



2012

VT ECONOMIC INCENTIVE INCOME TAX CREDITS

For additional information, contact:

VT Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Ph: 1-866-828-2865 (toll-free in VT)
Ph: 1-802-828-2865 (local and out-of-state)
Fax: 1-802-828-2720

E-mail: indincome@state.vt.us

Schedule IN-119

SCHEDULE IN-119

VT Economic Incentive Income Tax Credits

Please refer to VT Statutes Annotated available online at: <http://www.leg.state.vt.us/statutesMain.cfm> for more information.

AFFORDABLE HOUSING CREDIT (Line 1) - 32 V.S.A. §5930u

This credit requires prior approval by the Vermont Housing Finance Agency.

A copy of the certificate and the credit allocation to the affordable housing project by the housing agency must be provided for each credit claimed.

This credit is applied for five consecutive tax years, beginning with the tax year of the eligible cash contribution. Total tax credits available equal the amount of the first year allocation, plus the succeeding four years allocations. Affordable housing tax credits which exceed the current tax year's liability may be carried forward up to fourteen succeeding tax years.

REHABILITATION FOR OLDER & HISTORIC BUILDINGS CREDITS (Lines 2 - 5) (These credits were repealed in 2005 and are only available as carryforwards)

These credits required prior approval by the Vermont Division for Historic Preservation.

Line 2 Rehabilitation of Certified Historic Buildings Credit - 32 V.S.A. §5930n

Line 3 Older or Historic Buildings Credit - 32 V.S.A. §5930p

Line 4 Commercial Buildings Code Improvements Credit - 32 V.S.A. §5930r

Line 5 Platform Lifts, Elevators or Sprinkler Systems Credit - 32 V.S.A. §5930q

DOWNTOWN & VILLAGE CENTER TAX CREDITS (Lines 6 - 8) - 32 V.S.A. §5930cc

These credits require prior approval by the VT Division for Historic Preservation. Tax credits which exceed the current year's tax liability may be carried forward for up to nine succeeding years following the first year the credit was claimed. Credits unclaimed five years after the approval date are automatically rescinded and are available to the Board for award in subsequent years.

Line 6 Historic Rehabilitation Tax Credit- 32 V.S.A. §5930cc(a) The qualified applicant of a qualified historic rehabilitation project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, corporate income tax, or bank franchise or insurance premiums tax liability a credit of ten percent of qualified rehabilitation expenditures as defined in the Internal Revenue Code, 26 U.S.C. §47(c), properly chargeable to the federally certified rehabilitation.

Line 7 Facade Improvement Tax Credit- 32 V.S.A. §5930cc(b) . The qualified applicant of a qualified facade improvement project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, state corporate

income tax, or bank franchise or insurance premiums tax liability a credit of 25 percent of qualified expenditures up to a maximum tax credit of \$25,000.00.

Line 8 Code Improvement Tax Credit - 32 V.S.A. §5930cc(c) The qualified applicant of a qualified code improvement project shall be entitled, upon the approval of the state board, to claim against the taxpayer's state individual income tax, state corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of \$12,000.00 for installation or improvement of a platform lift, a maximum tax credit of \$50,000.00 for installation or improvement of an elevator, a maximum tax credit of \$50,000.00 for installation or improvement of a sprinkler system, and a maximum tax credit of \$25,000.00 for the combined costs of all other qualified code improvements.

WOOD PRODUCTS MANUFACTURE TAX CREDIT (Line 9) 32 V.S.A. §5930y

This credit has been extended until July 1, 2013. A business may be eligible for a credit against its income tax liability based on 2% of the wages paid in the taxable year for employee services in the manufacture of finished wood products. Finished wood products are defined as *wood products that are manufactured into the form in which they are offered for sale to consumers.* 32 V.S.A. §5930y(b) (1) The employer must be located in a county designated by the Secretary of Commerce & Community Development as stipulated in 32 V.S.A. §5930y(a).

VT ENTREPRENEUR'S SEED CAPITAL FUND CREDIT (Line 13) 32 V.S.A. §5830b

Taxpayers who invest in this state-chartered corporation may receive a tax credit. The corporation provides investment capital to new Vermont firms or existing Vermont firms that are expanding in the state.

