

Be on Guard against Identity Theft and Tax Scams

Identity theft, tax refund fraud, and similar tax scams continue to target taxpayers in Vermont. Taxpayers have reported emails and phone calls from people posing as employees of the Internal Revenue Service (IRS) and the Vermont Department of Taxes. Some scammers are clever enough to pose as their victims' tax preparers to obtain private information. A common ploy scammers use is to falsely claim taxes are owed and demand immediate payment using threats and bullying. Scammers often target the elderly using these tactics.

How to protect yourself from becoming a victim

- Never give out personal information unless you are sure of the identity of the person requesting it.
- If you suspect that an email or phone call is fraudulent, do not engage in conversation. Contact the Department at 802-828-2865 or 1-866-828-2865 (toll-free) to verify an email or phone call.

How to report fraud

- Report suspected fraud immediately to the Vermont Department of Taxes and the IRS. Information about how to report fraud is available on the Department website at www.bit.ly/idtheftfraud.
- Suspected fraud also should be reported to the Vermont Attorney General's Consumer Assistance Program at 1-800-649-2424 (toll-free).

New Online Options for Filers at www.myVTax.vermont.gov

Now You Can Do More Online through myVTax!

- File extensions for personal income tax
- File Renter Rebate Claim (Form PR-141)
- Complete and submit Landlord's Certificate (Form LC-142)
- Set up and manage your personal income tax account to view account status and balances
- Set up third party access for your tax preparer
- View correspondence for all tax types and respond to correspondence
- Send secure messages to the Department
- Enter into a payment plan

Please note: To e-file your IN-111 and associated schedules, you must use a commercial software vendor. If you are eligible, you may file for free using one of Vermont's Free File vendors. For eligibility guidelines, visit <http://tax.vermont.gov/individuals/free-file>.

Access Familiar Services in a New Way

The following services will continue to be available, but they have moved to **myVTax**:

- Access "Where's My Refund?" service to view information on your return and refund status
- Check your estimated payments and carryforwards
- File the Homestead Declaration and Property Tax Adjustment (Form HS-122)
- Make payments via ACH Debit electronic payments for personal income tax
- File and pay property transfer tax (formerly ePTTR)

General Instructions

Requirement to File a Vermont Income Tax Return

A 2016 Vermont Income Tax Return must be filed by a full-year or a part-year Vermont resident or a nonresident if you are required to file a 2016 Federal Income Tax Return, **AND**

- You earned or received more than \$100 in Vermont income,
- OR**
- You earned or received gross income of more than \$1,000 as a nonresident. Read Vermont law at 32 V.S.A. § 5861 and § 5823(b) for information on sources of income.

Visit our website for more information.

Due Date

The 2016 Vermont Income Tax Return must be filed by April 18, 2017.

Timely Filing

Tax returns mailed through the U.S. Post Office are considered to be submitted on time if we receive them at the Department **within three business days after the due date**. Electronic filings transmitted on the due date are on time if the Department receives them by midnight of the due date. If you bring the return to the Department, you must deliver it on or before the due date to be on time.

Late Filing Penalty and Interest after the April Due Date

You are allowed to file a Vermont income tax return up to 60 days after April 18, 2017, even if you have not filed an extension of time to file. However, if you file the return on the 61st day after the due date or later, the Department will assess a \$50 late file penalty. Late payment penalty and interest accrue after the due date.

Filing an Extension for the Vermont Income Tax Return

To receive a six-month extension of time to file your 2016 Income Tax Return, file Form IN-151, Application for Extension of Time to File Form IN-111, on or before the due date. An extension only allows additional time to file your income tax return. It does not extend the due date for your tax payment. Interest and penalty accrue on any tax due from April 18 to the date the Department receives your payment of tax. Extensions can be filed online at www.myVTax.vermont.gov.

Due dates: Extension requests must be filed by April 18, 2017.

Extended returns must be filed by Oct. 17, 2017.

Late Filing Penalty and Interest after the Extended Due Date

If you have filed an extension but do not file by the Oct. 17, 2017, extended due date, we will charge a \$50 late file penalty. Late payment penalty and interest accrue after the April due date. **NOTE:** The late filing penalty applies even if you have a refund or no tax is due. If any tax is due, late payment penalty and interest charges also apply.

Incomplete Forms

If information necessary to support a credit or benefit is missing, your filing may be processed but the credit denied. This may result in a bill or reduced refund. You will have an opportunity to supply the information. In some instances, your tax forms may be returned to you. The credit or benefit cannot be processed until the Department receives the missing document(s) or information.

Forms That Cannot Be Processed

If your filing is not acceptable for processing, the Department may return your paper forms to you and you must submit them again. The date you resubmit the forms becomes the filing date of your return. The Department may also transfer your filing information onto acceptable forms. We may assess a \$25 processing fee to partially cover the cost of transferring the information. Examples of unacceptable filings include the following: forms marked “draft” or “do not file,” forms not pre-approved by the Department, photocopies of forms, reduced or enlarged forms, faxed forms, forms not written in blue or black ink, or forms generated from different sources.

