



2012

VT CAPITAL GAINS EXCLUSION

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-153

SCHEDULE IN-153 Capital Gains Exclusion

Vermont allows a portion of net adjusted capital gains, as defined by Internal Revenue Code Section 1(h), to be excluded from Vermont taxable income. Taxpayers may elect **either** the **Flat Exclusion** or the **Percentage Exclusion**. The amount excluded under either method cannot exceed 40% of federal taxable income.

If your 2012 Form 1040 shows a capital loss, you are not eligible to complete this form. No Vermont exclusion is available when a net capital loss is reported, even if the sale of farm or standing timber resulted in a capital gain.

Part I Flat Exclusion

The general exclusion amount for tax year 2012 is \$5,000 or the actual amount of net adjusted capital gains, whichever is less.

Special instructions for Line 1.

- If you did not file Schedule D (Form 1040), enter the amount from Form 1040, Line 13 on Line 1.
- If you have Qualified Dividends, you may add the amount on Form 1040, Line 9b to the lesser of Lines 15 or 16 of Schedule D. If you did not file Schedule D, you can add the amounts from Line 9b and Line 13 of Form 1040 and enter the total on Line 1.

Part II Percentage Exclusion

Taxpayers may opt to exclude 40% percent of their adjusted net capital gain from the sale of assets held for more than three years. Only certain categories of capital gain income are eligible for this exclusion.

Capital Gains from the sale of the following assets are **NOT Eligible For Exclusion** under the Percentage Method even if they have been held for more than three (3) years:

1. Real estate or a portion of real estate used as a taxpayer's primary or nonprimary home.
2. Depreciable personal property (*except for farm or standing timber*).
3. Stocks or bonds which are publicly traded or traded on an exchange.
4. Any other financial instrument.

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 21 on Form IN-111, Line 14b.



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ATTACH TO FORM IN-111

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

PART I Flat Exclusion

1.	Enter smaller of Line 15 or 16 from Federal Form 1040, Schedule D.	1.		.00
2.	Enter amount from:			
2a.	Federal Form 1040, Schedule D, Line 18.	2a.		.00
2b.	Federal Form 1040, Schedule D, Line 19.	2b.		.00
3.	Add Lines 2a and 2b	3.		.00
4.	Subtract Line 3 from Line 1.	4.		.00
If you filed Federal Form 4952, complete Lines 5 through 7				
5.	Enter amount from:			
5a.	Federal Form 4952, Line 4g	5a.		.00
5b.	Federal Form 4952, Line 4e	5b.		.00
5c.	Multiply Line 5a by Line 5b and enter result here	5c.		.00
5d.	Federal Form 4952, Line 4b.	5d.		.00
5e.	Federal Form 4952, Line 4e	5e.		.00
6.	Add Lines 5d and 5e; enter result here	6.		.00
7.	Divide Line 5c by Line 6; enter result here	7.		.00
8.	Subtract Line 7 from Line 4. <i>Entry cannot be less than zero.</i>	8.		.00
9.	Enter the smaller of Line 8 or \$5,000	9.		.00

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(Use this section only if you have eligible gains. See Technical Bulletin 60 for more information.)

10.	Enter the amount from Part I, Line 4.	10.	<input type="text"/>	00
11.	Enter amount of adjusted net capital gain from the sale of assets held for three years or less	11.	<input type="text"/>	00
12.	Assets held for more than three years. Subtract Line 11 from Line 10. Entry cannot be less than zero.	12.	<input type="text"/>	00

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

<p>13a. Real estate or portion of real estate used as a primary or nonprimary home</p>	<input type="checkbox"/>	← Check to indicate loss	<p>13a. . 00</p>
<p>13b. Depreciable personal property (<i>except for farm property or standing timber</i>) .</p>	<input type="checkbox"/>	← Check to indicate loss	<p>13b. . 00</p>
<p>13c. Stocks or bonds publicly traded or traded on an exchange or any other financial instruments. (See instructions for informaton on a negative.)</p>	<input type="checkbox"/>	← Check to indicate loss	<p>13c. . 00</p>
<p>14. Add Lines 13a through 13c</p>	<input type="checkbox"/>	← Check to indicate loss	<p>14. . 00</p>
<p>15. Subtract Line 14 from Line 12; enter result here. This is the amount of net adjusted capital gain eligible for exclusion.</p>			<p>15. . 00</p>

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.	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>	.	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div>	00
17. Subtract Line 16 from Line 15.					
17.		<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>	.	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div>	00
18. Multiply Line 17 by 40%; enter result here.					
18.		<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>	.	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div>	00

PART III Capital Gain Exclusion

19. Enter the greater of Line 9 or Line 18	19.		. 00
20. Multiply _____ x 40%; enter result here Federal Taxable Income from Form IN-111, Line 11	20.		. 00
21. Enter the smaller of Line 19 or Line 20. This is your capital gain exclusion. Enter on Form IN-111, Line 14b.	21.		. 00