The credit may be claimed for a contribution made in the taxable year and may be carried forward for up to four succeeding years.

ECONOMIC ADVANCEMENT TAX INCENTIVE (EATI) CREDITS (Lines 14 - 21)

The following credits are only available as carryforwards up to tax year 2016.

Line 14 Payroll - 32 V.S.A. §5930c

Line 15 Research & Development - Qualified Expenditures - 32 V.S.A. §5930d

Line 16 Capital Investment - 32 V.S.A. §5930g

Line 17 Workforce Development - 32 V.S.A. §5930e

Line 18 Export - General - 32 V.S.A. §5930f

Line 19 High-Technology Growth - 32 V.S.A. §5930k

Line 20 Sustainable Technology Research & Development - 32 V.S.A. §5930w

Line 21 Sustainable Technology Export - 32 V.S.A. §5930x



* 1 2 1 1 9 1 1 9 9 *

PRINT in BLUE or BLACK INK

ATTACH TO FORM IN-111

| | | |
|----------------------|------------|---------|
| Taxpayer's Last Name | First Name | Initial |
|----------------------|------------|---------|

Taxpayer's Social Security Number

| | | | | |
|--|---|--|---|--|
| | - | | - | |
|--|---|--|---|--|

For credits earned through an S-Corporation, LLC, LLP, or Partnership, enter name and FEIN of the entity.

Name of entity _____ FEIN: _____

If credits from more than one business entity, fill out a separate IN-119 for each entity.

ALL CREDITS REQUIRE PRIOR APPROVAL

| | <u>Column A</u> Earned in 2012 | PLUS (+) | <u>Column B</u> Carryforward | EQUALS (=) | <u>Column C</u> 2012 Credit |
|---|-----------------------------------|---------------|---------------------------------|---------------|--------------------------------|
| Prior approval required from VT Housing Finance Agency for Line 1 | | | | | |
| 1. Affordable Housing, 32 V.S.A. §5930u.1. | <div></div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| Prior approval required from VT Division for Historic Preservation for Lines 2-8 | | | | | |
| 2. Rehabilitation of Certified Historic Buildings, 32 V.S.A. §5930n2. | <div>NOT AVAILABLE</div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 3. Older or Historic Buildings Rehabilitation, 32 V.S.A. §5930p.3. | <div>NOT AVAILABLE</div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 4. Commercial Building Code Improvements, 32 V.S.A. §5930r4. | <div>NOT AVAILABLE</div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 5. Platform Lifts, Elevators, and Sprinkler Systems, 32 V.S.A. §5930q.5. | <div>NOT AVAILABLE</div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 6. Historic Rehabilitation, 32 V.S.A. §5930cc(a).6. | <div></div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 7. Facade Improvement, 32 V.S.A. §5930cc(b).7. | <div></div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 8. Code Improvements, 32 V.S.A. §5930cc(c).8. | <div></div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 9. Wood Products Manufacture, 32 V.S.A. §5930y.9. | <div></div> | <div>00</div> | <div></div> | <div>00</div> | <div></div> <div>00</div> |
| 10. Add Column C, Lines 1-9.10. | | | | | <div></div> <div>00</div> |
| 11. Enter amount from Schedule IN-112, Part IV, Line 7.11. | | | | | <div></div> <div>00</div> |
| 12. Add Lines 10 & 11. If no credits from Lines 13-21, enter amount on Form IN-111, Line 24.12. | | | | | <div></div> <div>00</div> |
| 13. VT Entrepreneur’s Seed Capital Fund, 32 V.S.A. §5830b. Go to worksheet on back to calculate the credit.13. | | | | | <div></div> <div>00</div> |