Homestead Declaration

Under Vermont law, every Vermont resident whose property meets the definition of a homestead must file a Homestead Declaration. A “homestead” is the principal dwelling and parcel of land surrounding the dwelling. It is your responsibility as the property owner to claim the property as a homestead if you meet, or expect to meet, the following requirements: **1)** you are a Vermont resident, and **2)** you own and occupy a homestead as your domicile as of April 1, 2017. **NOTE:** If you meet these requirements, except that your homestead is leased to a tenant on April 1, 2017, you may still claim it as a homestead if it is not leased for more than 182 days in the calendar year. For definitions of “domicile,” “resident,” and “nonresident,” see our website.

Due date: The Homestead Declaration must be filed by April 18, 2017.

Use Whole Dollars

Round entries to the nearest whole dollar. The cents are preprinted with zeroes.

Use Only Blue or Black Ink on Paper Forms

If you are completing a paper form, use only blue or black ink. Please print legibly. If the Department cannot read your forms, we may send them back to you. Then, you must resubmit properly completed, legible returns. See “Forms That Cannot Be Processed” below for more information.

Property Tax Adjustment Claim

Vermont homeowners may be eligible for a credit against their 2017/2018 Vermont property tax. The 2017 property tax adjustment is based on 2016 household income and 2016/2017 property tax. A homeowner may be eligible for an adjustment if **all four** of the following requirements are met:

1. Filed a valid Homestead Declaration
2. Domiciled in Vermont all of calendar year 2016
3. Not claimed as a dependent by another taxpayer for tax year 2016
4. Had household income in 2016 up to \$141,000 (Determine household income by completing Schedule HI-144.)

Due date: The Property Tax Adjustment Claim must be filed by April 18, 2017.

Renter Rebate Claim

Vermont renters may be eligible for a rebate based on the portion of rent paid that exceeds an established percentage of household income. A renter may be eligible for a rebate if **all five** of the following requirements are met:

1. Domiciled in Vermont for the entire calendar year 2016
2. Not claimed in 2016 as a dependent of another taxpayer
3. Is the only person in the household making a Renter Rebate claim
4. Rented in Vermont for all 12 months in 2016. (See Schedule HI-144 “Special Instructions” for the only exception.)
5. Had household income in 2016 of \$47,000 or less (Determine household income by completing Schedule HI-144.)

Due date: The Renter Rebate Claim must be filed by April 18, 2017.

Frequently Asked Questions

I received a request for more information. Did I do something wrong?

We may ask you to supply additional information to explain items on your Vermont income tax return. A request for more information does not necessarily mean that you filed improperly or that you have been selected for an audit. This type of request is a routine part of processing. **It is important that you respond promptly with the requested information.** Your return cannot be processed until the Department receives the information. You can submit the requested information at www.myVTax.vermont.gov.

Can my refund be taken to pay another debt?

Your income tax refund will be taken to pay a bill that you or your spouse/civil union partner owe to the Vermont Department of Taxes and/or other government agencies such as the Internal Revenue Service, Office of Child Support, Department of Corrections, Vermont courts, student loan agencies, Vermont state colleges, and tax agencies of other states. This is known as an “offset.” We will notify you if your refund is used as an offset to pay outstanding debt.

Am I responsible for a tax debt owed by my spouse/civil union partner?

If you file a joint return with your spouse/civil union partner and believe tax debt owed by your spouse/civil union partner may reduce your portion of the refund, you may file an “injured spouse” claim. Visit www.bit.ly/injuredspouse for more information.

To make an injured spouse claim, please send the following four documents **before you file your return**:

1. A letter with details of your claim
2. Copy of Federal return 8379 (if you filed one with the IRS)
3. Copy of Federal Schedules C and SE
4. Form 1099G for unemployment

Mail to: ATTN: Injured Spouse Unit
Vermont Department of Taxes
PO Box 1645
Montpelier, VT 05601-1645

I cannot pay my tax debt due to financial difficulties. What can I do?

If you cannot pay your entire Vermont income tax due, file your return on time and pay as much as you can. Then immediately write to the Department to apply for a payment plan. Send your request separately to:

ATTN: Compliance
Vermont Department of Taxes
PO Box 429
Montpelier, VT 05601-0429

Do not include your written request with your return.

We may ask you for financial information to determine the appropriate payment plan. Without a payment plan, unpaid income tax will result in collection action which may include the imposition of liens, court action, wage garnishment, bank levies, revocation of your business and/or professional license(s), imposition of a bond on your authority to do business, and the assignment of your debt to a private collection agency.

How do I claim a refund on my Vermont withholding or estimated tax payments?

You must file a Vermont Income Tax Return to claim a refund of Vermont withholding or estimated tax payments. You have up to three years from the due date of the return, including extensions, to file a claim for overpayment of tax due.

How do I correct a mistake or add information to my Vermont Income Tax Return?

You are required to file an amended Vermont return within 60 days of the following: **1)** you become aware of a change to your Vermont income; **2)** you file an amended return with the IRS; or **3)** you receive a notice of change from the IRS. A late filing penalty will be assessed if the amended Vermont return is not filed within the 60 days. Check the “AMENDED” box on Form IN-111, Section 1, when filing an amended return for the applicable tax year.

NOTE: If you filed a Property Tax Adjustment Claim or Renter Rebate Claim, you must also amend your income on Schedule HI-144, Household Income, which you should have submitted with your claim.

FORM PR-141 Renter Rebate Claim

General Information

The Renter Rebate Program refunds eligible renters the portion of rent paid that exceeds an established percentage of household income.

