Big Changes?

- › Corporate Tax Reform – Act 148 in 2022
- › Market Based Sourcing – Adapted for 2020
  - Revised and Improved Apportionment Regulation § 1.5833, effective in late 2021
- › → Update the Corporate Forms
  - Identified early on the necessity to also update Business Income Tax forms
    - › Details of why later in presentation

Change	Effective Date	Encacted (Act and Date)	Where You'll See It	Notes
Market Based Sourcing	1/1/2020	6/10/2019 Act 51, H.514	BA-402	<ul style="list-style-type: none"> <li>•For sales of services and intangibles</li> <li>•Reasonable approximation</li> <li>•Throwout of certain sales from denominator</li> <li>•Clarified in revised regulation 1.5833, Dec. 2021</li> </ul>
Revised Apportionment Regulation 1.5833	12/1/2021	12/1/2021	BA-402	<ul style="list-style-type: none"> <li>•Adds significant detail, examples</li> <li>•Adopts much of MTC model reg</li> <li>•Expands understanding of apportionable income v. allocable income</li> <li>•Contains provisions for special industries</li> <li>•Still contains 3-factor apportionment, needs to be revised again</li> </ul>
Single Sales Factor	1/1/2023	Act 148 S.53 5/31/2022	BA-402 (Calculation only; Legislature still requires information re salaries and property factors.)	
Joyce to Finnegan	1/1/2023	Act 148 S.53 5/31/2022	Elimination of CO-421, multiple BA-402s.	
Eliminate Throwback Sales	1/1/2023	Act 148 S.53 5/31/2022	BA-402	
Eliminate exclusion of 80-20 companies	1/1/2023	Act 148 S.53 5/31/2022		
Revised Minimum Tax	1/1/2023	Act 148 S.53 5/31/2022	CO-411	
Pass Through Apportionment Schedule	1/1/2023		BI-477 and other Business Income Schedules	<ul style="list-style-type: none"> <li>•Better aligns sourcing of income for pass through entities with individual income taxation</li> <li>•Uses information from federal K-1s, which improves clarity of preparation</li> <li>•Streamlines calculations for nonresident estimated payments and composite tax</li> <li>•Necessity for this/prior shortfallings became more pronounced with switch to single sales factor</li> </ul>

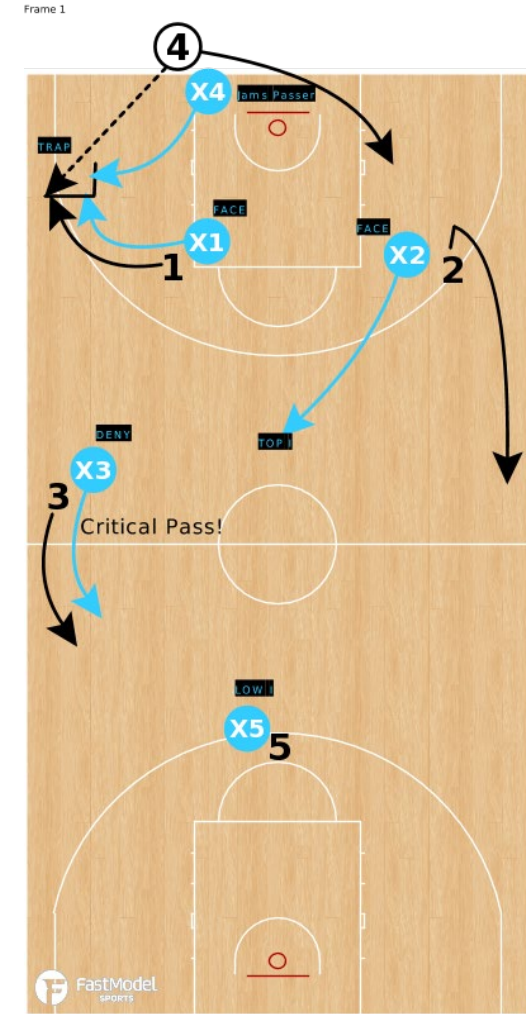


# The Forms Process

- › “Forms Process” includes:
  - Form design, layout, calculations
  - Line descriptions
  - Instructions
  - Error items, letters
  - Vendor relations, development
  - Legal analysis; Regulations work
  - Multiple layers of development and testing
  - Additional written guidance

# Who Is Working on This?

- › Many of us!
  - Taxpayer Services
  - Policy and Legal
  - Finance – Forms and Vendors
  - VTax Developers
  - Compliance
- › Almost 2 years of work, by filing season
  - Think sessions before Act 148 passed
  - Full court press through 2022



# What We're Achieving

- › Align Corporate forms with new laws
- › Simplify and streamline the forms
  - Hopefully have more software vendor support
  - Ease of preparation and filing – Preparer community
  - Ease of processing – for VDT
- › Provide better instruction and Guidance
- › For Business Income
  - Align more with federal forms
  - More accurate, aligned with personal income tax definition of income

# Anticipated Results

- › Gather more information to ensure accurate reporting
- › Increased Voluntary Compliance
  - Clarity
  - Increased use of federal information
  - Mitigate filing and processing work
- › VDT Core Value: **SERVICE**

# Corporate Tax Reform. Act 148

- › Major Overhaul of Corporate Taxes for Tax Year 23:
- › Changes effective January 1, 2023
- › **Move to a single sales factor:**
  - Moving from a three-factor apportionment formula (sales/property/payroll) to a method that only considers the share of sales in the state.
  - Still required to provide property and payroll factor values for informational purposes only.
- › **Repeal throwback rule:**
  - A taxpayer's Vermont sales factor no longer includes sales originating in Vermont to the federal government or to a state where those sales are not taxable.

Effective 01/01/2023

## **Move from Joyce to Finnigan:**

- “Joyce” and “Finnigan” represent two different jurisdictional methods to determine nexus and the calculation of in-state activity of unitary groups.
- The Finnigan approach looks at the unitary group as a whole and treats the group as one taxpayer – either having nexus with the state or not.


## **Repeal Carve Out for 80/20 Companies:**

Requires all US corporations to be included in a unitary group, a base broadening and modernization policy.

# CO-411 Changes for 23 Tax Year:

- › Minimum tax changes;
- › Added specific adjustments to Federal Taxable Income;
- › RAR Amended checkbox;
- › Removed Unitary Consolidated and Unitary Combined checkboxes, and just left Unitary Return;
- › No more “loss box”, must use (–) sign for loss numbers.

› Adjustments to Vermont Corporate Minimum Tax  
 Current law has three tiers for minimum corporate income taxes: \$300, \$500, or \$750. This Act creates five tiers: \$100, \$500, \$2,000, \$6,000, or \$100,000. The \$100,000 minimum applies to companies with more than \$300,000,000 in Vermont gross receipts.

Entity Name		 * 2 1 4 1 1 1 2 0 0 *
FEIN	Fiscal Year Ending (YYYYMMDD)	

6. Vermont Percentage (100% or amount from Schedule BA-402, Line 22) Calculate percentage to six places to the right of the decimal point.....	6. _____ %
7. Apportionable Income (from Form CO-411, Line 5).....	<input type="checkbox"/> ← Check to indicate loss 7. _____ .00
8. Income Apportioned to Vermont (Multiply Lines 6 and 7).....	<input type="checkbox"/> ← Check to indicate loss 8. _____ .00
9. Income Allocated to Vermont (Schedule BA-402, Line 1b).....	<input type="checkbox"/> ← Check to indicate loss 9. _____ .00
10. Foreign Dividends Allocated to Vermont (Schedule BA-402, Line 1d).....	10. _____ .00
11. Net Vermont Income Allocated and Apportioned to Vermont (Add Lines 8, 9, and 10.).....	<input type="checkbox"/> ← Check to indicate loss 11. _____ .00
12. Vermont Net Operating Loss deduction applied (Attach schedule).....	12. _____ .00
13. Vermont Net taxable income for this entity (Line 11 minus Line 12).....	<input type="checkbox"/> ← Check to indicate loss 13. _____ .00
14. Vermont Tax. Apply Vermont Tax Rates (below) to amount on Line 13.....	14. _____ .00
15. Credits (Schedule BA-404, Column C, Line 11).....	15. _____ .00
16. Use Tax for taxable items on which no sales tax was charged, including online purchases.....	16. _____ .00
17. Tax Due for this entity (Subtract Line 15 from Line 14. To that result, add Line 16).....	17. _____ .00
18. <b>Gross Receipts (For purpose of minimum tax calculation. See instructions)</b> .....	18. _____ .00

<b>TAX COMPUTATION SCHEDULE</b> (Effective for taxable periods beginning January 1, 2012)		File the return on the due date required under the Internal Revenue Code, unless extended.  Pay by the due date required under the Internal Revenue Code, even if the return is extended.  Corporations with liabilities over \$500, see instructions for estimated payments on Vermont Form CO-414.
<b>IF VERMONT NET INCOME IS</b>	<b>TAX IS</b>	
\$10,000 or less .....	6.00%	
\$10,001 - \$25,000 .....	\$600 plus 7.00% of excess over \$10,000	
\$25,001 and over .....	\$1,650 plus 8.50% of excess over \$25,000	
<b>IF VERMONT GROSS RECEIPTS ARE</b>	<b>MINIMUM TAX IS</b>	
\$2,000,000 or less .....	\$300	
\$2,000,001 - \$5,000,000 .....	\$500	
\$5,000,001 and over .....	\$750	

Form CO-411. Effective  
01/01/2023



# Form CO-411 page 1

Vermont Department of Taxes

## Form CO-411

### Vermont Corporate Income Tax Return



Check Appropriate Box(es)	<input type="checkbox"/> Name Change	<input type="checkbox"/> Accounting Period Change	<input type="checkbox"/> Extended Return	<input type="checkbox"/> Unitary Combined	<input type="checkbox"/> PL 86-272 is Applicable
	<input type="checkbox"/> Address Change	<input type="checkbox"/> Amended Return	<input type="checkbox"/> Federal Extension Requested	<input type="checkbox"/> Unitary Consolidated	<input type="checkbox"/> Pro Forma - Cannabis
Entity Name (Principal Vermont Corporation)		FEIN		Primary 6-digit NAICS number	
Address		Tax year BEGIN date (YYYYMMDD)		Tax year END date (YYYYMMDD)	
Address (Line 2)		Number of companies in Water's Edge Group		Number of companies with Vermont Nexus	
City State ZIP Code		Federal tax return filed (Check one box)		1120 <input type="checkbox"/> 1120-F <input type="checkbox"/> 990-T <input type="checkbox"/>	
Foreign Country		1120-H <input type="checkbox"/> Other <input type="checkbox"/>			

Place an "X" in the box left of the line number to indicate a loss amount.

Enter all amounts in whole dollars.

1. FEDERAL TAXABLE INCOME (Federal Form 1120, Line 30 plus any deduction for a federal net operating loss, Line 29a.)  Check to indicate loss 1. \_\_\_\_\_ .00

2. Bonus Depreciation Adjustment (See instructions)  Check to indicate loss 2. \_\_\_\_\_ .00

3. Federal Taxable Income adjusted for disallowance of Bonus Depreciation (Add Lines 1 and 2)  Check to indicate loss 3. \_\_\_\_\_ .00

4. ADD (a) Interest on non-Vermont state and local obligations ..... 4a. \_\_\_\_\_ .00

(b) State and local income or franchise taxes  Check to indicate loss 4b. \_\_\_\_\_ .00

LESS (c) Non-business income or loss allocated everywhere (Schedule BA-402, Line 1a, or leave blank)  Check to indicate loss 4c. \_\_\_\_\_ .00

(d) Foreign dividends received ..... 4d. \_\_\_\_\_ .00

(e) Interest on U.S. Government obligations ..... 4e. \_\_\_\_\_ .00

(f) "Gross Up" required by IRC sec. 78 and other excludable income ..... 4f. \_\_\_\_\_ .00

(g) Targeted Job Credit salary and wage expense addback ..... 4g. \_\_\_\_\_ .00

5. NET APPORTIONABLE INCOME (Add Lines 3, 4(a), and 4(b). Then subtract Lines 4(c) through 4(g).)  Check to indicate loss 5. \_\_\_\_\_ .00

Check box if exception to minimum tax applies:  SMALL FARM CORPORATION (\$75 minimum)  NO VERMONT ACTIVITY (\$0)  HOMEOWNERS / CONDO ASSOC. (Federal Form 1120-H only) (\$0)

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Vermont Department of Taxes

## Form CO-411

### Vermont Corporate Income Tax Return



Check Appropriate Box(es)	<input type="checkbox"/> Name Change	<input type="checkbox"/> Accounting Period Change	<input type="checkbox"/> Extended Return	<input type="checkbox"/> Unitary	<input type="checkbox"/> PL 86-272 is Applicable
	<input type="checkbox"/> Address Change	<input type="checkbox"/> Amended Return	<input type="checkbox"/> Federal Extension Requested	<input type="checkbox"/> RAR Amended	<input type="checkbox"/> Pro Forma - Cannabis
Entity Name (Principal Vermont Corporation)		FEIN		Primary 6-digit NAICS number	
Address		Tax year BEGIN date (YYYYMMDD)		Tax year END date (YYYYMMDD)	
Address (Line 2)		Number of companies in Water's Edge Group		Number of companies with Vermont Nexus	
City State ZIP Code		Federal tax return filed (Check one box)		1120 <input type="checkbox"/> 1120-F <input type="checkbox"/> 990-T <input type="checkbox"/>	
Foreign Country		1120-H <input type="checkbox"/> Other <input type="checkbox"/>			

Enter all amounts in whole dollars.

