

2008  
VT Economic Incentive  
Income Tax Credits  
Schedule IN-119



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## SCHEDULE IN-119

### VT Economic Incentive Income Tax Credits

Please refer to VT Statutes Annotated available online at: [www.leg.state.vt.us/statutes/statutes2.htm](http://www.leg.state.vt.us/statutes/statutes2.htm) for more information.

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

**Prior approval by the VT Housing Financing Agency required.** 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.

The 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 credit exceeding the tax year's liability may be carried forward up to 14 succeeding tax years.

**Change for 2008:** This credit has been expanded to owner-occupied housing projects identified in 26 U.S.C. §§143(e) & (f) and eligible under Vermont Housing Finance Agency (VHFA) allocation plan criteria. VHFA may award up to \$100,000 per year for the new credit. The credit awarded to a taxpayer under this section is available for five consecutive tax years. *(This credit is in addition to the tax credit VHFA may award for rental housing projects.)*

#### **REHABILITATION FOR OLDER & HISTORIC BUILDINGS CREDITS (Lines 2 - 5) (Available as carryforward only)**

These credits required prior approval by the VT 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 of Historic Preservation. Tax credit exceeding the year's tax liability may be carried forward for up to nine years following the first year the credit is claimed. Credits unclaimed five years after the approval date are rescinded.

**Line 6 Historic Rehabilitation - 32 V.S.A. §5930cc(a)** Historic rehabilitation tax credit. 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 - 32 V.S.A. §5930cc(b)** Facade improvement tax credit. 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 Improvements - 32 V.S.A. §5930cc(c)** Code improvement tax credit. 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 MANUFACTURER TAX CREDIT (Line 9) 32 V.S.A. §5930y**

A business may be eligible for a credit against its income tax liability based on 2% of wages paid in the taxable year for employee services in the manufacture of finished wood products. 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 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 VT firms or for existing VT firms that are expanding in VT.

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

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

EATI credits required prior approval from the VT Economic Progress Council Division. This credit program expired December 31, 2006. Prior-approved credits may be earned for up to five consecutive years, and may be carried forward for an additional five years. Credits apply against eighty percent of the taxpayer's VT tax liability.

**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



\* 0 8 1 1 9 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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For credits earned through an S-Corporation, LLC, LLP, or Partnership, enter name and FEIN of the entity.

Name of entity \_\_\_\_\_ FEIN: 

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

**ALL CREDITS REQUIRE PRIOR APPROVAL**

	<b>Column A</b> Earned in 2008	<b>PLUS (+)</b>	<b>Column B</b> Carryforward	<b>EQUALS (=)</b>	<b>Column C</b> 2008 Credit												
<b>Prior approval required from VT Housing Authority for Line 1</b>																	
1. Affordable Housing, 32 V.S.A. §5930u .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
<b>Prior approval required from VT Division of Historic Preservation for Lines 2-8</b>																	
2. Rehabilitation of Certified Historic Buildings, 32 V.S.A. §5930n ..	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
3. Older or Historic Buildings Rehabilitation, 32 V.S.A. §5930p ..	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
4. Commercial Building Code Improvements, 32 V.S.A. §5930r ..	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
5. Platform Lifts, Elevators, and Sprinkler Systems, 32 V.S.A. §5930q .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
6. Historic Rehabilitation, 32 V.S.A. §5930cc(a) .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
7. Facade Improvement, 32 V.S.A. §5930cc(b) .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
8. Code Improvements, 32 V.S.A. §5930cc(c) .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
9. Wood Products Manufacturer, 32 V.S.A. §5930 .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
10. Add Column C, Lines 1-9. ....					<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00												
11. Enter amount from Schedule IN-112, Calculation D, Line 6.....					<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00												
12. Add Lines 10 & 11. If no credits from Lines 13-21, enter amount on Form IN-111, Section 5, Line 24. ....					<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00												
13. VT Seed Capital Fund, 32 V.S.A. §5830b. Go to worksheet on back to calculate the credit.....					<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00												

**ECONOMIC ADVANCEMENT TAX INCENTIVE CREDITS**

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

14. Payroll, 32 V.S.A. §5930c.....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
15. Research & Development, 32 V.S.A. §5930d .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
16. Capital Investment, 32 V.S.A. §5930g .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
17. Workforce Development, 32 V.S.A. §5930e .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
18. Export, 32 V.S.A. §5930f .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
19. High-Tech Business, 32 V.S.A. §5930k .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
20. Sustainable Technology R & D, 32 V.S.A. §5930w .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
21. Sustainable Technology Export, 32 V.S.A. §5930x .....	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00						<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00				
22. Add Column C, Lines 14-21. Go to worksheet on back to calculate the credit.....					<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> . 00												



**Tax Credit Calculation Worksheet**

23. Enter adjusted VT income tax amount from Form IN-111, Section 4, Line 22. .... 23. , ,  . 00

24. Enter credit for income tax paid to another state or Canadian province from Form IN-111, Section 5, Line 23. .... 24. , ,  . 00

25. Subtract Line 24 from Line 23 ..... 25. , ,  . 00

26. Enter amount from Schedule IN-112, Calculation D, Line 6. .... 26. , ,  . 00

27. Enter amount from Line 10 ..... 27. , ,  . 00

28. Add Lines 26 and 27 ..... 28. , ,  . 00

29. Enter the smaller of Line 25 OR Line 28 ..... 29. , ,  . 00

30. Subtract Line 29 from Line 25, **but not less than zero** ..... 30. , ,  . 00

31. Multiply Line 30 by 50% ..... 31. , ,  . 00

32. Enter amount from Line 13 ..... 32. , ,  . 00

33. Enter the smaller of Line 31 or Line 32 ..... 33. , ,  . 00

34. Subtract Line 33 from Line 30, **but not less than zero**. .... 34. , ,  . 00

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

35. VT tax from Form IN-111, Section 4, Line 22 ..... 35. , ,  . 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. , ,  . 00

37. Adjusted Gross Income Resident: Form IN-111, Line 10; Nonresident: Schedule IN-113, Line 42. If negative, enter "0" here and on Line 38. .... 37. , ,  . 00

38. Divide Line 36 by Line 37 **but not greater than 100.00%** ..... 38.  .  %

39. VT Tax attributable to Schedule K-1 Income (Multiply Line 35 by Line 38). .... 39. , ,  . 00

40. Statutory Credit Limitation (Multiply Line 39 by 80%) ..... 40. , ,  . 00

41. Credit Claimed. Enter amount from Line 22. .... 41. , ,  . 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. , ,  . 00

43. Total Credits Allowable. Enter the total of Lines 29, 33 and 42 ..... 43. , ,  . 00

44. **TOTAL INCOME TAX CREDITS AVAILABLE.** Enter the smaller of Line 25 or Line 43. Enter this amount on Form IN-111, Section 5, Line 24. .... 44. , ,  . 00