ECONOMIC ADVANCEMENT TAX INCENTIVE CARRY FORWARD CREDITS

Lines 14-21 require prior approval from VT Economic Progress Council

| | | |
|---|--|------|
| 14. Payroll, 32 V.S.A. §5930c.14. | | . 00 |
| 15. Research & Development, 32 V.S.A. §5930d.15. | | . 00 |
| 16. Capital Investment, 32 V.S.A. §5930g.16. | | . 00 |
| 17. Workforce Development, 32 V.S.A. §5930e.17. | | . 00 |
| 18. Export, 32 V.S.A. §5930f.18. | | . 00 |
| 19. High-Tech Growth, 32 V.S.A. §5930k.19. | | . 00 |
| 20. Sustainable Technology R & D, 32 V.S.A. §5930w.20. | | . 00 |
| 21. Sustainable Technology Export, 32 V.S.A. §5930x.21. | | . 00 |
| 22. Add Lines 14-21. Go to worksheet on back to calculate the credit.22. | | . 00 |



* 1 2 1 1 9 1 2 9 9 *

Tax Credit Calculation Worksheet

| | | | |
|--|-----|----------------------|------|
| 23. Enter adjusted VT income tax amount from Form IN-111, Line 22. | 23. | <input type="text"/> | . 00 |
| 24. Enter credit for income tax paid to another state or Canadian province from Form IN-111, Line 23. | 24. | <input type="text"/> | . 00 |
| 25. Subtract Line 24 from Line 23. | 25. | <input type="text"/> | . 00 |
| 26. Enter amount from Line 11. | 26. | <input type="text"/> | . 00 |
| 27. Enter amount from Line 10. | 27. | <input type="text"/> | . 00 |
| 28. Add Lines 26 and 27. | 28. | <input type="text"/> | . 00 |
| 29. Enter the smaller of Line 25 OR Line 28. | 29. | <input type="text"/> | . 00 |
| 30. Subtract Line 29 from Line 25, <i>but not less than zero</i> | 30. | <input type="text"/> | . 00 |
| 31. Multiply Line 30 by 50%. | 31. | <input type="text"/> | . 00 |
| 32. Enter amount from Line 13. | 32. | <input type="text"/> | . 00 |
| 33. Enter the smaller of Line 31 or Line 32. | 33. | <input type="text"/> | . 00 |
| 34. Subtract Line 33 from Line 30, <i>but not less than zero</i> | 34. | <input type="text"/> | . 00 |

Complete Lines 35-42 if claiming Economic Advancement Tax Incentive (EATI) carry forward credits. Otherwise go to Line 43.

| | | | |
|--|-----|----------------------|--------------------------|
| 35. VT tax from Form IN-111, Line 22. | 35. | <input type="text"/> | . 00 |
| Ratio Schedule K-1 to Adjusted Gross Income | | | |
| 36. Schedule K-1 income from entity with EATI credit(s). If EATI credits from more than one entity, see instructions. If negative, enter "0" here and on Line 38. | 36. | <input type="text"/> | . 00 |
| 37. Adjusted Gross Income <u>Resident</u> : Form IN-111, Line 10; <u>Nonresident</u> : Schedule IN-113, Line 42. If negative, enter "0" here and on Line 38. | 37. | <input type="text"/> | . 00 |
| 38. Divide Line 36 by Line 37 <i>but not greater than 100.00%</i> | 38. | <input type="text"/> | . <input type="text"/> % |
| 39. VT Tax attributable to Schedule K-1 Income (Multiply Line 35 by Line 38) | 39. | <input type="text"/> | . 00 |
| 40. Statutory Credit Limitation (Multiply Line 39 by 80%) | 40. | <input type="text"/> | . 00 |
| 41. Credit Claimed. Enter amount from Line 22. | 41. | <input type="text"/> | . 00 |
| 42. Maximum allowable EATI Credit (Enter the smaller of Line 40 or Line 41). If EATI credits from more than one entity, see instructions. | 42. | <input type="text"/> | . 00 |

| | | | |
|---|-----|----------------------|------|
| 43. Total Credits Allowable. Enter the total of Lines 29, 33 and 42. | 43. | <input type="text"/> | . 00 |
| 44. TOTAL INCOME TAX CREDITS AVAILABLE. Enter the smaller of Line 25 or Line 43. Enter this amount on Form IN-111, Line 24. | 44. | <input type="text"/> | . 00 |