1. FEDERAL TAXABLE INCOME (federal Form 1120, Line 28, as filed) ..... 1. \_\_\_\_\_ .00

1a. Special Deductions as filed with IRS (federal Form 1120, Line 29b) ..... 1a. \_\_\_\_\_ .00

1b. Income/Loss from unitary included in Vermont combined group. 1b. \_\_\_\_\_ .00

1c. Income/Loss from affiliated entities filed in the above federal consolidated returns but excluded from Vermont combined group. 1c. \_\_\_\_\_ .00

1d. Special Deductions: Vermont adjustments to federal special deductions ..... 1d. \_\_\_\_\_ .00

1e. Eliminations: Vermont adjustments to federal eliminations ..... 1e. \_\_\_\_\_ .00

1f. Other: Other Vermont adjustments to Combined Net Income (charitable expenses, etc.) ..... 1f. \_\_\_\_\_ .00

1g. Federal Taxable Income as Adjusted for Combined Net Income (ADD Lines 1 through 1f) ..... 1g. \_\_\_\_\_ .00

2. Bonus Depreciation Adjustment (see instructions) ..... 2. \_\_\_\_\_ .00

3. Federal Taxable Income as Adjusted for Combined Net Income and Bonus Depreciation (ADD Lines 1g and 2) ..... 3. \_\_\_\_\_ .00

4. ADD 4a. Interest on non-Vermont state and local obligations ..... 4a. \_\_\_\_\_ .00

4b. State and local income or franchise taxes ..... 4b. \_\_\_\_\_ .00

Check box if exception to minimum tax applies:  SMALL FARM CORPORATION (\$75 minimum)  NO VERMONT ACTIVITY (\$0)  HOMEOWNERS / CONDO ASSOC. (Federal Form 1120-H only) (\$0)

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# Form CO-411 page 2

Entity Name	
FEIN	Fiscal Year Ending (YYYYMMDD)



- 6. Vermont Percentage (100% or amount from Schedule BA-402, Line 22)  
Calculate percentage to six places to the right of the decimal point. . . . . 6. \_\_\_\_\_ %
- 7. Apportionable Income (from Form CO-411, Line 5) . . . . .  ← Check to indicate loss 7. \_\_\_\_\_ .00
- 8. Income Apportioned to Vermont (Multiply Lines 6 and 7) . . . . .  ← Check to indicate loss 8. \_\_\_\_\_ .00
- 9. Income Allocated to Vermont (Schedule BA-402, Line 1b) . . . . .  ← Check to indicate loss 9. \_\_\_\_\_ .00
- 10. Foreign Dividends Allocated to Vermont (Schedule BA-402, Line 1d) . . . . . 10. \_\_\_\_\_ .00
- 11. Net Vermont Income Allocated and Apportioned to Vermont  
(Add Lines 8, 9, and 10.) . . . . .  ← Check to indicate loss 11. \_\_\_\_\_ .00
- 12. Vermont Net Operating Loss deduction applied (Attach schedule) . . . . . 12. \_\_\_\_\_ .00
- 13. Vermont Net taxable income for this entry (Line 11 minus Line 12) . . . . .  ← Check to indicate loss 13. \_\_\_\_\_ .00
- 14. Vermont Tax. Apply Vermont Tax Rates (below) to amount on Line 13 . . . . . 14. \_\_\_\_\_ .00
- 15. Credits (Schedule BA-404, Column C, Line 11) . . . . . 15. \_\_\_\_\_ .00
- 16. Use Tax for taxable items on which no sales tax was charged, including online purchases . . . . . 16. \_\_\_\_\_ .00
- 17. Tax Due for this entry (Subtract Line 15 from Line 14. To that result, add Line 16) . . . . . 17. \_\_\_\_\_ .00
- 18. Gross Receipts (For purpose of minimum tax calculation. See instructions). . . . . 18. \_\_\_\_\_ .00

### TAX COMPUTATION SCHEDULE

(Effective for taxable periods beginning January 1, 2012)

<b>IF VERMONT NET INCOME IS</b>	<b>TAX IS</b>
\$10,000 or less . . . . .	6.00%
\$10,001 - \$25,000 . . . . .	\$600 plus 7.00% of excess over \$10,000
\$25,001 and over . . . . .	\$1,650 plus 8.50% of excess over \$25,000
<b>IF VERMONT GROSS RECEIPTS ARE</b>	<b>MINIMUM TAX IS</b>
\$2,000,000 or less . . . . .	\$300
\$2,000,001 - \$5,000,000 . . . . .	\$500
\$5,000,001 and over . . . . .	\$750

File the return on the due date required under the Internal Revenue Code, unless extended.

Pay by the due date required under the Internal Revenue Code, even if the return is extended.

Corporations with liabilities over \$500, see instructions for estimated payments on Vermont Form CO-414.

Entity Name	
FEIN	Fiscal Year Ending (YYYYMMDD)



- LESS (c) Non-Apportionable Income or loss allocated everywhere  
(Schedule BA-402, Line 1a, or leave blank) . . . . . 4c. \_\_\_\_\_ .00
- (d) Foreign dividends received . . . . . 4d. \_\_\_\_\_ .00
- (e) Interest on U.S. Government obligations . . . . . 4e. \_\_\_\_\_ .00
- (f) "Gross Up" required by IRC § 78 and other  
excludable income . . . . . 4f. \_\_\_\_\_ .00
- (g) Targeted Job Credit salary and wage expense addback . . . . . 4g. \_\_\_\_\_ .00
- 5. NET APPORTIONABLE INCOME  
(ADD Lines 3, 4(a), and 4(b), then SUBTRACT Lines 4(c) through 4(g)) . . . . . 5. \_\_\_\_\_ .00
- 6. Vermont Percentage (Schedule BA-402, Line 14, or 100.000000%)  
Enter percentage with six places to the right of the decimal point . . . . . 6. \_\_\_\_\_ %
- 7. Income Apportioned to Vermont (MULTIPLY Line 5 by Line 6) . . . . . 7. \_\_\_\_\_ .00
- 8. Non-Apportionable Income to Vermont (Schedule BA-402, Line 1B) . . . . . 8. \_\_\_\_\_ .00
- 9. Foreign Dividends Allocated to Vermont (Schedule BA-402, Line 2B) . . . . . 9. \_\_\_\_\_ .00
- 10. Net Vermont Income Allocated and Apportioned to Vermont (ADD Lines 7 through 9) . . . . . 10. \_\_\_\_\_ .00
- 11. Vermont Net Operating Loss deduction applied (Attach schedule) . . . . . 11. \_\_\_\_\_ .00
- 12. Vermont Net taxable income (Line 10 MINUS Line 11) . . . . . 12. \_\_\_\_\_ .00
- 13. Vermont Tax. Calculate Vermont tax due on Line 12 amount using the  
Tax Computation Schedule below . . . . . 13. \_\_\_\_\_ .00
- 14. Credits (Schedule BA-404, Column C, Line 11) . . . . . 14. \_\_\_\_\_ .00
- 15. Use Tax for taxable items on which no sales tax was charged, including online purchases . . . . . 15. \_\_\_\_\_ .00
- 16. Tax Due (Line 13 MINUS Line 14, then ADD Line 15) . . . . . 16. \_\_\_\_\_ .00
- 17. Gross Receipts (For purpose of minimum tax calculation. See instructions). . . . . 17. \_\_\_\_\_ .00

### TAX COMPUTATION SCHEDULE

(Effective for taxable periods beginning January 1, 2023)

<b>IF VERMONT NET INCOME (Line 12) IS</b>	<b>TAX IS</b>
\$10,000 or less . . . . .	6.00%
\$10,001 to \$25,000 . . . . .	\$600 plus 7.00% of excess over \$10,000
\$25,001 and over . . . . .	\$1,650 plus 8.50% of excess over \$25,000
<b>IF VERMONT GROSS RECEIPTS ARE</b>	<b>MINIMUM TAX IS</b>
\$500,000 or less . . . . .	\$100
\$500,001 to 1,000,000 . . . . .	\$500
\$1,000,001 to \$5,000,000 . . . . .	\$1,000
\$5,000,001 to \$300,000,000 . . . . .	\$2,000
\$300,000,001 and over . . . . .	\$100,000

File the return on the due date required under the Internal Revenue Code, unless extended.

Pay by the due date required under the Internal Revenue Code, even if the return is extended.

Corporations with liabilities over \$500, see instructions for estimated payments on Vermont Form CO-414.

# Form CO-411 page 3

Entity Name	
FEIN	Fiscal Year Ending (YYYYMMDD)



Amount from Line 17 \_\_\_\_\_

19. Total Tax Due (Add Line 17 plus Line 13 of all attached Schedules CO-421)	19.	_____	.00
20. Payments			
20a. Estimated Payments	20a.	_____	.00
20b. Payment with Extension	20b.	_____	.00
20c. Nonresident Estimated Payments (Form WH-435)	20c.	_____	.00
20d. Real Estate Withholding Payments (Form RW-171)	20d.	_____	.00
20e. Prior Year Overpayment Applied	20e.	_____	.00
20f. Total Payments (Add Lines 20a through 20e)	20f.	_____	.00
21. Balance Due. If Line 19 is more than Line 20f, subtract Line 20f from Line 19. Make checks payable to Vermont Department of Taxes	21.	_____	.00
22. Payment submitted with this return	22.	_____	.00
23. Overpayment. If Line 20f is more than Line 19, Subtract Line 19 from Line 20f	23.	_____	.00
24. Overpayment to be applied to next tax year	24.	_____	.00
25. Overpayment to be refunded (Subtract Line 24 from Line 23)	25.	_____	.00

I hereby certify that I am an officer or authorized agent responsible for the taxpayer's compliance with the requirements of Title 32 of the Vermont Statutes and that this return is 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 other 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 Responsible Officer	Date (MM/DD/YYYY)	Daytime Telephone Number
Printed Name	Email Address	

Check if the Department of Taxes may discuss this return with the preparer shown.

Signature of Paid Preparer	Date (MM/DD/YYYY)	Preparer's Telephone Number
Preparer's Printed Name	Email Address (optional)	
Firm's Name (or yours if self-employed)	EIN	Preparer's SSN or PTIN
Firm's Address (or yours if self-employed) (Street, City, State, ZIP Code)	<input type="checkbox"/> Check if self-employed	

Send return and check to:  
Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401

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For Department Use Only Ck. Amt.	Init.
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Form CO-411  
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Entity Name	
FEIN	Fiscal Year Ending (YYYYMMDD)



Amount from Line 16 \_\_\_\_\_

18. Payments			
18a. Estimated Payments (Form CO-411)	18a.	_____	.00
18b. Pymt with Extension (Form BA-403)	18b.	_____	.00
18c. Nonresident estimated payments distributed to this entity by a different company through a Schedule K-1VT	18c.	_____	.00
18d. Real Estate Withholding Payments (Form RW-171)	18d.	_____	.00
18e. Prior Year Overpayment Applied	18e.	_____	.00
18f. Total Payments (ADD Lines 18a through 18e)	18f.	_____	.00
19. Balance Due. If Line 16 is more than Line 18f, subtract Line 18f from Line 16. Make check payable to Vermont Department of Taxes	19.	_____	.00
20. Payment submitted with this return	20.	_____	.00
21. Overpayment. If Line 18f is more than Line 16, subtract Line 16 from Line 18f	21.	_____	.00
22. Overpayment to be applied to next tax year	22.	_____	.00
23. Overpayment to be refunded (Line 21 MINUS Line 22)	23.	_____	.00

I hereby certify that I am an officer or authorized agent responsible for the taxpayer's compliance with the requirements of Vermont Statutes Annotated, Title 32, and that this return is 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 other 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 Responsible Officer	Date (MM/DD/YYYY)	Daytime Telephone Number
Printed Name	Email Address	

Check if the Vermont Department of Taxes may discuss this return with the preparer shown.

Signature of Paid Preparer	Date (MM/DD/YYYY)	Preparer's Telephone Number
Preparer's Printed Name	Email Address (optional)	
Firm's Name (or yours if self-employed)	EIN	Preparer's SSN or PTIN
Firm's Address (or yours if self-employed) (Street, City, State, ZIP Code)	<input type="checkbox"/> Check if self-employed	

Send return and check to:  
Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401

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For Department Use Only Ck. Amt.	Init.
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Form CO-411  
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# Form BA-402 Changes for 23 Tax Year

- › Single sales factor; calculation change based upon sales factor only.
- › Form appears quite similar otherwise as Property and Payroll still need to be included.
- › Added a new line to accommodate special industry regulations
- › No more “loss box”, must use (-) sign for loss numbers.
- › Each return will only have 1 BA-402. No multiples. Streamlines processing.

# Schedule BA-402 page 1

Vermont Department of Taxes  
Schedule BA-402



## Vermont Apportionment & Allocation

For Unitary filers, complete a separate  
Schedule BA-402 for each taxable affiliate

Attach to Form CO-411  
or Form BI-471

Entity Name (same as on Form CO-411 or Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN
FOR UNITARY GROUPS ONLY - Name of Affiliate		Affiliate's FEIN

### PART 1 Directly Allocated Non-Business Income, Other Non-Appportionable Income and Foreign Dividends

Place an "X" in the box left of the line number to indicate a loss amount.

Enter all amounts in WHOLE DOLLARS.

	Everywhere		Vermont
1a-b. Non-Business Income or Other Non-Appportionable Income	<input type="checkbox"/> 1a. .00	<input type="checkbox"/> Check to indicate loss	1b. .00
1c-d. Foreign Dividends	<input type="checkbox"/> 1c. .00	<input type="checkbox"/> Check to indicate loss	1d. .00

### PART 2 Sales and Receipts Factor

#### Section A Sales and Receipts Factor

	Everywhere		Vermont
2. Sales or gross receipts	2. .00		
3. Services received in or delivered to Vermont	3. .00		
4. Sales delivered or shipped to purchasers in Vermont from outside Vermont	4. .00		
5. Sales delivered or shipped to purchasers in Vermont from within Vermont	5. .00		
6. Sales shipped from Vermont to the U.S. Government	6. .00		
7. Sales shipped from Vermont to purchasers in a state where the entity is not taxable	7. .00		
8. Business interest and dividends	8a. .00		8b. .00
9. Royalties	9a. .00		9b. .00
10. Gross rents	10a. .00		10b. .00
11. Other business income (attach detailed supporting statement)	11a. .00		11b. .00
12. TOTAL INCOME, SALES, AND GROSS RECEIPTS (Add Lines 2-11)	12a. .00		12b. .00
12c. Vermont Sales and Receipts factor as percent of Everywhere. (Divide Line 12b by Line 12a). Calculate percentage to six places to the right of the decimal point	12c. _____ %		

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Schedule BA-402  
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Vermont Department of Taxes  
Schedule BA-402



## Vermont Apportionment & Allocation

For Unitary filers, complete a separate  
Schedule BA-402 for each taxable affiliate

Include with Form CO-411

Entity Name (same as on Form CO-411)	Fiscal Year Ending (YYYYMMDD)	FEIN
--------------------------------------	-------------------------------	------

### PART I Non-Appportionable Income and Foreign Dividends

Enter all amounts in WHOLE DOLLARS.

