

PRINT in BLUE or BLACK INK

Name of Estate or Trust	Employer Identification Number
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PART I Capital Gains Exclusion
Go to Part II for capital gains from sale of farm or standing timber

- 1. Smaller of Line 14a(2) or 15(2) from Federal Form 1041, Schedule D. (Do not include gains from sales of farm and standing timber.) **1.** _____
- 2a. Line 14b(2) from Federal Form 1041, Schedule D . **2a.** _____
- 2b. Line 14c(2) from Federal Form 1041, Schedule D . **2b.** _____
- 2c. Add Lines 2a and 2b **2c.** _____
- 3. Subtract Line 2c from Line 1. If you did not file Federal Form 4952, enter Line 3 on Line 12. . **3.** _____
- 4. Line 4g from Federal Form 4952 **4.** _____
- 5. Line 4e from Federal Form 4952 **5.** _____
- 6. Multiply Line 4 by Line 5 **6.** _____
- 7. Line 4b from Federal Form 4952. **7.** _____
- 8. Line 4e from Federal Form 4952. **8.** _____
- 9. Add Lines 7 and 8. **9.** _____
- 10. Divide Line 6 by Line 9. **10.** _____
- 11. Subtract Line 10 from Line 3. **Entry cannot be less than zero.** **11.** _____
- 12. Enter amount from Line 3 or Line 11. **12.** _____
- 13. Maximum Allowable Exclusion. **13.** 2,500.00
- 14. Capital Gain Exclusion. Enter the smaller of Line 12 or Line 13 **14.** _____
If Part II does not apply, enter this amount on VT Form FI-161, Line 4b.

continued on back

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**PART II Capital Gains Exclusion
For sale of Farm or Standing Timber**

NOTE: If you have a Federal capital loss, do not separate out any gain on sale of farm or standing timber that is part of the loss calculation. No capital gain exclusion against VT income is available in this situation.

- 15. Enter adjusted net capital gain for sales in 2010 related to sale of **FARM** or **STANDING TIMBER** if you reported a Federal Capital Gain. This amount cannot be included in Part I calculation. 15. _____
- 16a. Multiply Line 15 by 40% 16a. _____
- 16b. _____ x 0.40 16b. _____
(From VT Form FI-161, Line 1)
- 17. Enter *smaller* of Line 16a or Line 16b 17. _____
- 18. Enter Capital Gain Exclusion from Part I, Line 14. This *does not include* FARM or STANDING TIMBER. 18. _____
- 19. **Capital Gain Exclusion.** Add Line 17 and Line 18. Also enter this amount on VT Form FI-161, Line 4b. 19. _____

SCHEDULE FI-162

Capital Gains Exclusion for Estates or Trusts

If your Federal return shows a capital loss, do not complete this form.

VT allows a portion of net adjusted capital gains, as defined in Internal Revenue Code Section 1(h), to be excluded from VT taxable income.

INSTRUCTIONS

PART I General Capital Gain Exclusion

The general exclusion calculation for tax year 2010 allows the amount of the capital gain or \$2,500, whichever is less.

Each line contains instructions directing you to the appropriate Federal schedule and line numbers.

If you have capital gains from sale of farm or standing timber, do not enter these sales in Part I. Complete Part I for all other capital gain sales and then enter that amount on Line 18 of Part II to calculate your total capital gain exclusion.

PART II Capital Gain Exclusion for Sale of Farm or Standing Timber

The exclusion for capital gains from sale of farm or standing timber is calculated as 40% of the capital gain or 40% of Federal taxable income, whichever is less.

If you have capital gains from sales other than farm or standing timber, complete the applicable Part I for these sales and then enter that amount on Line 18 of Part II to calculate your total capital gain exclusion.

NOTE: If you reported a capital loss on your 2010 Federal return, no VT exclusion is available even if the sale of farm or standing timber resulted in a gain.