

2011
VERMONT

Capital Gain Exclusion Calculation

SCHEDULE
IN-153



* 1 1 1 5 3 1 1 0 0 *

PRINT in BLUE or BLACK INK

ATTACH TO FORM IN-111

Taxpayer's Last Name	First Name	Initial
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Taxpayer's Social Security Number

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PART I Flat Exclusion

- 1. Enter smaller of Line 15 or 16 from Federal Form 1040, Schedule D. 1. , , .
- 2. **Enter amount from:**
 - 2a. Federal Form 1040, Schedule D, Line 18 2a. , , .
 - 2b. Federal Form 1040, Schedule D, Line 19 2b. , , .
- 3. Add Lines 2a and 2b 3. , , .
- 4. Subtract Line 3 from Line 1. 4. , , .

If you filed Federal Form 4952, complete Lines 5 through 7

- 5. **Enter amount from:**
 - 5a. Federal Form 4952, Line 4g 5a. , , .
 - 5b. Federal Form 4952, Line 4e 5b. , , .
 - 5c. Multiply Line 5a by Line 5b and enter result here 5c. , , .
 - 5d. Federal Form 4952, Line 4b 5d. , , .
 - 5e. Federal Form 4952, Line 4e 5e. , , .
- 6. Add Lines 5d and 5e; enter result here 6. , , .
- 7. Divide Line 5c by Line 6; enter result here 7. , , .
- 8. Subtract Line 7 from Line 4. *Entry cannot be less than zero.* 8. , , .
- 9. Enter the smaller of Line 8 or \$5,000 9. , , .

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* 1 1 1 5 3 1 2 0 0 *

PART II Percentage Exclusion

- 10. Enter the amount from Part I, Line 4 10. , , . **00**
- 11. Enter amount of adjusted net capital gain from the sale of assets held for three years or less 11. , , . **00**
- 12. Assets held for more than three years. Subtract Line 11 from Line 10. Entry cannot be less than zero. 12. , , . **00**

Enter the amount of net adjusted capital gain from the sale of the following assets held for more than three years

- 13a. Real estate or portion of real estate used as a primary or nonprimary home 13a. , , . **00**
- 13b. Depreciable personal property (*except for farm property or standing timber*) 13b. , , . **00**
- 13c. Stocks or bonds publicly traded or traded on an exchange or any other financial instruments. 13c. , , . **00**
- 14. Add Lines 13a through 13c 14. , , . **00**
- 15. Subtract Line 14 from Line 12; enter result here. This is the amount of net adjusted capital gain eligible for exclusion. . 15. , , . **00**

Line 16 Federal Form 4952 information. If no investment interest expense for ineligible assets reported on Federal Form 4952, enter Line 7 from Part I of this form. Otherwise, you may need to recompute Federal Form 4952 to reflect only investment interest income for assets eligible for the capital gain exclusion.

- 16. Enter amount from Part I, Line 7 or recomputed Federal Form 4952. 16. , , . **00**
- 17. Subtract Line 16 from Line 15. 17. , , . **00**
- 18. Enter the amount from Line 15, or from Line 17 if you filed Federal Form 4952. 18. , , . **00**
- 19. Multiply Line 18 by 40%; enter result here. 19. , , . **00**

PART III Capital Gain Exclusion

- 20. Enter the greater of Line 9 or Line 19 20. , , . **00**
- 21. Multiply _____ x 40%; enter result here. 21. , , . **00**
Federal Taxable Income from Form IN-111, Line 11
- 22. Enter the smaller of Line 20 or Line 21. This is your capital gain exclusion. Enter on Form IN-111, Line 14b. 22. , , . **00**

SCHEDULE IN-153

Capital Gains Exclusion

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

INSTRUCTIONS

VT allows a portion of net adjusted capital gains, as defined by Internal Revenue Code Section 1(h), to be excluded from VT taxable income, but in no case may the amount exceed 40% of federal taxable income. Taxpayers calculate their capital gains exclusion and enter that amount on the VT income tax return IN-111 at Line 14b from Part III Line 22. Each line contains instructions directing you to the appropriate federal schedule and line numbers.

Part I Flat Exclusion

The general exclusion amount for tax year 2011 is \$5,000 or the actual amount of net adjusted capital gains, whichever is less.

Part II Percentage Exclusion

Only certain categories of capital gain income are eligible for 40% exclusion.

Capital Gains NOT Eligible For Exclusion Under the Percentage Method:

1. Any asset held three (3) years or less
2. The following assets even if held for more than three (3) years:
 - Real estate or portion of real estate used as a primary or nonprimary home
 - Depreciable personal property (*except for farm or standing timber*)
 - Stocks or bonds publicly traded or traded on an exchange or any financial instrument

If you filed Federal Form 4952, you can use the amount from Part I Line 7 *unless* there is investment interest income for assets that are not eligible for exclusion under this method. You will then need to recompute Federal Form 4952 for VT purposes, using only the assets eligible for exclusion.

Note for farm property or standing timber

If you reported a capital loss on your 2011 federal return, no VT exclusion is available even if the sale of farm or standing timber resulted in a gain.

Part III Capital Gain Exclusion Amount

This part applies the limitation of 40% of federal taxable income and calculates your capital gain exclusion. Enter the amount from Line 22 on IN-111 Line 14b.