	A. Everywhere		B. Vermont
1. Non-Appportionable Income	1A. .00		1B. .00
2. Foreign Dividends	2A. .00		2B. .00

### PART II Sales and Receipts Factor

#### Section A Sales and Receipts Factor

	A. Everywhere		B. Vermont
3. Sales or gross receipts	3A. .00		
4. Sales of Services received in or delivered to Vermont	4B. .00		
5. Sales of tangible personal property delivered or shipped to purchasers in Vermont from outside Vermont	5B. .00		
6. Sales of tangible personal property delivered or shipped to purchasers in Vermont from within Vermont	6B. .00		
7. Special Industries: Enter non-dollar sales factor figures here (e.g., audience factor, mobile property miles, etc.)	7B. .00		
8. Apportionable interest and dividends	8A. .00		8B. .00
9. Factors from pass through entities	9A. .00		9B. .00
10. Royalties	10A. .00		10B. .00
11. Gross rents	11A. .00		11B. .00
12. Other apportionable income (attach detailed supporting statement)	12A. .00		12B. .00
13. Total INCOME, SALES, AND GROSS RECEIPTS (ADD Lines 3 through 12)	13A. .00		13B. .00
14. Vermont Sales and Receipts factor as percent of Everywhere. (DIVIDE Line 13B by Line 13A. MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) Enter this figure on Form CO-411, Line 6; or Schedule BI-477, Line 13.	14. _____ %		

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Schedule BA-402  
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# Schedule BA-402 page 2

Entity Name (same as on Form CO-411 or Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



## Section B Salaries and Wages Factor

	Everywhere		Vermont
13. TOTAL SALARIES AND WAGES	13a. .00	13b.	.00
13c. Vermont as percent of Everywhere (Divide Line 13b by Line 13a). Calculate percentage to six places to the right of the decimal point . . . . . 13c. _____ %			

## Section C Property Factor (Average value during year)

	Everywhere		Vermont
14. Inventories	14a. .00	14b.	.00
15. Buildings and other depreciable assets (original cost)	15a. .00	15b.	.00
16. Depletable assets (original cost)	16a. .00	16b.	.00
17. Land	17a. .00	17b.	.00
18. Other assets (Attach schedule)	18a. .00	18b.	.00
19. Rented real and personal property (Multiply annual rent by 8)	19a. .00	19b.	.00
20. TOTAL PROPERTY (Add Lines 14 through 19)	20a. .00	20b.	.00
20c. Vermont as percent of Everywhere (Divide Line 20b by Line 20a). Calculate percentage to six places to the right of the decimal point . . . . . 20c. _____ %			

## Section D Vermont Apportionment Factors

21. VERMONT COMBINED FACTORS (Sales and Receipts, Double-weighted)  
(Add Line 12c twice, and Lines 13c and 20c above).  
Calculate percentage to six places to the right of the decimal point . . . . . 21. \_\_\_\_\_ %

22. VERMONT APPORTIONMENT FACTOR (Divide Line 21 by 4 or as indicated below).  
Calculate percentage to six places to the right of the decimal point . . . . . 22. \_\_\_\_\_ %

Express as a decimal to six places. If there are fewer than three factors with an "Everywhere" denominator, then divide Line 21 as follows:

- Sales/Receipts and Salaries and Wages - divide by 3
- Sales/Receipts and Property - divide by 3
- Salaries and Wages and Property - divide by 2
- Sales/Receipts only - divide by 2
- Salaries and Wages only - divide by 1
- Property only - divide by 1

(Transcribe to Form CO-411, Line 6; or Schedule CO-421, Line 1; or Schedule BI-472, Line 10; or Schedule BI-473, Line 11.)

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Schedule BA-402  
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Entity Name (same as on Form CO-411 or Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



## Section B Salaries and Wages Factor (Informational purposes only)

	A. Everywhere		B. Vermont
15. Total SALARIES AND WAGES	15A. .00	15b.	.00

## Section C Property Factor (Average value during year) (Informational purposes only)

	A. Everywhere		B. Vermont
16. Inventories	16A. .00	16B.	.00
17. Buildings and other depreciable assets (original cost)	17A. .00	17B.	.00
18. Depletable assets (original cost)	18A. .00	18B.	.00
19. Land	19A. .00	19B.	.00
20. Other assets (Attach schedule)	20A. .00	20B.	.00
21. Rented real and personal property (Multiply annual rent by 8)	21A. .00	21B.	.00
22. Total PROPERTY (Add Lines 16 through 21)	22A. .00	22B.	.00

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Schedule BA-402  
Page 2 of 2  
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# Form BA-410 Changes for the 23 Tax Year

- › Condensed form so more affiliates are included in 1 form
- › New Information:
  - Unitary Group member;
  - Disregarded entity;
  - Pass through entity directly owned.

# Schedule BA-410

Vermont Department of Taxes

## Schedule BA-410

Vermont Corporate and Business  
Income Tax Affiliation



Attach to Form CO-411  
or Form BI-471

REQUIRED FOR COMBINED AND CONSOLIDATED RETURNS

Please provide information only for affiliates/subsidiaries with nexus in Vermont.

Entity Name (same as on Form CO-411 or Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN
---	-------------------------------	------

Affiliate Name	FEIN
Address	For Department Use Only
Address (Line 2)	
City State ZIP Code	
Foreign Country	
Affiliate Name	FEIN
Address	For Department Use Only
Address (Line 2)	
City State ZIP Code	
Foreign Country	
Affiliate Name	FEIN
Address	For Department Use Only
Address (Line 2)	
City State ZIP Code	
Foreign Country	
Affiliate Name	FEIN
Address	For Department Use Only
Address (Line 2)	
City State ZIP Code	
Foreign Country	

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USE ADDITIONAL SCHEDULES, IF NECESSARY

Schedule BA-410  
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Vermont Department of Taxes

## Schedule BA-410

Vermont Corporate and Business  
Income Tax Affiliation



Include with Form CO-411  
or Form BI-471

REQUIRED FOR COMBINED AND CONSOLIDATED RETURNS

Please provide information only for affiliates/subsidiaries with nexus in Vermont.

Entity Name (same as on Form CO-411 or Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN
---	-------------------------------	------

	Affiliate Name	FEIN	Unitary group member? ('Y' or 'N')	Disregarded entity? ('Y' or 'N')	Pass-through entity directly owned? ('Y' or 'N')
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					

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USE ADDITIONAL SCHEDULES, IF NECESSARY

Schedule BA-410  
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# Form CO-419 Changes for the 23 Tax Year:

- › New form combines all companies within group to 1 form and is used to compute the modified apportionment percentage and then the amount of foreign dividends to be included in Vermont taxable income for all taxable affiliates in the group.
- › Simplified single sales factor calculation;

# Schedule CO-419

Vermont Department of Taxes

## Schedule CO-419

### Vermont Apportionment of Foreign Dividends (for Unitary-Combined Only)



\* 2 2 4 1 9 1 1 0 0 \*

Attach to Form CO-411

Entity Name (same as on Form CO-411)	Fiscal Year Ending (YYYYMMDD)	FEIN
Name of Affiliate		Affiliate's FEIN

Column A EVERYWHERE (Denominator)	Column B VERMONT (Numerator)	Column C VT as portion of EVERYWHERE
---	------------------------------------	--

#### PART 1: Sales

1. Enter amounts from Schedule BA-402, Lines 12a and 12b ... 1A. \_\_\_\_\_ .00 1B. \_\_\_\_\_ .00
2. Enter the Sales Increment (Sum of Lines 10 of all attached Schedules CO-420) ... 2A. \_\_\_\_\_ .00
3. Adjusted Sales Increment (Line 1A plus 2A) ... 3A. \_\_\_\_\_ .00
4. Modified Sales Factor (Line 1B divided by Line 3A). Express as a percent, 6 places to the right of the decimal point ... 4C. \_\_\_\_\_ %
5. Modified Sales Factor Double-Weighted (Line 4C times 2). Express as a percent, 6 places to the right of the decimal point ... 5C. \_\_\_\_\_ %

#### PART 2: Salaries and Wages

6. Enter amounts from Schedule BA-402, Lines 13a and 13b ... 6A. \_\_\_\_\_ .00 6B. \_\_\_\_\_ .00
7. Enter the Salaries and Wages Increment (Sum of Lines 12 of all attached Schedules CO-420) ... 7A. \_\_\_\_\_ .00
8. Adjusted Salary and Wages Increment (Line 6A plus Line 7A) ... 8A. \_\_\_\_\_ .00
9. Modified Salaries and Wages Factor (Line 6B divided by Line 8A). Express as a percent, 6 places to the right of the decimal point ... 9C. \_\_\_\_\_ %

#### PART 3: Property

10. Enter amounts from Schedule BA-402, Lines 20a and 20b ... 10A. \_\_\_\_\_ .00 10B. \_\_\_\_\_ .00
11. Enter the Property Increment (Sum of Lines 20 of all attached Schedules CO-420) ... 11A. \_\_\_\_\_ .00
12. Adjusted Property Increment (Line 10A plus Line 11A) ... 12A. \_\_\_\_\_ .00
13. Modified Property Factor (Line 10B divided by Line 12A). Express as a percent, 6 places to the right of the decimal point ... 13C. \_\_\_\_\_ %
14. Total Modified Factors (Add Lines 5C, 9C, and 13C) ... 14. \_\_\_\_\_ %
15. Modified Apportionment Percentage (Divide Line 14 by 4. Express as a percent, 6 places to the right of the decimal point.) If there are only one or two factors, see instructions ... 15. \_\_\_\_\_ %
16. FOREIGN DIVIDENDS as defined in Reg. 5862(d). This amount must agree with Schedule BA-402, Line 1c ... 16. \_\_\_\_\_ .00
17. VERMONT FOREIGN DIVIDENDS TAXABLE INCOME (Multiply Line 16 by Line 15). Enter this amount on Schedule BA-402, Line 1d and Form CO-411, Line 10 or Schedule CO-421, Line 5 ... 17. \_\_\_\_\_ .00

Schedule CO-419  
Page 1 of 1  
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Vermont Department of Taxes

## Schedule CO-419

### Vermont Apportionment of Foreign Dividends (for Unitary Filers Only)



\* 2 3 4 1 9 1 1 0 0 \*

Include with Form CO-411

Entity Name (same as on Form CO-411)	Fiscal Year Ending (YYYYMMDD)	FEIN
--------------------------------------	-------------------------------	------

Column A EVERYWHERE (Denominator)	Column B VERMONT (Numerator)	Column C Vermont as portion of EVERYWHERE
---	------------------------------------	---

1. Total Income, Sales, and Gross Receipts (Schedule BA-402, Lines 13A and 13B) ... 1A. \_\_\_\_\_ .00 1B. \_\_\_\_\_ .00
2. Sales Increment (ADD Lines 10 and 20 from all attached Schedules CO-420) ... 2A. \_\_\_\_\_ .00
3. Adjusted Sales Increment (ADD Lines 1A and 1B) ... 3A. \_\_\_\_\_ .00
4. Modified Sales Factor (DIVIDE Line 1B by Line 3A. MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) ... 4C. \_\_\_\_\_ %
5. FOREIGN DIVIDENDS as defined in Reg. § 1.5862(d). (Schedule BA-402, Line 2A) ... 5. \_\_\_\_\_ .00
6. VERMONT FOREIGN DIVIDENDS TAXABLE INCOME (MULTIPLY Line 5 by Line 4). Enter onto Schedule BA-402, Line 2B and Form CO-411, Line 9. ... 6. \_\_\_\_\_ .00

Schedule CO-419  
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# Form CO-420 Changes for Tax Year 23:

- › Simplified single sales factor;
- › Multiple entities on single form:
  - Each entity that pays a dividend still needs to complete the form.

# Schedule CO-420

Vermont Department of Taxes

## Schedule CO-420

### Vermont Foreign Dividend Factor Increments (for Unitary-Combined only)



Attach to Form CO-411

Complete one CO-420 for each dividend payor entity.  
Enter all amounts in WHOLE DOLLARS.

Entity Name (same as on Form CO-411)	Fiscal Year Ending (YYYYMMDD)	FEIN
Name of Affiliate		Affiliate's FEIN

- Dividend paid ..... 1. \_\_\_\_\_ .00
- Taxable Income ..... 2. \_\_\_\_\_ .00
- Percentage of taxable income paid as dividend (Divide Line 1 by Line 2). Calculate percentage to six places to the right of the decimal point. If taxable income is \$0 or less, enter 100% ..... 3. \_\_\_\_\_ %

#### Section A Sales and Receipts Factor

- Sales or gross receipts ..... 4. \_\_\_\_\_ .00
- Business interest ..... 5. \_\_\_\_\_ .00
- Royalties ..... 6. \_\_\_\_\_ .00
- Gross rents ..... 7. \_\_\_\_\_ .00
- Other business income ..... 8. \_\_\_\_\_ .00
- TOTAL INCOME, SALES, AND GROSS RECEIPTS**  
(Add Lines 4 through 8) ..... 9. \_\_\_\_\_ .00
- Sales and Receipts Increment (Multiply Line 9 by Line 3) ..... 10. \_\_\_\_\_ .00

#### Section B Salaries and Wages Factor

- TOTAL SALARIES AND WAGES** ..... 11. \_\_\_\_\_ .00
- Salaries and Wages Increment (Multiply Line 11 by Line 3) ..... 12. \_\_\_\_\_ .00

#### Section C Property Factor (Average value during year)

- Inventories ..... 13. \_\_\_\_\_ .00
- Buildings and other depreciable assets (original cost) ..... 14. \_\_\_\_\_ .00
- Depletable assets (original cost) ..... 15. \_\_\_\_\_ .00
- Land ..... 16. \_\_\_\_\_ .00
- Other assets (Attach schedule) ..... 17. \_\_\_\_\_ .00
- Rented real and personal property (Multiply annual rent by 8) ..... 18. \_\_\_\_\_ .00
- TOTAL PROPERTY** (Add Lines 13 through 18) ..... 19. \_\_\_\_\_ .00
- Property Increment (Multiply Line 19 by Line 3) ..... 20. \_\_\_\_\_ .00

The three Increments (which are the sums of Lines 10, 12, and 20, respectively, across all attached CO-420s) will be transcribed to Lines 2, 7, and 11 of all attached CO-419s.

Schedule CO-420  
Page 1 of 1  
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Vermont Department of Taxes

## Schedule CO-420

### Vermont Foreign Dividend Factor Increments (for Unitary Filers only)



Include with Form CO-411

Complete for each dividend payor affiliate. More than one Schedule CO-420 may be attached.  
Enter all amounts in WHOLE DOLLARS.

Entity Name (same as on Form CO-411)	Fiscal Year Ending (YYYYMMDD)	FEIN
--------------------------------------	-------------------------------	------

Name of Affiliate	Affiliate's FEIN
-------------------	------------------

#### Affiliate #1

- Dividend paid ..... 1. \_\_\_\_\_ .00
- Taxable Income ..... 2. \_\_\_\_\_ .00
- Percentage of taxable income paid as dividend (DIVIDE Line 1 by Line 2. MULTIPLY the result by 100, carry the result out to the sixth decimal place.) If taxable income is \$0 or less, enter 100.000000% ..... 3. \_\_\_\_\_ %
- Sales or gross receipts ..... 4. \_\_\_\_\_ .00
- Business interest ..... 5. \_\_\_\_\_ .00
- Royalties ..... 6. \_\_\_\_\_ .00
- Gross rents ..... 7. \_\_\_\_\_ .00
- Other business income ..... 8. \_\_\_\_\_ .00
- TOTAL INCOME, SALES, AND GROSS RECEIPTS**  
(ADD Lines 4 through 8) ..... 9. \_\_\_\_\_ .00
- Sales and Receipts Increment (MULTIPLY Line 9 by Line 3) ..... 10. \_\_\_\_\_ .00

#### Affiliate #2

- Dividend paid ..... 11. \_\_\_\_\_ .00
- Taxable Income ..... 12. \_\_\_\_\_ .00
- Percentage of taxable income paid as dividend (DIVIDE Line 11 by Line 12. MULTIPLY the result by 100, carry the result out to the sixth decimal place.) If taxable income is \$0 or less, enter 100.000000% ..... 13. \_\_\_\_\_ %
- Sales or gross receipts ..... 14. \_\_\_\_\_ .00
- Business interest ..... 15. \_\_\_\_\_ .00
- Royalties ..... 16. \_\_\_\_\_ .00
- Gross rents ..... 17. \_\_\_\_\_ .00
- Other business income ..... 18. \_\_\_\_\_ .00
- TOTAL INCOME, SALES, AND GROSS RECEIPTS**  
(ADD Lines 14 through 18) ..... 19. \_\_\_\_\_ .00
- Sales and Receipts Increment (MULTIPLY Line 19 by Line 13) ..... 20. \_\_\_\_\_ .00

The sales and receipts increment (Lines 10 and 20 from all attached Schedules CO-420) will be entered onto Line 2 of Schedule CO-419.

