

VERMONT***Foreign Dividend Factor Increments***
(FOR UNITARY - COMBINED ONLY)**FORM**
CO-420For the taxable period beginning _____, 20____ and ending _____, 20____
Month Month

Name of Principal Vermont Corporation (PVC)

PVC's Federal ID Number

(A) Name of Entity and Federal ID # (if assigned)	(B) Dividend	(C) Taxable Income	(D) Percentage (B ÷ C)
1.			
(FID #)			
2.			
(FID #)			
3.			
(FID #)			
4.			
(FID #)			
5.			
(FID #)			
6.			
(FID #)			

(E) Sales and Receipts	(F) Salaries & Wages	(G) Beginning Property	(H) Ending Property	(I) Average Property (G + H) ÷ 2
1.				
2.				
3.				
4.				
5.				
6.				

(J) Rents x 8	(K) Total Property (I + J)	(L) Modified Sales (D x E)	(M) Modified Salaries & Wages (D x F)	(N) Modified Property (D x K)
1.				
2.				
3.				
4.				
5.				
6.				
Totals (Carry total modified factor amounts to Form CO-419, Lines 2, 7, and 11)				

Vermont Department of Taxes

FOREIGN DIVIDEND FACTOR INCREMENTS, FORM CO-420

INSTRUCTIONS – Unitary Filing Only (VT Form CO-411U)

Please print clearly in BLUE or BLACK ink only.

Prepare a VT Form CO-420 to support each CO-419 that is included with the unitary return.

Vermont provides factor relief for the dividends received from overseas business organizations as defined in 1.5862(d). In order to obtain factor relief, a separate apportionment percentage for foreign dividends must be calculated.

Column A List in Column A the unitary foreign dividend payors whose dividends qualify for factor relief, including those from:

Vermont overseas business organization as defined in Vermont Reg. §1.5862(d)-5 is an entity whose income is included in a consolidated US income tax return but whose activities are primarily outside the US because 80 percent or more of the average of **payroll** and **property** is outside the 50 states and the District of Columbia.

Controlled foreign corporations (CFC) that meet the **payroll** and **property** requirements of an overseas business organization as defined in Vermont Reg. §1.5862(d)-5.

IRC Section 936 Sales Companies that meet the **payroll** and **property** requirements of an overseas business organization.

Foreign sales corporation (FSC) that meet the **payroll** and **property** requirements of an overseas business organization.

Business organizations meeting the **payroll** and **property** requirements of an overseas business organization which made deemed dividends to a member of the unitary group.

Column F Enter the total Salaries and Wages. Refer to Vermont Reg. §1.5833.

Columns Enter the beginning and ending property valued at original cost. Refer to Vermont Reg. §1.5833.

G & H

Column I Enter the results of the sum of Column G and Column H divided by 2.

Column J Enter the valuation of rented real and personal property valued at 8 times the gross annual rental rate.

Column K Enter the total of Columns I and J.

Columns L, M, and N Enter the product of Column D multiplied by Columns E, F, and K, respectively. The total of Columns L, M, and N will be used on Form CO-419, Lines 2, 7, and 11 to modify the apportionment percentage used to determine the amount of foreign dividends from unitary sources subject to Vermont Corporate Income Tax.

USE ADDITIONAL SHEETS IF NECESSARY

NOTE: A printed copy containing all information required on CO-420 may be substituted.

FOR EACH UNITARY DIVIDEND PAYOR LISTED ABOVE, PROVIDE THE FOLLOWING INFORMATION IN US DOLLARS:

Column B Enter the amount of the dividend paid or deemed paid.

Column C Enter the taxable income computed using US tax standards.

Column D Enter the result of Column B divided by Column C, expressed as a decimal to 6 places. If this amount is greater than 1, enter "1.000000". If this amount is less than zero, enter "0".

Column E Enter the Sales and Receipts less returns and allowances. Refer to Vermont Reg. §1.5833.

CONTACTING THE DEPARTMENT

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