Do NOT file a renter rebate if you rent a lot for your mobile home. See instructions for HS-122.

Request a Landlord’s Certificate, Form LC-142, from your landlord(s). Submit a completed Landlord’s Certificate for each rental unit you occupied in calendar year 2016.

NEW THIS YEAR: E-file your Renter Rebate. Electronically filed LC-142s are now equipped with an e-file identifier. Processing your Renter Rebate Claim is faster. If you do not have an LC-142 e-file identifier, filing electronically will not save processing time. Online filing is available at www.myVTax.vermont.gov.

Missing Information or Incomplete Filing: Claims that are incomplete or are missing information are not considered filed. The information must be provided by the Oct. 16 filing deadline. Information received after that time cannot be accepted.

Injured Spouse Claims: To make an “injured spouse” claim, send the following information prior to filing your claim:

- (1) the request letter
- (2) copy of Federal Form 8379 (if you filed one with the IRS)

Mail To: Vermont Department of Taxes, ATTN: Injured Spouse Unit, PO Box 1645, Montpelier, VT 05601-1645.

The Department will notify you if the renter rebate is taken to pay a bill. You have 30 days from the date on the notice to submit the injured spouse claim to the Department.

Eligibility for Renter Rebate: You must meet ALL of the following eligibility requirements:

- You were domiciled in Vermont for the entire calendar year 2016
- You were not claimed in 2016 as a dependent of another taxpayer
- Your household income in 2016 did not exceed \$47,000
- You are the only person in the household making a Renter Rebate Claim
- You rented in Vermont for all 12 months in 2016. See special instructions for Special Situations for the one exception.

Deceased Renter: A claim cannot be filed on behalf of a deceased person. The right to file a Renter Rebate Claim is personal to the claimant and does not survive the claimant's death.

Nursing or Residential Care Home: The Renter Rebate Claim is for the room occupancy charge only. Services such as heat, electricity, personal services, medical services, etc., must be deducted. Generally, the room charge is 25% of the total charges to the person. For a percentage greater than 25%, a breakout of costs must be provided. Payments by Medicaid on behalf of the claimant to the nursing home are not part of rent paid.

NOTE: A person residing in a nursing or residential care home who owns a homestead with a sibling or spouse can claim a renter rebate if the sibling or spouse does not make a Property Tax Adjustment Claim.

Line-By-Line Instructions

Complete Schedule HI-144 FIRST. If Line y is more than \$47,000, you are ineligible.

Supporting Documents Required: Schedule HI-144 and Form LC-142

Claimant Information Enter your name, your spouse/civil union partner's name, mailing address and Social Security Number(s). The rebate is issued to the name(s) and address on record. The claimant is the leaseholder or the person responsible for the rent. Only one claim per household is allowed.

Location of Rental Property Enter the physical location as of Dec. 31, 2016. Do not use a post office box, town name only, "same," or "see above."

Claimant's Date of Birth Enter your date of birth.

Federal Filing Status Enter the corresponding letter of the filing status used on your 2016 Federal income tax return. If you are not required to file a Federal income tax return, leave the box blank.

E-file Certificate Number (from LC-142) If applicable, enter the e-file certificate number located on the LC-142 that you received from your landlord. If the LC-142 you received does not have an e-file certificate number, leave this field blank.

Line 1 Vermont School District Code Go to the Vermont School District Codes table and select the three-digit school district code for the town where you lived on Dec. 31, 2016.

Line 2 Legal Residence Enter your legal residence as of Dec. 31, 2016. Your legal residence is where you lived and may be different from your mailing address.

Eligibility Questions ALL questions must be answered or the claim cannot be processed. Check the appropriate "Yes" or "No" box for Q1, Q2 and Q3 to determine your eligibility.

Rebate Calculation

Only the rent paid during the calendar year for the calendar year is eligible for a renter rebate.

Line 3 Allocable Rent Enter amount from the Landlord's Certificate, LC-142. This could be Line 9 or Line 16, depending on the version your landlord filled out. Allocable rent is based on rent paid in a calendar year. MORE THAN ONE LANDLORD'S CERTIFICATE: Add Allocable Rent from each certificate and enter amount on this line. File all LC-142s with your claim. If the Landlord's Certificate has indicated items that are included in rent and the dollar value on the certificate is left blank, the allowable rent will automatically be reduced by 50% except rental in nursing homes, community care, assisted living, and like facilities and boarding houses will be reduced by 75%.

Line 4 Home Use If you use more than 25% of your rental unit's floor space for business purposes, the allowable rent amount is adjusted. The percentage of business use is generally the same percentage used on your Federal Form 8829. To calculate business use, divide the square feet used for business by the total square feet in the rental unit.

If the rental unit is used solely as your home, or business use is 25% or less, enter 100% on Line 4.

Line 5 Allowable Rent for Rebate Claim Multiply Line 3 by Line 4.

Line 6 Household Income Enter the amount from Schedule HI-144, Line y.

Line 7 Maximum Percentage of Income for Rent Use the chart to find your household income range and applicable percentage. Enter that percentage here.

Line 8 Maximum Allowable Rent for Household Income Multiply Line 6 by Line 7. If Line 8 is more than or the same as Line 5, you are not eligible.