Schedule CO-420  
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# Form CO-421 Changes for Tax Year 23:

- › Form is no longer used in VT filing:
- › Finnigan changed the filing to a consolidated filing so we no longer need each entity in the groups tax calculation.

# Business Income Tax – BI-471 and Schedules

› Pass Through Entities

› Not Changing:

- **BI-471** - Business Income Tax Return
- **BI-476** – Business Income Tax Short Form
- **WH-435** – Nonresident Estimated Payment Coupon

# What forms are changing?

- › BI-472 – Non-Composite Schedule
- › BI-473 – Composite Schedule
- › K-1VT – Shareholder, Partner, Member Information
  - Minimal changes this year
  
- › **NEW: BI-477** – Vermont Income Adjustment Calculation: Pass Through Nonresident
  - BA-402 – Apportionment and Allocation – will no longer be used with BI-471

# Why the need for changes?

- › Differences in tax treatment and sourcing between Corporations and Individuals
  - § 5823(b) vs Corporate apportionment (details on next slide)
- › Single Sales Factor apportionment
- › Evolution of apportionable vs. nonapportionable income – improve the non-resident schedules

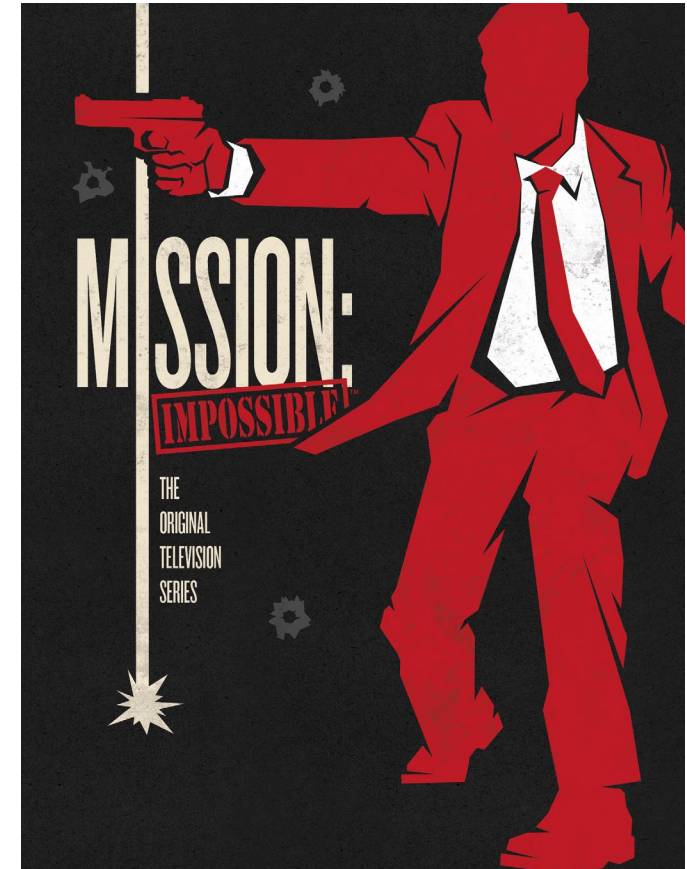


## 32 V.S.A. § 5823(b) – VT Income of Nonresidents

- › Rents and Royalties derived from ownership of property **within** the state
- › Gains from sale/exchange of property within the state
- › Wages, salaries, commissions, etc. for services performed **within** the state
- › Other business income **to the extent** it is carried on **within** the state
- › Highlights the differences between Apportionment and Direct Allocation

# The Result ... ?

- › Not perfect
- › It remains impossible to account for all the permutations of partnership and S-Corp tax law, and complex, multi-tiered ownership structures
  - Or is it? Ring us up if you have the answer!



# However...

- › **Dramatic improvement** from our current administration of pass throughs
- › Allows for more taxpayers to be much more accurate and correct in determination of nonresident estimated payment and composite tax requirements
  - § 5914 and § 5920
- › Even though it is a longer form, it draws heavily from federal information, and is more specific and direct than what it is replacing on the BI-472 and BI-473
- › **First:** We'll walk through the 472 and 473

# BI-472 – Non-Composite Schedule

- › Calculates requirement for nonresident estimated payments, to pass through to taxpaying owners
- › Vastly simplified as VT taxable income is calculated on Form BI-477

# Schedule BI-472

Vermont Department of Taxes

## Schedule BI-472

Vermont Non-Composite

PRINT in BLUE or BLACK INK



\* 2 2 4 7 2 1 1 0 0 \*

Attach to Form BI-471

Entity Name (same as on Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN

Place an "X" in the box left of the line number to indicate a loss amount.

Enter all amounts in whole dollars.

- 1a. Ordinary Business Income (federal Form 1120S, Line 21 or federal Form 1065, Line 22)  Check to indicate loss 1a. \_\_\_\_\_ .00
- 1b. Net adjustment to income resulting from Vermont's disallowance of "bonus depreciation" (IRC 168(k))  Check to indicate loss 1b. \_\_\_\_\_ .00
- 1c. Ordinary Business Income with disallowance of "bonus depreciation" (Add Lines 1a and 1b)  Check to indicate loss 1c. \_\_\_\_\_ .00
2. Net Rental Real Estate Income (federal Form 1120S, Schedule K, Line 2, or federal Form 1065, Schedule K, Line 2)  Check to indicate loss 2. \_\_\_\_\_ .00
3. Other Net Rental Income (federal Form 1120S, Schedule K, Line 3c, or federal Form 1065, Schedule K, Line 3c)  Check to indicate loss 3. \_\_\_\_\_ .00
4. Guaranteed Payments (Partnership only - federal Form 1065, Schedule K, Line 4) \_\_\_\_\_ .00
5. Net short term and long term capital gains or losses: (federal Form 1120S, Schedule K, Lines 7 and 8a, or federal Form 1065, Schedule K, Lines 8 and 9a.)  Check to indicate loss 5. \_\_\_\_\_ .00
6. Net section 1231 gain or loss: (federal Form 1120S, Schedule K, Line 9, or federal 1065, Schedule K Line 10)  Check to indicate loss 6. \_\_\_\_\_ .00
7. Other income or loss: (federal Form 1120S, Schedule K, Line 10, or federal Form 1065, Schedule K, Line 11.)  Check to indicate loss 7. \_\_\_\_\_ .00
8. Section 179 Deduction (federal Form 1120S, Schedule K, Line 11 or federal Form 1065, Schedule K, Line 12) \_\_\_\_\_ .00
9. Apportionable income (Add Lines 1c through 7, then subtract Line 8)  Check to indicate loss 9. \_\_\_\_\_ .00
10. Apportionment percentage (from Schedule BA-402, or 100%) \_\_\_\_\_ .10 \_\_\_\_\_ %
11. Business Income Apportioned to Vermont (Multiply Line 9 by Line 10)  Check to indicate loss 11. \_\_\_\_\_ .00
12. Income directly allocable to Vermont generated by this entity (capital gain on real estate and physical assets located in Vermont, royalties on property located in Vermont, etc.)  Check to indicate loss 12. \_\_\_\_\_ .00
13. Vermont business income distributed to this entity by a different entity via Schedule K-1VT.  Check to indicate loss 13. \_\_\_\_\_ .00
14. Vermont-sourced capital gain distributed to this entity via Schedule K-1VT  Check to indicate loss 14. \_\_\_\_\_ .00
15. Other Vermont-sourced income distributed to this entity by a different entity via Schedule K-1VT  Check to indicate loss 15. \_\_\_\_\_ .00
16. Total Vermont Net Income (Add Lines 11 through 15)  Check to indicate loss 16. \_\_\_\_\_ .00
17. Percentage of income from Line 16 passed through to nonresidents \_\_\_\_\_ .17 \_\_\_\_\_ %
18. Total income passed through to nonresidents (Multiply Line 16 by Line 17)  Check to indicate loss 18. \_\_\_\_\_ .00
19. Nonresident estimated payment requirement (Multiply Line 18 by 6.6%) \_\_\_\_\_ .19 \_\_\_\_\_ .00

Schedule BI-472  
Page 1 of 1  
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Vermont Department of Taxes

## Schedule BI-472

Vermont Non-Composite

PRINT in BLUE or BLACK INK



\* 2 3 4 7 2 1 1 0 0 \*

Include with Form BI-471

Entity Name (same as on Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN

Enter all amounts in whole dollars.

1. Income Attributable to Vermont (Schedule BI-477, Line 26) \_\_\_\_\_ .00
2. Other adjustments to income attributable to Vermont \_\_\_\_\_ .00
3. Percentage of income from the sum of Line 1 and Line 2 passed through to nonresidents \_\_\_\_\_ %
4. Total income passed through to nonresidents (MULTIPLY Line 1 by Line 3) \_\_\_\_\_ .00
5. Nonresident estimated payment requirement (MULTIPLY Line 4 by 6.6% (0.066)) \_\_\_\_\_ .00

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Schedule BI-472  
Page 1 of 1  
Rev. 10/23

# BI-473 – Composite Schedule

- › Calculates tax owed by the composite entity on behalf of nonresident owners
- › Vastly simplified as VT taxable income is calculated on Form BI-477.
- › Composite NOL
  - Nothing in law, something we've allowed for many years
  - Not changing administration for 2023, but naming it to keep it separate from VNOL – which is specific to corporations.

# Schedule BI-473 page 1

Vermont Department of Taxes  
**Schedule BI-473**  
 Vermont Composite



\* 2 2 4 7 3 1 1 0 0 \*

PRINT in BLUE or BLACK INK

Attach to Form BI-471

Entity Name (same as on Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN

Place an "X" in the box left of the line number to indicate a loss amount.

Enter all amounts in whole dollars.

- 1a. Ordinary Business Income (federal Form 1120S, Line 21 or federal Form 1065, Line 22)  Check to indicate loss 1a. .00
- 1b. Net adjustment to income resulting from Vermont's disallowance of "bonus depreciation" (IRC 168(k))  Check to indicate loss 1b. .00
- 1c. Ordinary Business Income with disallowance of "bonus depreciation" (Add Lines 1a and 1b)  Check to indicate loss 1c. .00
2. Net Rental Real Estate Income (federal Form 1120S, Schedule K, Line 2, or federal Form 1065, Schedule K, Line 2)  Check to indicate loss 2. .00
3. Other Net Rental Income (federal Form 1120S, Schedule K, Line 3c, or federal Form 1065, Schedule K, Line 3c)  Check to indicate loss 3. .00
4. Guaranteed Payments (Partnership only - federal Form 1065, Schedule K, Line 4) .00
5. Net short term and long term capital gains or losses (federal Form 1120S, Schedule K, Lines 7 and 8a, or federal Form 1065, Schedule K, Lines 8 and 9a.)  Check to indicate loss 5. .00
6. Net section 1231 gain or loss (federal Form 1120S, Schedule K, Line 9, or Federal 1065, Schedule K Line 10)  Check to indicate loss 6. .00
7. Other income or loss (federal Form 1120S, Schedule K, Line 10, or federal Form 1065, Schedule K, Line 11.)  Check to indicate loss 7. .00
8. Section 179 Deduction (federal Form 1120S, Schedule K, Line 11 or federal Form 1065, Schedule K, Line 12) .00
9. Deduction for Charitable Contributions (federal Form 1120S, Schedule K, Line 12a, or federal Form 1065, Schedule K, Line 13a) .00
10. Apportionable income (Add Lines 1c through 7, then subtract Lines 8 and 9)  Check to indicate loss 10. .00
11. Apportionment percentage (from Schedule BA-402, or 100%) 11. .00 %
12. Business Income Apportioned to Vermont (Multiply Line 10 by Line 11)  Check to indicate loss 12. .00
13. Income directly allocable to Vermont generated by this entity (Capital gain on real estate and physical assets located in Vermont, royalties on property located in Vermont, etc.)  Check to indicate loss 13. .00
14. Vermont business income distributed to this entity by a different entity via Schedule K-1VT  Check to indicate loss 14. .00
15. Vermont-sourced capital gain distributed to this entity via Schedule K-1VT  Check to indicate loss 15. .00
16. Other Vermont-sourced income distributed to this entity by a different entity via Schedule K-1VT  Check to indicate loss 16. .00
17. Total Vermont Net Income (Add Lines 12 through 16)  Check to indicate loss 17. .00

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Schedule BI-473  
 Page 1 of 2  
 Rev. 10/22

Vermont Department of Taxes  
**Schedule BI-473**  
 Vermont Composite



\* 2 3 4 7 3 1 1 0 0 \*

PRINT in BLUE or BLACK INK

Include with Form BI-471

Entity Name (same as on Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN

Enter all amounts in whole dollars.

1. Vermont Taxable Income (Schedule BI-477, Line 26) 1. .00
2. Vermont Income Tax Adjustment % (Schedule BI-477, Line 27) 2. .00 %
3. Business Income Apportioned to Vermont (MULTIPLY Line 1 by Line 2) 3. .00
4. Percentage of income from Line 3 passed through to nonresidents 4. .00 %
5. Total nonresident income (MULTIPLY Line 3 by Line 4) 5. .00
6. Vermont net operating loss deduction applied (Attach Vermont NOL statement) 6. .00
7. Additional Adjustments (Specify) 7. .00
8. Vermont taxable composite income (ADD Line 5 through Line 7) 8. .00
9. Composite Tax (MULTIPLY Line 8 by 7.6% (0.076)). If negative, enter -0- 9. .00
10. Tax credits available for composite shareholders/partners/members (Attach Schedules BA-404 and BA-406) 10. .00
11. Vermont Composite Tax due (Line 9 MINUS Line 10) 11. .00


**NOTE:** Line 10 tax credits may not reduce your tax liability to less than the minimum tax. Review program guidelines to determine if there are other limitations regarding usage of tax credits.

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Schedule BI-473  
 Page 1 of 1  
 Rev. 10/23

# Schedule BI-473 page 2

Entity Name (same as on Form BI-471)	
FEIN	Fiscal Year Ending (YYYYMMDD)



\* 2 2 4 7 3 1 2 0 0 \*

Amount from Line 17 .....

Place an "X" in the box left of the line number to indicate a loss amount. Enter all amounts in whole dollars.

