

# Schedule IN-119 Instructions

## VT Economic Incentive Income Tax Credits

Please print in BLUE or BLACK ink only.

Please refer to VT Statutes Annotated available online at: <http://legislature.vermont.gov> for more information.

### Line-by-Line Instructions

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

**Line 1** 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#### REHABILITATION FOR OLDER & HISTORIC BUILDINGS CREDITS (Lines 2 - 5) (These credits were repealed in 2005 and are only available as carryforwards)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 Rehabilitation 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 PROGRAM TAX CREDITS (Lines 6 - 8) - 32 V.S.A. § 5930cc

These credits require prior approval by the Vermont Agency of Commerce and Community Development. 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 Credits unclaimed five years after the approval date are automatically rescinded and are available to the Tax Credits and Grants Coordinator for award in subsequent years.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 10% 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% 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% 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.

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**VT ENTREPRENEUR'S SEED CAPITAL FUND CREDIT (Line 12) 32 V.S.A. § 5830b**

**Line 12** 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.

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**ECONOMIC ADVANCEMENT TAX INCENTIVE (EATI) CREDITS (Lines 13 - 20)**

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

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**Line 13** Payroll - 32 V.S.A. § 5930c

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**Line 14** Research & Development - Qualified Expenditures - 32 V.S.A. § 5930d

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**Line 15** Capital Investment - 32 V.S.A. § 5930g

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**Line 16** Workforce Development - 32 V.S.A. § 5930e

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**Line 17** Export - General - 32 V.S.A. § 5930f

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**Line 18** High-Technology Growth - 32 V.S.A. § 5930k

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**Line 19** Sustainable Technology Research & Development - 32 V.S.A. § 5930w

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**Line 20** Sustainable Technology Export - 32 V.S.A. § 5930x

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## Contacting the Department

**Mail:** 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](mailto:indincome@state.vt.us)



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PRINT in BLUE or BLACK INK

ATTACH TO FORM IN-111

Taxpayer's Last Name	First Name	Initial	Taxpayer's Social Security Number
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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 2014	PLUS (+)	<u>Column B</u> Carryforward	EQUALS (=)	<u>Column C</u> 2014 Credit
<b>Prior approval required from VT Housing Finance Agency for Line 1</b>					
1. Affordable Housing, 32 V.S.A. § 5930u . . . . .	.00			.00	.00
<b>Prior approval required from VT Division for Historic Preservation for Lines 2-8</b>					
2. Rehabilitation of Certified Historic Buildings, 32 V.S.A. § 5930n . . . . .	NOT AVAILABLE			.00	.00
3. Older or Historic Buildings Rehabilitation, 32 V.S.A. § 5930p . . . . .	NOT AVAILABLE			.00	.00
4. Commercial Building Code Improvements, 32 V.S.A. § 5930r . . . . .	NOT AVAILABLE			.00	.00
5. Platform Lifts, Elevators, or Sprinkler Systems, 32 V.S.A. § 5930q . . . . .	NOT AVAILABLE			.00	.00
6. Historic Rehabilitation, 32 V.S.A. § 5930cc(a) . . . . .	.00			.00	.00
7. Facade Improvement, 32 V.S.A. § 5930cc(b) . . . . .	.00			.00	.00
8. Code Improvements, 32 V.S.A. § 5930cc(c) . . . . .	.00			.00	.00
9. Add Column C, Lines 1-8. . . . .					.00
10. Enter amount from Schedule IN-112, Part IV, Line 6. . . . .					.00
11. Add Lines 9 & 10. If no credits from Lines 12-20, enter amount on Form IN-111, Line 24. . . . .					.00
12. VT Entrepreneur's Seed Capital Fund, 32 V.S.A. § 5830b. Go to worksheet on back to calculate the credit. . . . .					.00

**ECONOMIC ADVANCEMENT TAX INCENTIVE CARRY FORWARD CREDITS**

Lines 13-20 require prior approval from VT Economic Progress Council

13. Payroll, 32 V.S.A. § 5930c . . . . .					.00
14. Research & Development, 32 V.S.A. § 5930d . . . . .					.00
15. Capital Investment, 32 V.S.A. § 5930g . . . . .					.00
16. Workforce Development, 32 V.S.A. § 5930e . . . . .					.00
17. Export, 32 V.S.A. § 5930f . . . . .					.00
18. High-Tech Growth, 32 V.S.A. § 5930k . . . . .					.00
19. Sustainable Technology R & D, 32 V.S.A. § 5930w . . . . .					.00
20. Sustainable Technology Export, 32 V.S.A. § 5930x . . . . .					.00
21. Add Lines 13-20. Go to worksheet on back to calculate the credit. . . . .					.00

Taxpayer's Last Name	Social Security Number
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**Tax Credit Calculation Worksheet**

22. Enter adjusted VT income tax amount from Form IN-111, Line 22. ....	22.	_____	<b>.00</b>
23. Enter credit for income tax paid to another state or Canadian province from Form IN-111, Line 23. ....	23.	_____	<b>.00</b>
24. Subtract Line 23 from Line 22. ....	24.	_____	<b>.00</b>
25. Enter amount from Line 10. ....	25.	_____	<b>.00</b>
26. Enter amount from Line 9. ....	26.	_____	<b>.00</b>
27. Add Lines 25 and 26. ....	27.	_____	<b>.00</b>
28. Enter the smaller of Line 24 OR Line 27. ....	28.	_____	<b>.00</b>
29. Subtract Line 28 from Line 24, <i>but not less than zero</i> . ....	29.	_____	<b>.00</b>
30. Multiply Line 29 by 50%. ....	30.	_____	<b>.00</b>
31. Enter amount from Line 12. ....	31.	_____	<b>.00</b>
32. Enter the smaller of Line 30 or Line 31. ....	32.	_____	<b>.00</b>

**Complete Lines 33-40 if claiming Economic Advancement Tax Incentive (EATI) carry forward credits. Otherwise go to Line 41.**

33. VT tax from Form IN-111, Line 22. ....	33.	_____	<b>.00</b>
<b>Ratio Schedule K-1 to Adjusted Gross Income</b>			
34. 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 36. ....	34.	_____	<b>.00</b>
35. Adjusted Gross Income <u>Resident</u> : Form IN-111, Line 10; <u>Nonresident</u> : Schedule IN-113, Line 39. If negative, enter "0" here and on Line 36. ....	35.	_____	<b>.00</b>
36. Divide Line 34 by Line 35 <i>but not greater than 100.00%</i> . ....	36.	_____	<b>%</b>
37. VT Tax attributable to Schedule K-1 Income (Multiply Line 33 by Line 36) ....	37.	_____	<b>.00</b>
38. Statutory Credit Limitation (Multiply Line 37 by 80%) ....	38.	_____	<b>.00</b>
39. Credit Claimed. Enter amount from Line 21. ....	39.	_____	<b>.00</b>
40. Maximum allowable EATI Credit (Enter the smaller of Line 38 or Line 39). If EATI credits from more than one entity, see instructions. ....	40.	_____	<b>.00</b>

41. Total Credits Allowable. Enter the total of Lines 28, 32 and 40. ....	41.	_____	<b>.00</b>
42. <b>TOTAL INCOME TAX CREDITS AVAILABLE.</b> Enter the smaller of Line 24 or Line 41. Enter this amount on Form IN-111, Line 24. ....	42.	_____	<b>.00</b>