Line 9 Renter Rebate Amount Subtract Line 8 from Line 5. This is your 2016 renter rebate. If you are filing the Renter Rebate Claim with your 2016 Vermont income tax return, also enter this amount on Form IN-111, Line 31d. You may be issued one check combining any income refund and rebate due you.

NOTE: A renter rebate cannot exceed \$3,000.

Signature Sign the claim.

Date Write the date on which the claim form was signed.

Disclosure Authorization If you wish to give the Department authorization to discuss your 2016 Renter Rebate Claim with your tax preparer, check this box and include the preparer's name.

Preparer If you are a paid preparer, you must also sign the claim, enter your Social Security Number or PTIN and, if employed by a business, the EIN of the business.

If someone other than the filer(s) prepared the return without charging a fee, then that preparer's signature is optional.

SCHEDULE HI-144 Household Income Schedule

Domicile For a definition of "domicile," please refer to Reg. § 1.5811(11)(A)(i)-Domicile on our website.

Homeowner You are the homeowner if you own and occupy the housesite as your primary residence.

Household Income means modified adjusted gross income, but not less than zero (0), received in a calendar year by:
all persons of a household while members of that household.

Household Members include you, your spouse/civil union partner, roommates, and family members (including children) even if they file their own income tax returns and are not considered dependents. You must include a spouse/civil union partner as a member of your household even if your spouse/civil union partner does not live with you in the same home. If, however, your spouse/civil union partner does not live with you **and** you and your spouse/civil union partner are **legally separated by court order**, then this person is not considered a household member.

Exceptions - The following are **not** considered household members:

- A spouse/civil union partner who is at least 62 years of age and who has moved to a nursing home or other care facility with no reasonable prospect of returning to the household
- A person who is not related to any member of the household and who is living in the household under a written home sharing agreement with a nonprofit home sharing program authorized by the Vermont Department of Disability, Aging and Independent Living
- A person living in the household who is a bona fide employee hired to provide personal care to a member of the household and who is not related to the person for whom the care is provided
- A person who resides with you (the person filing the claim) for the primary reason of providing attendant care services or homemaker or companionship services with or without compensation that allows you to remain in your home or avoid institutionalization. To qualify for this exception, you must be disabled or 62 years of age or older as of Dec. 31, 2016.

Members of the household for a portion of the year. You must include the income received by all persons residing in the home or apartment during the period they resided in the home or apartment.

Household Income Lines a through m on Schedule HI-144 list the items of income that are required to be reported for Household Income.

- Report your income under Column 1, Claimant.
- Your spouse/civil union partner income is reported under Column 2.

Exceptions applying to spouse/civil union partner

1. You do not have to include your spouse/civil union partner when the person is not living with you as a member of your household **and you are legally separated by court order**
2. You do not have to include the income of a spouse who is age 62 or older and has moved permanently to a nursing home or other care facility

- Report income from all others who resided in your house or apartment under Column 3, Other Persons.

Exclusions: The following are **not** part of household income:

- Payments by the State of Vermont for foster care under Vermont law at 33 V.S.A. Chapters 49 and 55
- Payments by the State of Vermont to a family for the support of an eligible person with a developmental disability
- Payments by the State of Vermont or an agency for adult foster care payments (formerly "difficulty of care" payments) found in 18 V.S.A. § 8907
- Surplus food or other relief in-kind supplied by a government agency

- The first \$6,500 of income received (earned or unearned) by a person who qualifies as a dependent of the claimant under the Internal Revenue Code **and** who is the claimant's parent or disabled adult child
- The first \$6,500 of income earned, such as wages, salaries, tips, etc., by a full-time student who qualifies as a dependent of the claimant (all unearned income must be reported)
- The first \$6,500 of gifts of cash and/or cash equivalents received by all household members
- Distributions from the contributions to a ROTH IRA (distributions from the earnings of the ROTH IRA are to be reported in household income)
- Gifts from a nongovernmental source, such as aid provided by the Red Cross, Salvation Army, a church, to assist paying a living expense (for example, fuel, utilities, rent)