18. Percentage of income from Line 17 passed through to nonresidents ..... 18. .... %

19. Total nonresident income (Multiply Line 17 by Line 18) .....  ← Check to indicate loss 19. .... .00

20. Vermont net operating loss deduction applied (Attach Vermont NOL statement in PDF format) ..... 20. .... .00

21. Vermont taxable composite income (Subtract Line 20 from Line 19) .....  ← Check to indicate loss 21. .... .00

22. Composite Tax (Multiply Line 21 by 7.6%. If negative, enter -0-) ..... 22. .... .00

23. Tax credits available for composite shareholders/partners/members  
(Attach Schedules BA-404 and BA-406) ..... 23. .... .00

NOTE: Line 23 Tax Credits may not reduce your tax liability to less than the minimum tax. Review program guidelines to determine if there are other limitations regarding usage of tax credits.

24. Vermont Composite Tax due (Subtract Line 23 from Line 22) ..... 24. .... .00

› 2<sup>nd</sup> page no longer exists for tax year 23.



# Structure of BI-477

- › Follows the subsections of § 5823(b) to identify Vermont income
- › Incorporates Apportionment for subset of Business Income
- › Uses Categories of income from federal Schedules K (1120-S and 1065)
- › Applies an Income Adjustment – parallel with personal income tax, IN-113
- › Allows for adjustments for non-apportionable income

*'Tis the season ...*



*"The night is dark, and full of  
terrors ..."*

# BI-477 - page 1

- › **Parts I – IV** – Mirror § 5823 and use Schedule K information
- › **Part IV – Apportionable Business Income**
- › **Part V – Income Adjustment**
- › **Part VI – Apportionment** – applies to Part IV
- › **Part VII – Flow-Through factors** – for Corporate owners – required by Legislature

Vermont Department of Taxes

## Schedule BI-477

Vermont Income Adjustment Calculation:  
Pass-Through Nonresident



Include with Form BI-471

Entity Name (same as on Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN

### SECTION 1 PASS-THROUGH PERSONAL INCOME ADJUSTMENT CALCULATION

#### PART I. INCOME DERIVED FROM OWNERSHIP OF PROPERTY

	Column A Federal Amount	Column B Amount from Vermont Sbus Property
1. Net Rental Real Estate Income (loss) .....	1A. .... .00	1B. .... .00
2. Other Net Rental Income (loss) .....	2A. .... .00	2B. .... .00
3. Royalties.....	3A. .... .00	3B. .... .00

#### PART II. GAINS FROM THE SALE OR EXCHANGE OF PROPERTY

	Column A Federal Amount	Column B Amount from Vermont Sbus Property
4. Net Long Term Capital Gain (loss) .....	4A. .... .00	4B. .... .00
5. Net Short Term Capital Gain (loss) .....	5A. .... .00	5B. .... .00
6. Guaranteed Payments for Capital.....	6A. .... .00	6B. .... .00
7. Collectibles (28%) Gain (loss) ..	7A. .... .00	7B. .... .00
8. Unrecaptured IRC § 1250 Gain. ....	8A. .... .00	8B. .... .00
9. Net IRC § 1231 Gain (loss) ..	9A. .... .00	9B. .... .00

#### PART III. WAGES, SALARIES, COMPENSATION TO PARTNERS

	Column A Federal Amount	Column B Amount Received for Services Performed in Vermont
10. Wages and Salaries.....	10A. .... .00	10B. .... .00
11. Other Compensation.....	11A. .... .00	11B. .... .00
12. Guaranteed Payments for Services.....	12A. .... .00	12B. .... .00

# Schedule BI-477 - pages 2 & 3

## PART IV. BUSINESS INCOME

13. Vermont Sales and Receipts Factor as a percent of Everywhere (Section 2, Line 40).....	13.	_____	_____	%
		<b>Column A</b> Federal Amount	<b>Column B</b> Derived within Vermont (Multiply Column A by Line 13)	
14. Ordinary Business Income .. 14A.	14B.	.00	.00	
15. Net adjustment to income resulting from Vermont's disallowance of "bonus depreciation" (IRC 168(k)) .. 15A.	15B.	.00	.00	
16. Ordinary Business Income with Bonus Depreciation Disallowance (ADD Lines 14 and 15).... 16A.	16B.	.00	.00	
17. Interest Income..... 17A.	17B.	.00	.00	
18. Dividends				
18I. Ordinary Dividends ..... 18IA.	18IB.	.00	.00	
18II. Qualified Dividends ..... 18IIA.	18IIB.	.00	.00	
18III. Dividend Equivalents..... 18IIIA.	18IIIB.	.00	.00	
19. Other Apportionable Business Income (Specify)..... 19A.	19B.	.00	.00	
20. IRC § 179 Deduction ..... 20A.	20B.	.00	.00	
21. ADD Lines 1A through 12A and Lines 14A through 19A, then SUBTRACT Line 20A .....	21.	_____	_____	.00

## PART V. INCOME ADJUSTMENT

22. Interest Income not derived from Vermont activity (SUBTRACT Line 15A from federal Form 1065, Sch. K, Line 5) .....	22.	_____	_____	.00
23. Dividends not derived from Vermont activity (SUBTRACT the SUM of Lines 18IA, 18IIA, and 18IIIA from the SUM of federal Form 1065, Sch. K, Lines 6a, 6b, and 6c) .....	23.	_____	_____	.00
24. Other Income (loss) (Specify) .....	24.	_____	_____	.00
25. ADD Lines 21 through 24.....	25.	_____	_____	.00
26. Other Adjustments (Attach detailed explanation).....	26.	_____	_____	.00
27. TAXABLE INCOME (ADD Lines 25 and 26).....	27.	_____	_____	.00
28. VERMONT INCOME (ADD Lines 1B through 12B and Lines 14B through 19B, then SUBTRACT Line 20B).....	28.	_____	_____	.00
29. INCOME ADJUSTMENT % (DIVIDE Line 28 by Line 27. MULTIPLY the result by 100 and carry the result out to the fourth decimal place.) Also enter on Schedule BI-473, Line 2.....	29.	_____	_____	%

## SECTION 2 VERMONT APPORTIONMENT

### PART VI. VERMONT SALES AND RECEIPTS FACTOR

	<b>Column A</b> Everywhere	<b>Column B</b> Vermont
30. Sales or gross receipts .....	30A. _____	.00
31. Sales of services .....	31B. _____	.00
32. Sales of tangible personal property delivered or shipped to purchasers in Vermont from outside Vermont .....	32B. _____	.00
33. Sales of tangible personal property delivered or shipped to purchasers in Vermont from within Vermont .....	33B. _____	.00
34. Special Industries: Enter non-dollar sales factor figures here .....	34B. _____	.00
35. Apportionable interest and dividends .....	35A. _____	.00
36. Royalties .....	36A. _____	.00
37. Gross rents .....	37A. _____	.00
38. Other apportionable business income (attach detailed supporting statement) .....	38A. _____	.00
39. Total GROSS RECEIPTS (ADD Lines 30 through 38) 39A.	_____	.00
40. Vermont Gross Receipt factor (DIVIDE Line 39B by 39A. MULTIPLY the result by 100 and carry the result out to the sixth decimal place.) .....	40.	_____

### PART VII. PROPERTY FACTOR (Average value during year)

	<b>Column A</b> Everywhere	<b>Column B</b> Vermont
41. Inventories .....	41A. _____	.00
42. Buildings and other depreciable assets (original cost) .....	42A. _____	.00
43. Depletable assets (original cost) .....	43A. _____	.00
44. Land .....	44A. _____	.00
45. Other assets (Attach schedule) .....	45A. _____	.00
46. Rented real and personal property (Multiply annual rent by 8) .. 46A.	_____	.00
47. Total PROPERTY (ADD Lines 41 through 46) 47A.	_____	.00

# Form BI-471 Form Changes for Tax Year 23:

- › Only cosmetic changes to Form for tax year 23;
  - No more “loss box”, must use (-) sign for loss numbers.

# Form BI-471

Vermont Department of Taxes  
**Form BI-471**  
**Vermont Business Income Tax Return**  
 for Partnerships, Subchapter S Corporations, and LLCs

\* 2 2 4 7 1 1 1 0 0 \*

Check Appropriate Boxes <input type="checkbox"/> Name Change <input type="checkbox"/> Address Change <input type="checkbox"/> Composite Return <input type="checkbox"/> Amended Return <input type="checkbox"/> Accounting Period Change <input type="checkbox"/> Extended Return <input type="checkbox"/> Initial Return <input type="checkbox"/> Federal Extension Requested <input type="checkbox"/> Public Law 86-272 Applies <input type="checkbox"/> Pro Forma - Consists <input type="checkbox"/> Final Return (Cancel Account)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Entity Name</td> <td colspan="2">FEIN</td> <td colspan="2">Primary E-202 NAICS number</td> </tr> <tr> <td colspan="2">Address</td> <td colspan="2">Tax year BEGIN date (YYYYMMDD)</td> <td colspan="2">Tax year END date (YYYYMMDD)</td> </tr> <tr> <td colspan="2">Address (Line 2)</td> <td colspan="2">City</td> <td>State</td> <td>ZIP Code</td> </tr> <tr> <td colspan="2">Federal tax return filed (Check one box)</td> <td><input type="checkbox"/> 1120S</td> <td><input type="checkbox"/> 1065</td> <td colspan="2"><input type="checkbox"/> Other</td> </tr> <tr> <td colspan="6">Foreign Country (if not United States)</td> </tr> </table>	Entity Name		FEIN		Primary E-202 NAICS number		Address		Tax year BEGIN date (YYYYMMDD)		Tax year END date (YYYYMMDD)		Address (Line 2)		City		State	ZIP Code	Federal tax return filed (Check one box)		<input type="checkbox"/> 1120S	<input type="checkbox"/> 1065	<input type="checkbox"/> Other		Foreign Country (if not United States)					
Entity Name		FEIN		Primary E-202 NAICS number																											
Address		Tax year BEGIN date (YYYYMMDD)		Tax year END date (YYYYMMDD)																											
Address (Line 2)		City		State	ZIP Code																										
Federal tax return filed (Check one box)		<input type="checkbox"/> 1120S	<input type="checkbox"/> 1065	<input type="checkbox"/> Other																											
Foreign Country (if not United States)																															

A. Were any shareholders, partners, or members nonresidents of Vermont during this tax year? ..... A.  Yes  No

B. Did this entity have income or losses derived from at least one state other than Vermont? ..... B.  Yes  No  
 If Yes, complete and attach Schedule BA-402

C. Net adjustment to income resulting from Vermont's disallowance of "bonus depreciation" (IRC 168(k)) ..... C.  +  -  0 **00**

D. Total number of Shareholders, Partners, or Members ..... D. \_\_\_\_\_

E. How many are Vermont Residents? ..... E. \_\_\_\_\_

F. How many are Nonresidents? ..... F. \_\_\_\_\_

G. Check box if § 5920(d), (g), or (h) applies (regarding nonresident estimated payments for affordable housing projects, federal new market tax credit projects, or publicly traded partnerships). Attach authorization or documentation ..... G.

**TAX COMPUTATION (see instructions):** **Enter all amounts in whole dollars.**

Check box if exception to minimum tax applies: <input type="checkbox"/> NO VERMONT ACTIVITY / INACTIVE (S) <input type="checkbox"/> INVESTMENT CLUB § 1921 (S) <input type="checkbox"/> IRC SEC 191 (S)	
1. Vermont minimum entity tax (\$250) or above exception (see instructions) .....	1. _____ <b>00</b>
2. For non-composite entities	
2a. Nonresident estimated payment requirement (Schedule BS-472, Line 19) .....	2a. _____ <b>00</b>
2b. Overpayment distributed to owners (Enter the sum of all K-1VT's Lines 5 and 6, minus Schedule BS-472, Line 19) .....	2b. _____ <b>00</b>
2c. Enter the sum of Lines 2a and 2b .....	2c. _____ <b>00</b>
3. For composite entities, Vermont composite tax due (Schedule BI-472, Line 24) .....	3. _____ <b>00</b>
4. Vermont apportionment of entity level taxes (See instructions) .....	4. _____ <b>00</b>
<b>TOTAL TAX DUE</b> .....	<b>00</b>

\* 2 2 4 7 1 1 1 0 0 \*

Entity Name	
FEIN	Fiscal Year Ending (YYYYMMDD)

**PAYMENTS AND CREDITS** **Enter all amounts in whole dollars.**

7. Prior Year Overpayment Applied ..... 7. \_\_\_\_\_ **00**

8. Payments with Extension ..... 8. \_\_\_\_\_ **00**

9. Real estate withholding paid for this entity with Form REW-171, REW Schedule A ..... 9. \_\_\_\_\_ **00**

10. Real estate withholding distributed to this entity by a different company through a Schedule K-1VT ..... 10. \_\_\_\_\_ **00**

11. Nonresident estimated payments paid by this entity with Form WH-435 ..... 11. \_\_\_\_\_ **00**

12. Nonresident estimated payments distributed to this entity by a different company through a Schedule K-1VT ..... 12. \_\_\_\_\_ **00**

13. Total payments (Add Lines 7 through 12) ..... 13. \_\_\_\_\_ **00**

**RECONCILIATION**

14. Balance Due: If Line 6 is greater than Line 13, enter the difference ..... 14. \_\_\_\_\_ **00**

15. Payment attached to this return ..... 15. \_\_\_\_\_ **00**

16. Overpayment: If Line 6 is less than the sum of Lines 13 and 15, enter the difference ..... 16. \_\_\_\_\_ **00**

17. Overpayment to be credited to the next tax year ..... 17. \_\_\_\_\_ **00**

18. Overpayment to be refunded ..... 18. \_\_\_\_\_ **00**

**SIGNATURE**

I hereby certify that I am an officer or authorized agent responsible for the taxpayer's compliance with the requirements of Title 32 of the Vermont Statutes and that this return is 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 other 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 Responsible Officer	Date (MMDDYYYY)	Daytime Telephone Number
Printed Name		Email Address (optional)

Check if the Department of Taxes may discuss this return with the preparer shown.

Signature of Paid Preparer	Date (MMDDYYYY)	Preparer's Telephone Number
Preparer's Printed Name		Email Address (optional)
Firm's Name (or yours if self-employed)	EIN	Preparer's SSN or PTIN
Firm's Address (or yours if self-employed) (Street, City, State, ZIP Code)		<input type="checkbox"/> Check if self-employed

Send return and check to: Vermont Department of Taxes  
 133 State Street  
 Montpelier, VT 05633-1401

For Department Use Only  
 Cl. Amt.      Init.

**Form BI-471**  
 Page 2 of 2  
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# Form BI-476

› No changes to Form for Tax Year 23.