Line-By-Line Instructions

Household Income

Line a	Cash public assistance and relief Enter all payments from the State of Vermont Agency of Human Services except for foster care payments, difficulty of care payments, food stamps, and fuel assistance. The first \$6,500 of refugee settlement payment is excluded.
Line b	Social Security, SSI, disability, railroad retirement, and veterans' benefits (taxable and nontaxable) Enter payments from Social Security as reported in Box 5 of your SSA-1099 (this box adjusts for any repayment of Social Security benefits you were required to make) or from Federal return 1040, Line 20a or 1040A, Line 14a. Social Security benefits also include SSI and SSD payments. Enter all railroad retirement from RRB-1099 and veterans' benefits.
Line c	Unemployment compensation and workers' compensation Enter the full unemployment compensation shown on Form 1099-G plus any workers' compensation you received.
Line d	Wages, salaries, tips, etc. Enter the income shown in Box 1 of the W-2. Also report Form 1099-MISC issued for nonemployee compensation if this is income not included as part of Line h, Business Income. See exclusions in Household Income section before completing this line.
Line e	Interest and dividends Enter the income required to be reported on Lines 8a and 9a of Federal returns 1040 or 1040A; or on Line 2 of Federal return 1040EZ plus the nontaxable interest not required to be reported on Federal return 1040EZ.
Line f	Interest on U.S., state, or municipal obligations Enter the income reported on Line 8b of Federal return 1040 or 1040A and all interest income from Federal, state or municipal government bonds. This includes interest taxed at the Federal level but exempted for Vermont income tax purposes and interest not taxed at the Federal level.
Line g	Alimony, support money, child support, cash and cash equivalent gifts Enter the total received for alimony, child support and other support money. Support money includes payment of housing expenses for household member or other financial assistance that makes it possible for the household member to live in the homestead or rental unit. Also gifts of cash or cash equivalent received by household members must be reported. Cash equivalent includes stocks, bonds, treasury obligations, certificates of deposit, or other instruments convertible to cash.
Line h	Business income Enter income attributable to a business. If there is a business loss, leave blank. For taxpayers filing Married Filing Jointly, where both spouses have business income or loss from sole proprietorships, enter the amount from Federal return 1040, Line 12, or leave blank if Line 12 is negative, in the Claimant column.
Line i	Capital gains Report nontaxable gains from the sale of your home and gains from Federal return 1040 Schedule D: A capital loss carryforward cannot be used to offset a current year capital gain. Add back 1040, Schedule D, Lines 6 and 14 to Line 16. This cannot be less than zero (0). Exception: A business loss may offset a capital gain on the sale of the business's property provided all three of the following are true for the business: (1) the loss and capital gain are for the same business; (2) the IRS requires the capital gain to be reported; and (3) the business loss and capital gain from the sale of the business's property both occurred in the 2016 tax year. If the offset of the capital gain by the loss creates a negative amount, leave blank. A capital loss cannot offset business income.
Line j	Taxable pensions, annuities, IRAs, and retirement fund distributions. Enter the income from retirement, deferred compensation plans, and annuities as reported on Federal return 1040, Lines 15b and 16b or Federal return 1040A, Lines 11b and 12b. Household income includes non-qualified distributions from retirement and deferred compensation plans and both taxable and nontaxable federal pension and annuity benefits.

Line k	Rental and Royalty income Enter the income from each rental property you own as reported on Federal Schedule E, Part I. Each rental property stands on its own. A loss generated by one property may not be used to reduce income from a different property. Read Technical Bulletin 56 on our website for the proper treatment of rental income and losses. Room and board payments made to you by member(s) of the household are rental income and must be reported on this line. Report royalty income from Federal Form 1099-MISC, 1099-S, K-1, or Schedule E, Part I.
Line l	Income from Partnerships, S Corporations, LLCs, Farms, Trusts and Estates Federal Schedule K-1 pass-through income as required to be reported on Federal return 1040, Schedules E and/or F. Report ordinary business income, rental income and guaranteed payments from K-1 on this line. The loss from one K-1 cannot offset income from another K-1. A loss is reported as -0-. See Line i instructions for the only provision allowing netting of a business loss.
Line m	Other income Sources of other income include, but are not limited to, prizes and awards, gambling or lottery winnings, director's fees, employer allowances, taxable refunds from Federal return 1040, Line 10, allowances received by dependents of armed service personnel and military subsistence payments (BAH, FSA), loss of time insurance, cost of living adjustment paid to federal employees, and other gains from Federal return 1040, Line 14. Report on this line income reported to you on Federal Form 1099-MISC or W-2G.
Line n	Add items a through m by column. Carry those amounts over to the top of the next page.
Adjustments to Income:	
The following adjustments to household income may be made for each member of the household.	
Line o	Social Security and Medicare Tax Withheld and Self-Employment Tax on Income Reported Social Security and Medicare payroll tax payments are deducted from household income, but only to the extent that the salary and wages are included in household income. Please see the examples that follow: <ol style="list-style-type: none"> 1. Deferred compensation – If you made a deferred compensation contribution for the tax year, the amount of the contribution is not included in the Federal adjusted gross income as stated in Box 1 on your W-2 form. The Social Security and Medicare taxes on the W-2 must be reduced for the purposes of reporting household income on the HI-144. To report the correct value on Line o, multiply the amount stated in Box 1 on the W-2 by 7.65%. 2. Military pay – Multiplying the amount stated in Box 1 on the W-2 by 7.65% provides the correct value for this deduction. 3. Allocated tips – In addition to the figures included on the W-2, add the Social Security and Medicare payments you made as the result of completing Federal Form 4137. <p>Self-Employed Social Security and Medicare Taxes Paid Self-employed claimants may subtract from household income the amount from Federal Schedule SE, Section A, Line 5, or Section B, Line 12, that represents the Social Security and Medicare taxes paid for 2016 for income reported on HI-144. For income not required to be reported upon which Social Security and Medicare taxes were paid, multiply the income not reported on HI-144 by 15.3% and subtract the result from the Federal Schedule SE amount. The amount of Social Security and Medicare taxes reported on this line includes the allowable deduction for one-half self-employment tax on Federal return 1040, Line 27. You may be asked for a copy of your Federal Schedule SE.</p>
Line p	Child support paid Report only those payments for which receipts or other evidence of payment is available. This evidence may include cancelled checks or a statement from the Office of Child Support in addition to the name and Social Security Number of the parent receiving the payment.
Line q	Allowable Adjustments from Federal return 1040 or return 1040A The following expenses may be subtracted from income. <ul style="list-style-type: none"> • Certain business expenses of reservists - Line 24 from Federal return 1040 • Alimony paid – Line 31a from Federal return 1040 • Tuition and fees – Line 34 from Federal return 1040 or Line 19 from Federal return 1040A • Self-employed health insurance deduction – Line 29 from Federal return 1040 • Health savings account deduction – Line 25 from Federal return 1040
Line r	Add Lines o, p, and the total of Lines q1 to q5 for each column.
Line s	Subtract the total adjustments on Line r from the total income on Line n for each column. The adjustments for any individual in your household cannot exceed the income of that individual. If Line n minus Line r is negative, enter -0-.
Line t	Add columns 1, 2, and 3 and enter sum. Entry cannot be less than zero (0).
Line u	For claimants under the age of 65 as of Dec. 31, 2016, enter the total of interest and dividends for all household members reported on Lines e and f in each column.
Line v	Add the three columns on Line u.

Line w For purposes of calculating the property tax adjustment or renter rebate, household income is increased by the household total of interest and dividend income greater than \$10,000.

Line x Subtract Line w from Line v. If Line w is more than Line v, enter -0-.

Line y **Household Income.** Add Line t and Line x. Enter this figure on HS-122 or PR-141.

SPECIAL SITUATIONS

Deceased Homeowner

Property Tax Adjustment: An estate cannot make a Property Tax Adjustment Claim on behalf of a deceased homeowner. If a homeowner files a Property Tax Adjustment Claim, but dies prior to April 1, the estate must withdraw the claim using Form HS-122W. The estate is responsible to repay any adjustment issued. If the homeowner filed a Property Tax Adjustment Claim between January and March 31 and dies after April 1, the commissioner may pay the adjustment to the town on behalf of another member of the household with ownership interest.

An estate may continue classification of the property as a homestead until the following April provided the property was the deceased homeowner's homestead at the time of death and the property is not rented.

Delinquent Property Tax The 2017 property tax adjustment applies to the current year property tax. The municipality may use any remaining adjustment towards penalty, interest, or prior year property taxes.

Nursing Home or Residential Care If the homeowner is age 62 or older and another owner who also lived in the homestead is the homeowner's spouse/civil union partner or sibling and has moved indefinitely from the homestead to a nursing home or residential care facility, the homeowner makes the Property Tax Adjustment Claim with 100% ownership. This is provided that the spouse/civil union partner or sibling does not make a Renter Rebate Claim or the spouse/civil union partner or sibling does not make a Property Tax Adjustment Claim for the same homestead.

If the homeowner has moved to a nursing home or residential care facility, a Property Tax Adjustment Claim may be made if there is a reasonable likelihood that the homeowner will be returning to the homestead and provided that the homeowner does not make a Renter Rebate Claim. The Department may ask for a doctor's certificate to help determine whether the nursing home or residential care facility is a temporary location.

Renting at the End of the Year You may be eligible for a Renter Rebate Claim for rent paid in 2016 under the following circumstances: **1)** If you owned a Vermont homestead in 2016, **2)** sold the homestead before April 1, 2016, **3)** withdrew or did not file a 2016 Property Tax Adjustment Claim and **4)** rented between the date of the sale and Dec. 31, 2016. To qualify for a renter rebate, your household income must be \$47,000 or less. **NOTE: This is the only situation where a renter rebate can be claimed for fewer than 12 months.**

OWNERSHIP SITUATIONS

Homeowner Age 62 or Older in 2016 If the homeowner shares ownership of the homestead with his or her descendant(s), the homeowner may claim 100% ownership interest on the Property Tax Adjustment Claim, even if the other owners (descendants) do not live in the homestead. A letter of explanation may be requested.

Divorced or Legally Separated Joint Owners If **(1)** you are divorced or legally separated from your spouse/civil union partner, and **(2)** your name and the name of the spouse/civil union partner from whom you are divorced or legally separated remain on the deed, and **(3)** you are awarded possession of the home, you claim as ownership percentage the property taxes for which you are responsible under the final divorce decree or court order. If the divorce decree or court order does not specify responsibility for the property taxes, the person residing in the homestead uses 50% ownership interest. The person not living in the homestead cannot make a Property Tax Adjustment Claim.

The Department may ask for a copy of the portions of the court documents showing the court, date filed, signature page, and the homestead-related provisions.

Duplex Housing ***Both owners occupy the building as their principal residence.*** The eligible housesite education property tax is the tax on the portion owned by each homeowner. If the town issues a property tax bill to each homeowner for his or her portion of the homestead, use the housesite value, housesite property tax, and 100% ownership interest. If the property tax bill is for the total property, prorate the housesite value, housesite property tax, and ownership interest.

Only one owner occupies the building as his or her principal residence. The owner occupying the duplex as his or her principal residence must prorate for the other owner's interest.

Entity Ownership Property owned by a C or S corporation, partnership, or limited liability company cannot be claimed as an individual's homestead and is not eligible for property tax adjustment. There is an exception for a homestead located on a farm. Read Reg. § 1.5401(7)-Homestead at www.bit.ly/vttaxregs.

Life Estate A person who holds a life estate interest in a property that he or she occupies as a principal residence may make a Property Tax Adjustment Claim as if the life estate holder was the owner of the property. The deed does not have to be attached to the Property Tax Adjustment Claim but must be available for review upon Department request.