Vermont Department of Taxes  
**Form BI-476**  
**Vermont Business Income Tax Return**  
**For Resident Only**

\* 2 2 4 7 6 1 1 0 0 \*

<input type="checkbox"/> Check Appropriate Box(es)	<input type="checkbox"/> Name Change	<input type="checkbox"/> Address Change	<input type="checkbox"/> Accounting Period Change	<input type="checkbox"/> Extended Return	<input type="checkbox"/> Initial Return	<input type="checkbox"/> Pro Forma - Carriable	<input type="checkbox"/> Final Return (Carriable Account)
Entity Name (Principal Vermont Corporation)		FEIN		Primary 6-digit NAICS number			
Address		Tax year BEGIN date (YYYYMMDD)		Tax year END date (YYYYMMDD)			
Address (Line 2)		Federal tax return filed (Check one box)		Foreign Country			
City		State		ZIP Code			
				<input type="checkbox"/> 11205 <input type="checkbox"/> 1065 <input type="checkbox"/> Other			

A. Were any shareholders, partners, or members nonresidents of Vermont during this reporting tax year? ..... A.  Yes  No  
 If Yes, STOP and complete Form BI-471, Business Income Tax Return

B. Did this entity have income or losses derived from at least one state other than Vermont? ..... B.  Yes  No  
 If Yes, STOP and complete Form BI-471, Business Income Tax Return

C. Total number of Vermont shareholders, partners, or members ..... C. \_\_\_\_\_

**TAX COMPUTATION (see instructions)** Enter all amounts in whole dollars.

1. Vermont minimum entity tax (\$250) ..... 1. 250  
**NOTE:** If you qualify for an exception to the Vermont minimum entity tax, you must complete Form BI-471 and attach supporting documentation.

2. Payments previously made for this tax year with extension Form BA-403 or credit available through prior year carryforward ..... 2. \_\_\_\_\_ .00

3. Balance Due (if Line 1 is greater than Line 2) ..... 3. \_\_\_\_\_ .00

4. Overpayment (if Line 2 is greater than Line 1) ..... 4. \_\_\_\_\_ .00

5. Overpayment to be Refunded ..... 5. \_\_\_\_\_ .00

6. Overpayment to be credited to next tax year ..... 6. \_\_\_\_\_ .00

I hereby certify that I am an officer or authorized agent responsible for the taxpayer's compliance with the requirements of Title 32 of the Vermont Statutes and that this return is 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 other 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 Responsible Officer		Date (MMDDYYYY)	Daytime Telephone Number
Printed Name		Email Address (optional)	

Check if the Department of Taxes may discuss this return with the preparer shown.

Signature of Paid Preparer		Date (MMDDYYYY)	Preparer's Telephone Number
Preparer's Printed Name		Email Address (optional)	
Firm's Name (or yours if self-employed)		EIN	Preparer's SSN or PTIN
Firm's Address (or yours if self-employed) (Street, City, State, ZIP Code)		<input type="checkbox"/> Check if self-employed	

Send return and check to:  
5454 Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401
For Department Use Only  
Clk Amt.      Init.
**Form BI-476**  
Page 1 of 1  
Rev. 10/22

# Contact / Questions

› John Demeter

› Compliance Division

› Corporate Audit Specialist

› [John.Demeter@vermont.gov](mailto:John.Demeter@vermont.gov)

› Claudia Brousseau

› Taxpayer Services Division

› Section Chief: Corporate  
and Business Income Section

› [Claudia.Brousseau@vermont.gov](mailto:Claudia.Brousseau@vermont.gov)



# 2023 Tax Season Overview

**James Whitehouse, Director of Taxpayer Services**

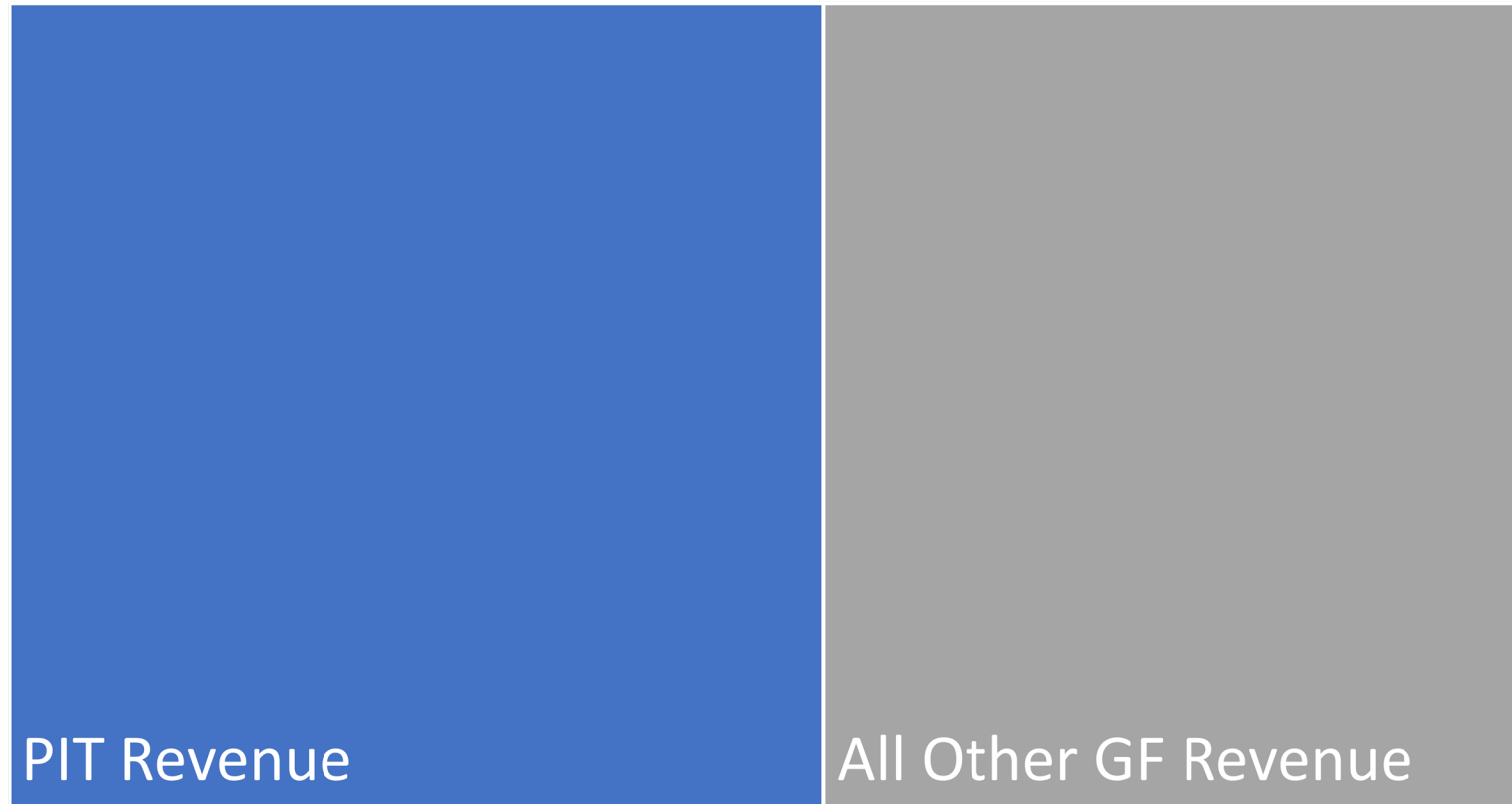
Tax Fall Symposium

October 19, 2023

# Personal Income Tax

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FY23 General Fund Revenue (\$2.22 Billion)



# 2023: A Historically Efficient Tax Season

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## Highlights:

- Return to typical filing schedule and general “normalcy”
- PIT Processing & Refunds
  - **Key Goal Met: Refunds for 95% of timely filed returns were issued by June 1.**
- Homestead Declarations
  - Processing completed one week ahead of schedule

# Spotlight on E-Filing

---

## Personal Income Tax

- 93% of returns were e-filed
- E-Free Filings increased from 2022 to 2023 by 19% to 9,090 returns

## Corporate Income Tax

- 80% of CIT filers E-Filed in 2023 – a 2% increase from 2022

## Business Income Tax

- 95% of BIT filers E-Filed in 2023 – 1% increase from 2022

## Homestead Declarations

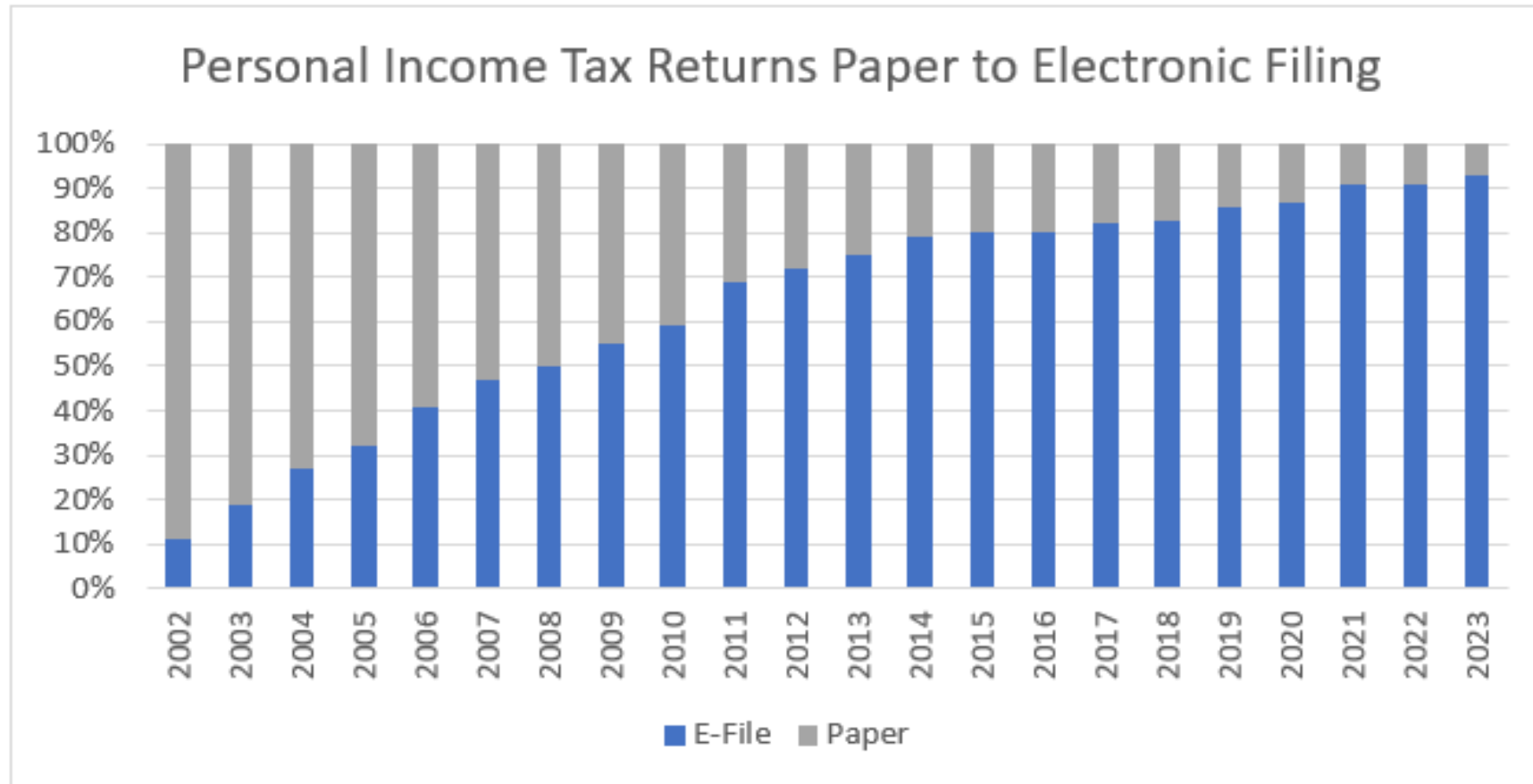
- 89% of HSDs were E-Filed in 2023 – a 1% increase from 2022

## Renter Credit Claims

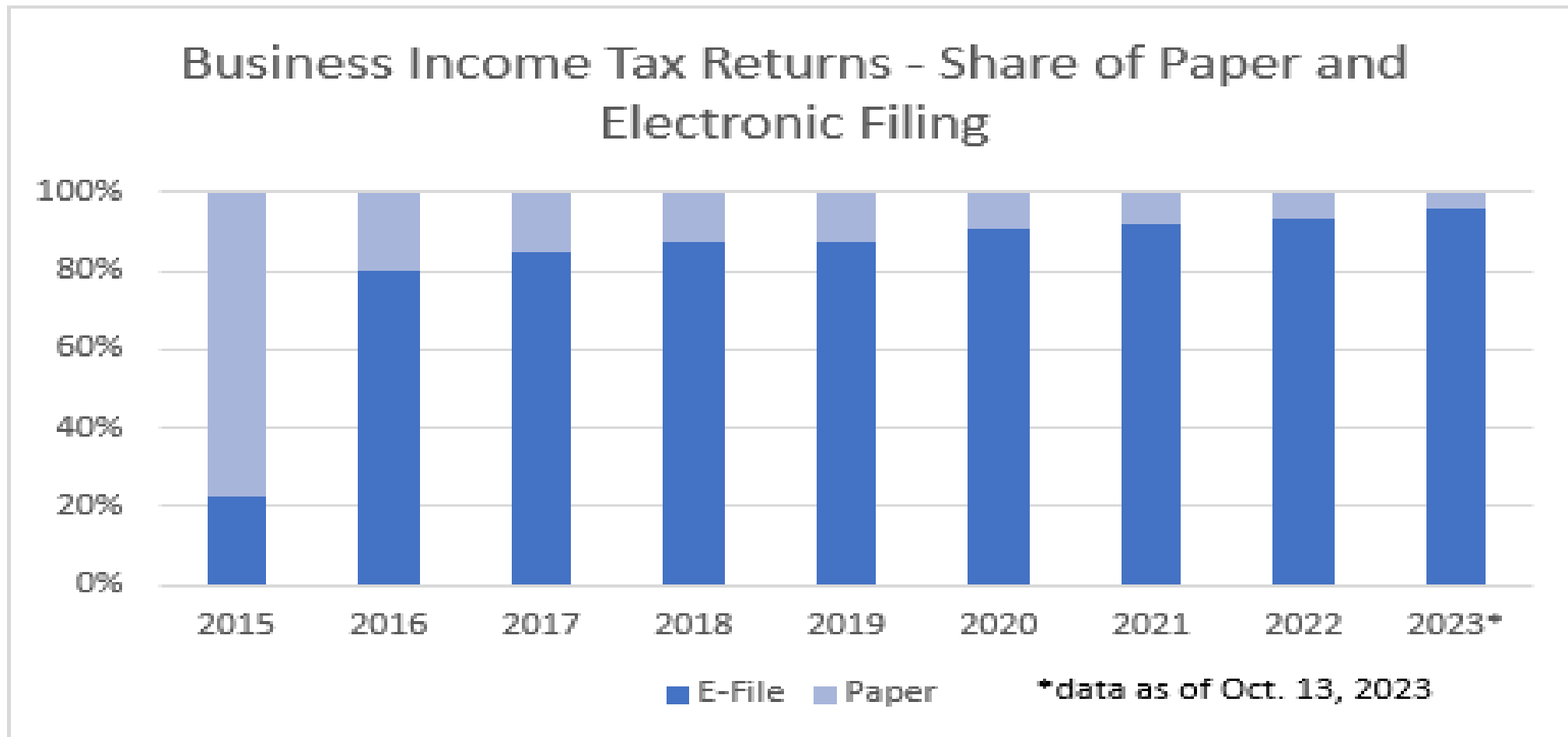
- 90% of RCC were E- Filed in 2023 – no change YOY