Trust Ownership A dwelling owned by a trust is not the homestead of the beneficiary unless the claimant is the sole beneficiary of the trust **and** one of the following:

1. The claimant or the claimant's spouse was the grantor of the trust, and the trust is revocable or became irrevocable solely by reason of the grantor's death;

OR

2. The claimant is the parent, grandparent, child, grandchild or sibling of the grantor, the claimant is mentally disabled or severely physically disabled, and the grantor's modified adjusted gross income is included in the household income calculation.

The term "sole beneficiary" is satisfied if the homeowner and the spouse/civil union partner are the only beneficiaries of the trust. A property owned by an irrevocable trust cannot be a homestead except as stated in (1) above. The trust document does not have to be attached to the Property Tax Adjustment Claim but must be available for review upon Department request.

BUYING and SELLING PROPERTY

Buying after April 1, 2016 For property purchased as your principal residence, you need to file a 2017 Homestead Declaration. If you are eligible to make a 2017 Property Tax Adjustment Claim and the property was declared as a homestead, use the seller's property tax bill. If the property was not a homestead in 2016, ask the town for the housesite value and the property taxes on the housesite as if it was a homestead in 2016.

Property Transactions after April 1, 2017 The property tax adjustment stays with the property. In the case of the sale or transfer of a residence, any property tax adjustment amounts related to that residence shall be allocated to the seller at closing unless the parties agree otherwise.

NEW CONSTRUCTION

New homestead construction that was built after April 1, 2016, and is owned and occupied as a principal residence on April 1, 2017, must file Form HS-122 Homestead Declaration. Eligible homeowners may make a 2017 Property Tax Adjustment Claim. The claim will be based on the value of the parcel as of April 1, 2016.

VT SCHOOL DISTRICT CODES

Homeowners: For Form IN-111, use the school district code where you owned a home and resided last Dec. 31. For Form HS-122, use the school district code where you own a home and reside on April 1 this year.

Renters: Use the school district code where you rented last Dec. 31. Check with your landlord or local school officials if you are not sure which code to use. Enter the school district code on Form IN-111 (if you are required to file that form) and Form PR-141.

Nonresidents: Enter 999 for the school district code on Form IN-111.

VT SCHOOL CODE	SCHOOL DISTRICT NAME
001	ADDISON
002	ALBANY
003	ALBURGH
004	ANDOVER
005	ARLINGTON
006	ATHENS
255	AVERILL
256	AVERY'S GORE
007	BAKERSFIELD
008	BALTIMORE
009	BARNARD
010	BARNET
011	BARRE CITY
012	BARRE TOWN
013	BARTON
014	BELVIDERE
015	BENNINGTON
016	BENSON
017	BERKSHIRE
018	BERLIN
019	BETHEL
020	BLOOMFIELD
021	BOLTON
022	BRADFORD
023	BRAINTREE
024	BRANDON
025	BRATTLEBORO
026	BRIDGEWATER
027	BRIDPORT
028	BRIGHTON
029	BRISTOL
030	BROOKFIELD
031	BROOKLINE
032	BROWNINGTON
033	BRUNSWICK
252	BUEL'S GORE
034	BURKE
035	BURLINGTON
036	CABOT
037	CALAIS
038	CAMBRIDGE
039	CANAAN
040	CASTLETON
041	CAVENDISH
042	CHARLESTON
043	CHARLOTTE
044	CHELSEA
045	CHESTER
046	CHITTENDEN
047	CLARENDON
048	COLCHESTER
049	CONCORD
050	CORINTH
051	CORNWALL
052	COVENTRY
053	CRAFTSBURY
054	DANBY
055	DANVILLE
056	DERBY
057	DORSET
058	DOVER
059	DUMMERSTON
060	DUXBURY
061	EAST HAVEN
062	EAST MONTPELIER
063	EDEN

VT SCHOOL CODE	SCHOOL DISTRICT NAME
064	ELMORE
065	ENOSBURG
066	ESSEX JUNCTION
067	ESSEX TOWN
070	FAIR HAVEN
068	FAIRFAX
069	FAIRFIELD
071	FAIRLEE
072	FAYSTON
257	FERDINAND
073	FERRISBURGH
074	FLETCHER
075	FRANKLIN
076	GEORGIA
258	GLASTENBURY
077	GLOVER
078	GOSHEN
079	GRAFTON
080	GRANBY
081	GRAND ISLE
082	GRANVILLE
083	GREENSBORO
084	GROTON
085	GUILDHALL
086	GUILFORD
087	HALIFAX
088	HANCOCK
089	HARDWICK
090	HARTFORD
091	HARTLAND
092	HIGHGATE
093	HINESBURG
094	HOLLAND
095	HUBBARDTON
096	HUNTINGTON
097	HYDE PARK
098	IRA
099	IRASBURG
100	ISLE LA MOTTE
101	JAMAICA
102	JAY
103	JERICO
253	JERICO ID
104	JOHNSON
185	KILLINGTON
105	KIRBY
106	LANDGROVE
107	LEICESTER
108	LEMINGTON
259	LEWIS
109	LINCOLN
110	LONDONDERRY
111	LOWELL
112	LUDLOW
113	LUNENBURG
114	LYNDON
115	MAIDSTONE
116	MANCHESTER
117	MARLBORO
118	MARSHFIELD
119	MENDON
120	MIDDLEBURY
121	MIDDLESEX
122	MIDDLETOWN SPRINGS
123	MILTON
124	MONKTON

VT SCHOOL CODE	SCHOOL DISTRICT NAME
125	MONTGOMERY
126	MONTPELIER
127	MORETOWN
128	MORGAN
129	MORRISTOWN
130	MOUNT HOLLY
131	MOUNT TABOR
135	NEW HAVEN
132	NEWARK
133	NEWBURY
134	NEWFANE
136	NEWPORT CITY
137	NEWPORT TOWN
138	NORTH BENNINGTON ID
140	NORTH HERO
139	NORTHFIELD
141	NORTON
142	NORWICH
143	ORANGE
144	ORLEANS
145	ORWELL
146	PANTON
147	PAWLET
148	PEACHAM
149	PERU
150	PITTSFIELD
151	PITTSFORD
152	PLAINFIELD
153	PLYMOUTH
154	POMFRET
155	POULTNEY
156	POWNAI
157	PROCTOR
158	PUTNEY
159	RANDOLPH
160	READING
161	READSBORO
162	RICHFORD
163	RICHMOND
164	RIPTON
165	ROCHESTER
166	ROCKINGHAM
167	ROXBURY
168	ROYALTON
169	RUPERT
170	RUTLAND CITY
171	RUTLAND TOWN
172	RYEGATE
173	SAINT ALBANS CITY
174	SAINT ALBANS TOWN
175	SAINT GEORGE
176	SAINT JOHNSBURY
177	SALISBURY
178	SANDGATE
179	SEARSBURG
180	SHAFTSBURY
254	SHAFTSBURY ID
181	SHARON
182	SHEFFIELD
183	SHELBURNE
184	SHELDON
186	SHOREHAM
187	SHREWSBURY
260	SOMERSET
188	SOUTH BURLINGTON
189	SOUTH HERO

VT SCHOOL CODE	SCHOOL DISTRICT NAME
190	SPRINGFIELD
191	STAMFORD
192	STANNARD
193	STARKSBORO
194	STOCKBRIDGE
195	STOWE
196	STRAFFORD
197	STRATTON
198	SUDBURY
199	SUNDERLAND
200	SUTTON
201	SWANTON
202	THETFORD
203	TINMOUTH
204	TOPSHAM
205	TOWNSHEND
206	TROY
207	TUNBRIDGE
208	UNDERHILL ID
209	UNDERHILL TOWN
210	VERGENNES
211	VERNON
212	VERSHIRE
213	VICTORY
214	WAITSFIELD
215	WALDEN
216	WALLINGFORD
217	WALTHAM
218	WARDSBORO
261	WARNER'S GRANT
219	WARREN
262	WARREN'S GORE
220	WASHINGTON
221	WATERBURY
222	WATERFORD
223	WATERVILLE
224	WEATHERSFIELD
225	WELLS
226	WELLS RIVER
227	WEST FAIRLEE
230	WEST HAVEN
234	WEST RUTLAND
235	WEST WINDSOR
228	WESTFIELD
229	WESTFORD
231	WESTMINSTER
232	WESTMORE
233	WESTON
236	WEYBRIDGE
237	WHEELOCK
238	WHITING
239	WHITINGHAM
240	WILLIAMSTOWN
241	WILLISTON
242	WILMINGTON
243	WINDHAM
244	WINDSOR
245	WINHALL
246	WINOOSKI
247	WOLCOTT
248	WOODBURY
249	WOODFORD
250	WOODSTOCK
251	WORCESTER

Taxpayer Assistance

Call, email, or visit Taxpayer Services

Business hours: Mon-Fri, 7:45 a.m. - 4:30 p.m.

Phone: Mon, Tue, Thu, Fri, 802-828-2865 or 866-828-2865 (toll-free in Vermont)

Email: tax.individualincome@vermont.gov

Address: 133 State Street, Montpelier

NOTE: The Taxpayer Services Division does not take calls on Wednesdays in order to focus on processing returns. All other divisions are available by telephone.

2017 Due Dates

Form #	Form Description	Initial Due Date	Final Date Accepted <i>NOTE:</i> Penalties, interest, and late filing fees may accrue after initial due date.
IN-111	2016 Vermont Income Tax Return	April 18	
IN-151	Application for Extension of Time to File Form IN-111 VT Individual Income Tax Return	April 18	
PR-141	2016 Renter Rebate Claim	April 18	Oct. 16
HS-122	2017 Homestead Declaration	April 18	Oct. 16
HS-122	2017 Property Tax Adjustment Claim	April 18	Oct. 16

Taxpayer Advocate

The Vermont Department of Taxes offers free, confidential service when a taxpayer encounters difficulty resolving tax issues. The Taxpayer Advocate may be able to help if:

- You are experiencing extreme economic hardship from the Department's action, or
- It is taking more than 180 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date promised by the Vermont Department of Taxes

The Taxpayer Advocate will review your situation, help you understand what needs to be done to resolve it, and keep you updated on the progress of your situation. Please note that the Taxpayer Advocate cannot override the provisions of the law or represent taxpayers at Department hearings.

To contact the Taxpayer Advocate:

Telephone: 802-828-6848

Fax: 802-828-5873

Email: tax.taxpayeradvocate@vermont.gov

Mail: ATTN: Taxpayer Advocate

Vermont Department of Taxes

133 State Street

Montpelier, VT 05633-1401