# 21 Year Shift to Electronic Filing

Personal Income Tax Returns: 2002 - 2023



# BIT Shift To Electronic Filing



# TY22 Personal Income Tax Error Rates

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**E-File Error Rate: 5%** (No YOY Change)

**Paper Error Rate: 21%** (2% higher from 2022)

**\*\*Returns Requiring Review: 23,047**

- ~4% Reduction from TY21
  
  
  
  
  
  
  
  
  
  
- \*\* snapshot from August of 2023

# What Caused PIT Refund Delays?

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## Common causes:

- #1: Unreported Income
- Withholding Incongruities
- Payment Reporting Mismatches
- Employer filed paper W2s (88% electronic this year – 5% increase)
- Incorrect SSN used by Employer on W-2 and 1099 Forms



# Preparer Unreported Income

- Total – 29,468 with error 8% of Total Filed Returns
- Preparer – 7,144 with error
  - 24% of error total
  - 4% of Total Preparer filed returns

# Preparer Name Mismatch

- Total – 3,600 with error 1% of Total Filed Returns
- Preparer – 1,550 with error
- 43% of error total
- 0.08% of Total Preparer filed returns

# Renter Credit

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## Renter Credit Program

Metrics	TY21 Renter Credit	TY22 Renter Credit	% Change
Taxpayers Issued a Credit	10,325	10,916	6%
Total Dollars Issued to Date	\$6,153,645	\$5,964,966	-3%
Average Credit Issued	\$596	\$546	-8%

*\*Data from 10/11/2023*

# Homestead Declarations

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- Received 176K Homestead Declarations for 2023
  - 107K Property Tax Credit
- Three PTC files sent to towns, one more to be sent in 2023
- The error rate for Homestead Declarations this past filing season was 14%, which was an improvement from the prior year.

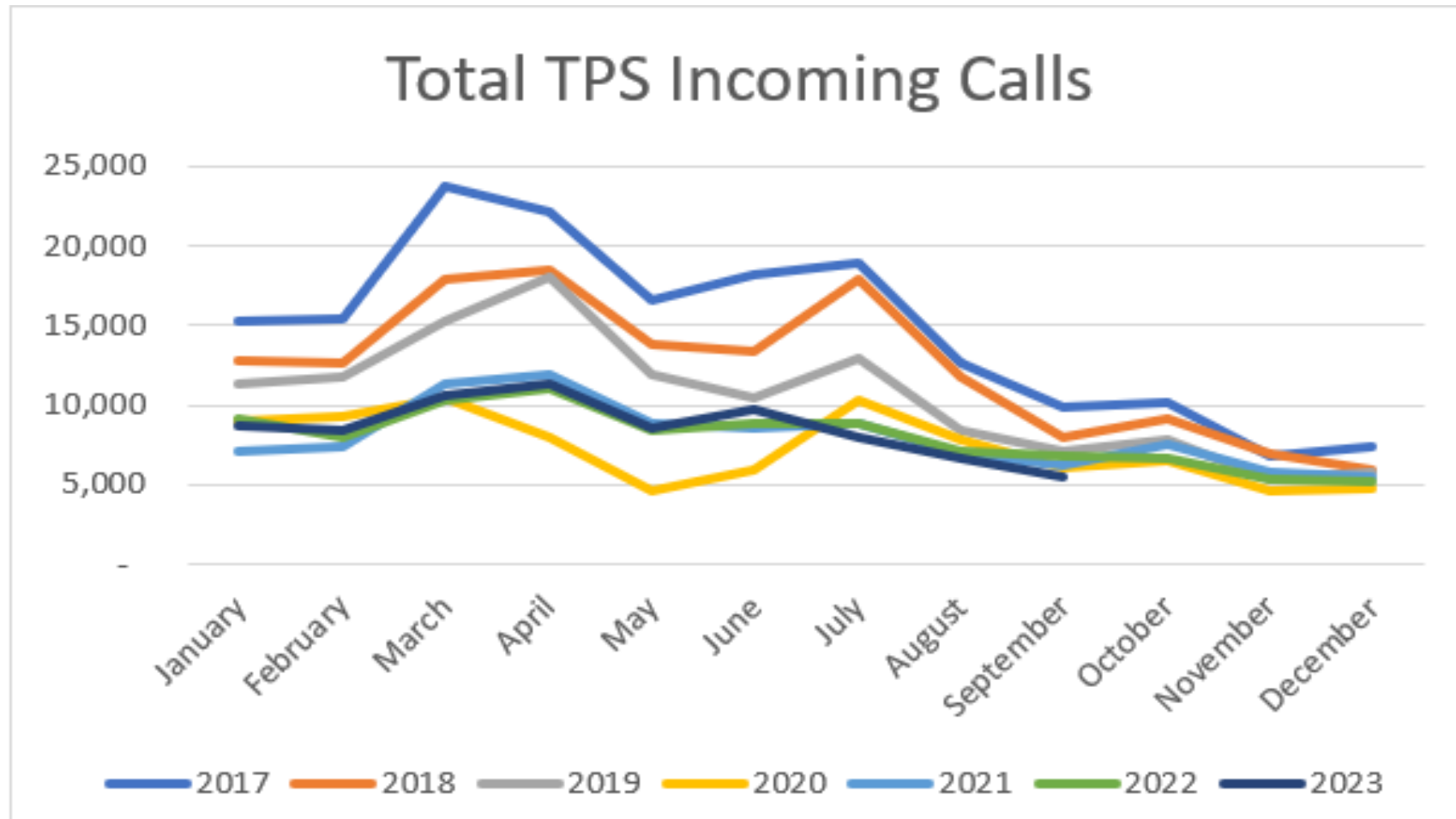
# Erroneous Refunds & Credits Prevented

---

Refunds/Credits	Filer Counts	Total Amounts
PIT Refunds	6,821	\$6.3M
Renter Credits	5,002	\$4.21M
Property Tax Credits	4,160	\$4.33M

***\*Data snapshot from early October. Numbers subject to change.***

# Taxpayer Services – Call Volumes



# Fraudulent Tax Returns

	No. of Returns	Total Dollar Amount
2013		\$ 439,461
2014	707	\$ 1,445,969
2015	478	\$ 962,517
2016	176	\$ 276,251
2017	52	\$ 77,957
2018	26	\$ 37,754
2019	8	\$ 58,678
2020	92	\$ 202,043
2021	34	\$ 185,000
2022	112	\$ 428,941
2023	243	\$ 456,000

QUESTIONS?

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THANK YOU.



# Vermont Department of Taxes

Sharon Asay, CPA Director of Finance  
Renae DiGregorio, Finance Section Chief  
Lisa Pinkus, Taxpayer Services Section Chief  
October 19, 2023

# Personal Income Tax Update

Vermont Department of Taxes  
**2023 Form IN-111**  
**Vermont Income Tax Return**

DEPT  
 USE  
 ONLY



\* 2 3 1 1 1 1 1 0 0 \*

**FILE YOUR RETURN  
 ELECTRONICALLY FOR A  
 FASTER REFUND. GO TO  
 TAX.VERMONT.GOV FOR  
 MORE INFORMATION.**

Please PRINT in BLUE or BLACK INK

Taxpayer's Last Name		First Name		MI	Social Security Number		<input type="checkbox"/> Check if Deceased
Spouse's/CU Partner's Last Name		First Name		MI	Social Security Number		<input type="checkbox"/> Check if Deceased
Mailing Address (Number and Street/Road or PO Box)				911/Physical Street Address on 12/31/2023			
City		State	ZIP Code or Foreign Postal Code		Foreign Country		
Vermont School District Code	<input type="checkbox"/> Enter Healthcare Coverage Code (See instructions for code options)	Check all that apply		<input type="checkbox"/> AMENDED Return	<input type="checkbox"/> CANNABIS With Recomputed Federal Return	<input type="checkbox"/> RECOMPUTED Return	<input type="checkbox"/> EXTENDED Return
Filing Status and Standard Deduction		<input type="checkbox"/> Single (\$7,000)	<input type="checkbox"/> Married/CU Filing Jointly (\$14,050)	<input type="checkbox"/> Married/CU Filing Separately (\$7,000)	<input type="checkbox"/> Head of Household (\$10,550)	<input type="checkbox"/> Qualifying Widow(er) (\$14,050)	
Vermont Residency Status as of 12/31/2023 (check one)			<input type="checkbox"/> RESIDENT	<input type="checkbox"/> PART-YEAR RESIDENT	<input type="checkbox"/> NONRESIDENT		

# Personal Income Tax Update

4. 2023 Vermont Standard Deduction from filing status section above. . . . . 4. \_\_\_\_\_ **.00**  
Please see instructions if you or your spouse checked any standard deduction boxes on federal Form 1040, page 1.

**5. Personal Exemptions:**

<b>5a.</b> Enter "1" for yourself if no one can claim you as a dependent		<b>5b.</b> Enter "1" for your jointly filed spouse or CU partner if no one can claim them as a dependent		<b>5c.</b> Enter number of OTHER dependents claimed on federal Form 1040		<b>5d. Total Exemptions</b> (ADD Lines 5a through 5c)
5a. _____	+	5b. _____	+	5c. _____	=	5d. _____

5e. MULTIPLY Line 5d by \$4,850 (2023 Personal Exemption). . . . . 5e. \_\_\_\_\_ **.00**

# Personal Income Tax Update From Act 72

Sec. 14, Clarifies language regarding part-year residents claiming CDCC, CTC, and EITC. All three refundable credits, Child and Dependent Care Credit, Child Tax Credit and the EITC will all be calculated for part year residents now utilizing the same adjustment percentage. IN-112 Part II will now have a Part Year Only Resident section:

<hr/>		
<b>Refundable Tax Credit Adjustment - Part-Year Resident Only</b>		
9. Enter amount from Schedule IN-113, Line 14B, Vermont Portion of Total Income .....	9.	.00
10. Enter amount from Schedule IN-113, Line 14A, Total Income .....	10.	.00
11. Refundable Tax Credit Adjustment Percentage. (DIVIDE Line 9 by Line 10, then MULTIPLY the result by 100). .....	11.	%
<hr/>		
<b>TOTAL Refundable Tax Credit - Resident and Part-Year Resident</b>		
12. TOTAL REFUNDABLE CREDITS. (MULTIPLY Line 8 by 100% or Line 11, if less.) .....	12.	.00
<hr/>		

# Personal Income Tax Update

Vermont's Child Tax Credit provides a \$1000 credit per eligible child five years of age or younger. For tax year 2023, this credit will be available for children born between January 1, 2018, and December 31, 2023.

This is a refundable credit which phases out (for both single and joint filers) at \$125,000 of Adjusted Gross Income (AGI) with a \$20 reduction in the credit per \$1,000 of AGI over the threshold. The credit is completely phased out at \$175,000 of AGI.

# Personal Income Tax Update Schedule IN-112 Part II Refundable Credits

Taxpayer's Last Name	Social Security Number



\* 2 3 1 1 2 1 2 0 0 \*

## PART II REFUNDABLE CREDITS

### Child and Dependent Care Credit - Resident and Part-Year Resident

1. Child and Dependent Care Credit (federal Form 2441, Line 11) .....1. \_\_\_\_\_ .00
2. Vermont Child and Dependent Care Credit (MULTIPLY Line 1 by 72% (0.72)) .....2. \_\_\_\_\_ .00

### Child Tax Credit - Resident and Part-Year Resident

3. Number of qualifying children .....3. \_\_\_\_\_  
List only children who qualify for Child Tax Credit (born 2018 through 2023) below

Qualifying Child #1 - Last Name	First Name	MI	Social Security Number	Year of Birth
Qualifying Child #2 - Last Name	First Name	MI	Social Security Number	Year of Birth
Qualifying Child #3 - Last Name	First Name	MI	Social Security Number	Year of Birth

4. Child Tax Credit (MULTIPLY Line 3 by \$1,000). See instructions for credit amount if your Adjusted Gross Income from Form IN-111, Line 1 is over \$125,000 .....4. \_\_\_\_\_ .00

### Earned Income Tax Credit - Resident and Part-Year Resident

5. Number of qualifying children from federal Schedule EIC .....5. \_\_\_\_\_
6. Federal Earned Income Tax Credit. Enter amount from federal Form 1040 .....6. \_\_\_\_\_ .00
7. Vermont Earned Income Tax Credit: MULTIPLY Line 6 by 38% (0.38) .....7. \_\_\_\_\_ .00

### Refundable Tax Credit - Resident and Part-Year Resident

8. Total Vermont Refundable Tax Credit (ADD Lines 2, 4, and 7) .....8. \_\_\_\_\_ .00  
Full-Year Residents: Enter this amount on Form IN-111, Line 25c.  
Part-Year Residents: Complete Lines 9 through 12.

### Refundable Tax Credit Adjusted for Part-Year Residents

9. Enter amount from Schedule IN-113, Line 14B, Vermont Portion of Total Income .....9. \_\_\_\_\_ .00
10. Enter amount from Schedule IN-113, Line 14A, Total Income .....10. \_\_\_\_\_ .00
11. Refundable Tax Credit Adjustment Percentage. (DIVIDE Line 9 by Line 10, then MULTIPLY the result by 100) .....11. \_\_\_\_\_ %
12. Total Vermont Refundable Credit Adjusted for Part-Year Residents. (MULTIPLY Line 8 by Line 11.) Enter this amount on Form IN-111, Line 25c. ....12. \_\_\_\_\_ .00

# Personal Income Tax Update

## **EITC - SSN Requirement Change**

- These credits will be available to all qualifying Vermont residents regardless of whether they, their spouse, or their qualified dependents have a Social Security number or a valid ITIN.
- Returns submitted for individuals without an SSN or ITIN will have to be filed by paper. Practitioners should check the recomputed box on Vermont Form IN-111 and attach a copy of the recomputed federal return.

# Personal Income Tax Update

## Extension Reminder

- **Form IN-151** Application for Extension of Time to File is not required to be filed if a federal extension was filed **and** an additional payment is **not** required with the Vermont extension request.



# Personal Income Tax Update

## Relocated and Remote Workers

### Employers

- Although all income earned in Vermont is considered Vermont income, employers are not required to begin withholding Vermont Income Tax until an employee has been working from a Vermont location for thirty days. This applies to employees working from a home, rental property or any other location within Vermont. We recommend that Employers conduct a review of their employees' work locations to ensure that income tax is withheld and remitted in the correct state where the tax will be due.

### Employees

- For employees who live and work remotely in Vermont, income earned during the time they live in Vermont is subject to Vermont income tax. This is true even if they claim another state as their domicile, or they perform the remote work for a company that is not located in Vermont.

# Personal Income Tax Update

## **2024 Form IN-114 – Individual Income Tax Estimated Payment Voucher**

- We will be revising the instructions for **Form IN-114** for next year to include the new Child Care Contribution.
- The contribution for self employed individuals will be remitted with their quarterly estimated payment. There will not be any additional schedule required to be remitted with the payment.
- For taxpayers who itemize deductions, the amount of the contribution paid will be deductible on their Schedule A.

# Personal Income Tax Update

## Amended Personal Income Tax returns

- When filing an amended return by paper, please make sure you include all of the schedules submitted with the original return. These schedules are required to process the return even if the information on the amended schedules did not change from the original filing.
- The Department is working with our software vendors to increase the number of vendors who support the electronic filing of amended returns. Please reach out to us if you would like us to contact your vendor.

# 2024 HS - 122 - Homestead Declaration

Vermont Department of Taxes

**2024 Form HS-122**

**Vermont Homestead Declaration AND  
Property Tax Credit Claim**



**DUE DATE:** April 15, 2024. You may file up to Oct. 15, 2024, but the town may assess a penalty. For details on late filing, see instructions.

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**How to file a Homestead Declaration:** Please complete Section A of this form, sign in the signature section at the bottom of page 2, and send the form to the Vermont Department of Taxes.

**How to file a Property Tax Credit Claim:** To be considered for a Property Tax Credit, you must file a **1)** Homestead Declaration (Section A of this form), **2)** Property Tax Credit Claim (Section B of this form), and **3)** Schedule HI-144, Household Income. Sign this form in the signature section at the bottom of page 2 and send the forms to the Department.

**Tired of paper forms? It's fast and convenient to file your claim online at [myVTax.vermont.gov](https://myVTax.vermont.gov).**

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# 2023 Schedule HI-144 Household Income

Vermont Department of Taxes

## 2023 Schedule HI-144

### Household Income

For the year Jan. 1 - Dec. 31, 2023



\* 2 3 1 4 4 1 1 0 0 \*

Please PRINT in BLUE or BLACK INK

This schedule must be included with the 2024 Property Tax Credit Claim (Form HS-122). Please read instructions before completing schedule.

Claimant's Last Name	First Name	MI	Claimant's Social Security Number
Spouse's/CU Partner's Last Name	First Name	MI	Claimant's Date of Birth (MMDDYYYY)

List the names and Social Security Numbers of all other people (in addition to a Spouse or CU Partner) who had income and lived with you during 2023. Include both their taxable and non-taxable income in Column 3. If you have more than two "Other People" living in your household, record the names and Social Security Numbers on a separate sheet of paper and include with the filing.

Check this box if you temporarily hosted a refugee, asylee, or asylum seeker in your home during 2023. Do not include their income on this form.

Other Person #1 Last Name	First Name	MI	Other Person #1 Social Security Number
Other Person #2 Last Name	First Name	MI	Other Person #2 Social Security Number

# 2024 Homestead Declaration and Property Tax Credit Claim

- The 2023 Household Income limit is \$128,000.
- FEMA Assistance Payments are considered Household Income because the assistance is relief money that is not considered a gift.
- The due date for 2024 Homestead Declarations will be April 15, 2024. There are no extensions of time to file Homestead Declarations.

# 2024 Homestead Declaration and Property Tax Credit Claim

- Property Tax Credit Claims received after April 15 but before October 15 will still go directly to the town but will incur a \$15 late file penalty which will be added to the taxpayers property tax bill.
- Taxpayers who file their Homestead Declaration by the extended due date of October 15 will now have until March 15 to apply for a property tax credit.

# 2024 Homestead Declaration and Property Tax Credit Claim

- Property Tax Credit Claims received after October 15 but before March 15 will be paid directly to the taxpayer.
- A late filing penalty of \$150 will be deducted from the payment sent to the taxpayer.



# 2023 Form RRC-146 Renter Credit Claim

Vermont Department of Taxes  
**2023 Form RCC-146**  
Vermont Renter Credit Claim

For the year  
Jan. 1 - Dec. 31,  
2023



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 (MM/DD/YYYY)		
City				State	ZIP Code	
County of Rental Unit						
Vermont School District Code	Physical Address of Rental Unit on 12/31/2023		Unit	City/Town of Rental Unit on 12/31/2023 and State		
Federal Filing Status				Will you be using Renter Credit to pay Income Tax liability?		
<input type="checkbox"/> Single <input type="checkbox"/> Married/CU Filing Jointly <input type="checkbox"/> Married/CU Filing Separately <input type="checkbox"/> Head of Household				<input type="checkbox"/> Yes <input type="checkbox"/> No		

1. SPAN. To find your SPAN, please see instructions.....1. \_\_\_\_\_ - \_\_\_\_\_
- To determine eligibility, answer questions 2 through 4.
2. Were you domiciled in Vermont all of calendar year 2023? ..... 2.  Yes, Go to Question 3.     No, STOP. You are not eligible.
3. Were you claimed as a dependent by another taxpayer in 2023? ... 3.  Yes, STOP. You are not eligible.     No, Go to Question 4.
4. Did you rent in Vermont for six months or more in 2023? ..... 4.  Yes, Go to Question 5.     No, STOP. You are not eligible.

# Fiduciary Income Tax Update

Vermont Department of Taxes

**2023 Form FIT-161**

**Vermont Fiduciary Return of Income**



\* 2 3 1 6 1 1 1 0 0 \*

Name of Estate or Trust			FEIN	Date of Death (MMDDYYYY)
				/ /
Name of Fiduciary			Title of Fiduciary	Tax year <b>BEGIN</b> date (MMDDYYYY)
				/ /
Mailing Address of Fiduciary (Number and Street/Road or PO Box)			State of Domicile at Death and/or Creation of Trust	Tax year <b>END</b> date (MMDDYYYY)
				/ /
Additional Line for Mailing Address of Fiduciary, if needed				
City			State	ZIP Code
Foreign Country			Check ONE <input type="checkbox"/> Estate <input type="checkbox"/> Revocable Trust <input type="checkbox"/> Bankruptcy Estate <input type="checkbox"/> Grantor Trust <input type="checkbox"/> Irrevocable Trust	
			<input type="checkbox"/> Check here if this is an EXTENDED return <input type="checkbox"/> Check here if this is an AMENDED return <input type="checkbox"/> Check here if this is your FINAL return	

# Fiduciary Income Tax Update

Vermont Department of Taxes

## Schedule FIT-K-1VT-F

### Vermont Beneficiary Information for Fiduciaries

#### PAYMENT INFORMATION

5. Total annual nonresident estimated payments allocated to this beneficiary . . . . .	5.	<input type="text"/>	.00
6. Total annual real estate withholding payments allocated to this beneficiary . . . . .	6.	<input type="text"/>	.00
7. Other payments allocated to this beneficiary (1099 withholding, estimates paid) . . . . .	7.	<input type="text"/>	.00
8. Share of total federal bonus depreciation difference. Enter on Schedule IN-112, Line 4 or Line 9. . . . .	8.	<input type="text"/>	.00
9. Share of total state and local taxes deducted on federal filing . . . . .	9.	<input type="text"/>	.00

Schedule FIT-K-1VT-F

# Fiduciary Income Tax Update

Vermont Department of Taxes

## Form FIT-168

### Application for Extension of Time to File Vermont Fiduciary Tax Return



- File this application on or before the due date of Form FIT-161, Vermont Fiduciary Tax Return.
- With the filing of this application, you are granted an automatic five and one-half month extension of time to file the tax return.

Name of Estate or Trust			FEIN
Name of Fiduciary			Title of Fiduciary
Mailing Address of Fiduciary (Number and Street/Road or PO Box)		Tax year BEGIN date (MMDDYYYY) / /	Tax year END date (MMDDYYYY) / /
Additional Line for Mailing Address of Fiduciary, if needed		Check ONE <input type="checkbox"/> Estate <input type="checkbox"/> Revocable Trust <input type="checkbox"/> Bankruptcy Estate <input type="checkbox"/> Grantor Trust <input type="checkbox"/> Irrevocable Trust	
City	State	ZIP Code	
Foreign Country		For Department Use Only	

# Local Option Tax Update

Effective July 1, 2023

- The town of Londonderry elected Local Option Rooms Tax.
- The town of Jamaica elected Local Option Meals and Rooms Tax.
- The town of Shelburne elected Local Option Sales Tax and Local Option Meals and Rooms Tax.

Effective October 1, 2023

- The town of Wardsboro elected Local Option Rooms Tax.

# Local Option Tax Update

## Reminder!

- The Vermont Department of Taxes will only accept sales tax returns from businesses who collect and report Local Option Sales Tax and Local Option Meals and Rooms Tax if they are filed electronically.
- There are now twenty-two municipalities in the State of Vermont that have a Local Option Sales Tax, twenty-five municipalities that have a Local Option Meals and Rooms Tax and three municipalities that have a Local Option Rooms Tax only.
- Additional information regarding Local Option Taxes, including an updated address look up table is available on our website.

# Local Option Tax Update

Vermont Department of Taxes  
**Form SUT-451**  
 Sales and Use Tax Return



**If Local Option Sales Tax is due,**  
 you are required to file electronically at [myVTax.vermont.gov](http://myVTax.vermont.gov)

**Tax returns must be filed  
 even if no tax is due.**

- The Forms SUT-451 and MRT-441 are available on our website for filers who do not remit Local Option Taxes.

Business Name			Vermont Account ID
Address			SUT-
City	State	ZIP Code	Federal ID Number
Foreign Country (if not United States)			Reporting Period (MM DD YYYY - MM DD YYYY)
Email Address			Due Date
<b>For Department Use Only</b>			

Use **BLUE** or **BLACK** ink only. Please do not make any marks in boxes or on lines that you intend to leave blank.

**SALES AND USE TAXES**

1. Total Sales .....1. \_\_\_\_\_

2. Nontaxable Sales .....2. \_\_\_\_\_

3. Taxable Sales (Line 1 minus Line 2) .....3. \_\_\_\_\_

4a. Total State SALES TAX Due (Line 3 x 6.00 %) .....4a. \_\_\_\_\_

4b. Total State USE TAX Due. SEE INSTRUCTIONS .....4b. \_\_\_\_\_

If this reporting period includes Local Option Sales Tax, you are required to file electronically at [myVTax.vermont.gov](http://myVTax.vermont.gov).  
 Check the box to certify that there is no Local Option Sales Tax due with this return.

4c. TOTAL TAX DUE. (Add Lines 4a and 4b) .....4c. \_\_\_\_\_

- Taxpayers who cannot file electronically will need to contact Taxpayer Services to request a paper schedule.

# Withholding Tax Update

Great News – Our E-Filing rates for W-2s continue to rise!!

	2020	2021	2022
Total Number Received	32,713	34,319	36,879
Total Electronic Filings	26,930	29,975	33,014
Total Paper Filings	5,383	4,164	3,865



# Withholding Tax Update

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- The due date for the 2023 Annual Reconciliations (**Form WHT-434**) is January 31, 2024.
- All W-2s and 1099s with Vermont withholding must be submitted with the filing.
- E-Filing is required for:
  - All Payroll Filing services.
  - Tax Preparers and Practitioners.
  - All employers who submit 25 or more W2s and/or 1099s.

If you have questions or need assistance filing electronically, please contact the Business Tax Section at 802-828-2551.

# Withholding Tax Update

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## **New Child Care Contribution – Changes to Withholding Forms**

- Form WHT-436 (Quarterly Withholding Reconciliation) – The amount remitted for the quarter will be reconciled on Form WHT-436 beginning with the third quarter of 2024.
- Employers will be required to report on Form W-2 (Box 14) the amount of the contribution that was paid by the employee.

# Scanning Project Update

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- We have chosen a vendor and we are planning to start the project in March 2024.
- This will likely be a two-year project with the first phase focused on Business Taxes.
- We are focusing on increasing e-filing for our Miscellaneous Taxes.

# Refund Check Printing

- We continue to work on reducing the number of refund checks we print.
- In 2021, we printed 122,500 checks. In 2022, the number decreased to 114,789. For 2023, we have printed 94,769 checks to date.
- It can take up to three weeks for your client to receive their refund check when it is issued by a paper check. Refunds issued by ACH Debit take an average of three days to arrive in their bank account.
- Please encourage your clients to request their refund electronically by ACH Debit.

# Electronic Filing Update

VT Form Form 8879-VT		<b>VERMONT</b> Individual Income Tax Declaration for Electronic Filing (SEE INSTRUCTIONS IN THE VT FED/STATE E-FILE HANDBOOK)			For office use only	
					Date received	
<b>Part I</b>  Remember to write in your Social Security Number	Last Name		First Name and Initial		Enter Social Security Number (SSN)	
	Spouse's Last Name (if different and joint return)		First Name and Initial		Enter Spouse's SSN, if joint return	
	Current Mailing Address			E-mail Address		
	City or Town		State	Zip Code	Telephone Number (     )	
<b>Part II Tax Return Information (whole dollars only)</b> 1. Federal Taxable Income ..... 1. _____						

**Reminder** - The Department has made **Form 8879-VT** optional for taxpayers who have completed IRS **Form 8879**. **Form 8879-VT** is still required for state only filings. Practitioners are required to retain signed copies of the IRS Form 8879 for three years. This change was effective for tax year 2022.

# Electronic Filing Update

## MeF Update

- We continue to enhance our MeF Coordination Team.
- We have improved and expanded our testing processes with the software vendors.
- We meet regularly with the software vendors to keep them updated.
- You can reach the team at [tax.vendorsupport@vermont.gov](mailto:tax.vendorsupport@vermont.gov).

# Electronic Filing Update

## TY 2023 Update

- We have received 26 Letters of Participation from vendors for next year.
- The Personal Income Tax, Corporate and Business Income Tax and the Fiduciary Income Tax forms for 2023 have been finalized.
- We are planning to start testing with the IRS on November 16.

# Electronic Filing Update - Payments

- We have heard from the practitioners that we need to improve our online payment site for Personal Income estimates and extensions. We are planning to make improvements next year.
- We are working with the software vendors to expand the options they offer for paying electronically.
- We thank all the practitioners who continue to encourage their clients to pay their estimated taxes electronically.



# Electronic Filing Update

How can you help?

- Encourage your clients to pay electronically!!
- Report any issues with your software to the Department as soon as possible.
- Use myVTAX whenever possible.

# Vermont Department of Taxes

## Contact Us

Preparer Direct Line

**802-828-6815**

**Email:** [Tax.preparer@vermont.gov](mailto:Tax.preparer@vermont.gov)

QUESTIONS?

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THANK YOU.