


VERMONT	ESTATE TAX RETURN Resident and Nonresident	FORM E-1
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This form applies only to estates of decedents who died after December 31, 2008.

Name of Decedent (Last, First, Middle Initial)	Social Security Number
State of Domicile at Time of Death	Date of Death
Fiduciary's Name and Address	
Attorney's Name and Address	

A. This section is for estates of Vermont Resident Decedents where all of the decedent's property is located in Vermont.	
Estate Tax due from Schedule A, Line 6 on the back of this form. Please remit this amount. A.	
B. This section is for estates of Vermont Resident Decedents where the decedent's property is located in Vermont and in other states. (Please use computation Schedule B on the back of this form.)	
Estate Tax due from Schedule B, Line 8 on back of this form. Please remit this amount. B.	
C. This section is for estates of Nonresident Decedents where the decedent's property is located in Vermont and in other states. (Please use computation Schedule C on the back of this form.)	
Estate Tax due from Schedule C, Line 13 on back of this form. Please remit this amount. C.	

DECLARATION OF FIDUCIARY			
I hereby certify this return is true, correct and complete to the best of my knowledge. Preparers cannot use return information for purposes other than preparing returns.			
	SIGN HERE	Date	Telephone Number
<input type="checkbox"/> Check here if authorizing the VT Department of Taxes to discuss this return and attachments with your preparer.			
Preparer's Use Only	Preparer's signature _____	Date	Telephone Number
	Address _____		
	City, State, ZIP Code _____		

Make checks payable to **VERMONT DEPARTMENT OF TAXES** and mail this form to:

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

COMPUTATION SCHEDULES

SCHEDULE A. Vermont Estate Tax Calculation - For use by all filers.

To complete the worksheet below, you will need to complete a pro forma Federal Form 706 leaving Line 3b blank. If the estate is not subject to federal tax, the complete 706, including exhibits and appraisals must be submitted with the Vermont return. If the estate is subject to federal tax, the exhibits and appraisals do not need to be submitted with the Vermont return.

1. Federal tentative taxable estate from Federal Form 706, Page 1, Line 3a	1.	
2. Adjustment	2.	60,000.00
3. Adjusted taxable estate. Subtract Line 2 from Line 1	3.	
4. Use the amount on Line 3 above to compute the estate tax liability using the Vermont Estate Tax Table. Enter the tax amount here.	4.	
5. Enter amount from pro forma Federal Form 706, Page 1, Line 12	5.	
6. Vermont estate tax. Enter the amount from Line 4 or Line 5, whichever is smaller.	6.	

Vermont Estate Tax Table - Computation of Estate Tax Liability

(1) Adjusted taxable estate equal to or more than -	(2) Adjusted taxable estate less than -	(3) Tax on amount in column (1)	(4) Rate of tax on excess over amount in column (1)	(1) Adjusted taxable estate equal to or more than -	(2) Adjusted taxable estate less than -	(3) Tax on amount in column (1)	(4) Rate of tax on excess over amount in column (1)
0	\$40,000	0	None	2,040,000	2,540,000	106,800	8.0%
\$40,000	90,000	0	0.8%	2,540,000	3,040,000	146,800	8.8%
90,000	140,000	\$400	1.6%	3,040,000	3,540,000	190,800	9.6%
140,000	240,000	1,200	2.4%	3,540,000	4,040,000	238,800	10.4%
240,000	440,000	3,600	3.2%	4,040,000	5,040,000	290,800	11.2%
440,000	640,000	10,000	4.0%	5,040,000	6,040,000	402,800	12.0%
640,000	840,000	18,000	4.8%	6,040,000	7,040,000	522,800	12.8%
840,000	1,040,000	27,600	5.6%	7,040,000	8,040,000	650,800	13.6%
1,040,000	1,540,000	38,800	6.4%	8,040,000	9,040,000	786,800	14.4%
1,540,000	2,040,000	70,800	7.2%	9,040,000	10,040,000	930,800	15.2%
				10,040,000	---	1,082,800	16.0%

SCHEDULE B. Vermont Resident Decedents with real and tangible personal property located outside Vermont. (Attach a copy of the complete 706 unless a federal tax is due. In those cases, attach the 706 excluding exhibits and appraisals.)

1. Vermont estate tax from Schedule A, Line 6	1.	\$		
2. Tax liability actually paid for death taxes to a state other than Vermont (Copies of nonresident returns must be attached.)	2.	\$	/	/
3. Federal Total Gross Estate from Federal Form 706, Page 1, Line 1	3.	\$	/	/
4. Non-Vermont Gross Estate* (see instructions for definition)	4.	\$	/	/
5. Ratio of non-Vermont Gross Estate to Federal Estate (Line 4 divided by Line 3) ...	5.		/	/
6. Adjusted Vermont estate tax (Multiply Line 1 by Line 5)	6.	\$	/	/
7. Enter the lesser of Line 2 or 6	7.	\$		
8. Tax Due (Line 1 less Line 7). Enter here and on front of return, Section B	8.	\$		

SCHEDULE C. Nonresident Decedents with real and tangible personal property located in Vermont. (Attach a copy of the complete 706 unless a federal tax is due. In those cases, attach the 706 excluding exhibits and appraisals.)

9. Vermont estate tax from Schedule A, Line 6	9.	\$		
10. Federal Total Gross from Federal Form 706, Page 1, Line 1	10.	\$	/	/
11. Vermont Gross Estate** (see instructions for definition)	11.	\$	/	/
12. Ratio of Vermont Gross Estate to Federal Estate (Line 11 divided by Line 10) ...	12.		/	/
13. Adjusted Vermont estate tax (Multiply Line 9 by Line 12) Tax Due. Enter here and on front of return, Section C	13.	\$		

Changes to VT Estate Tax Law

Act 1 of the 2009 Special Session changed the law regarding who must file the Vermont Estate Tax Return and the use of the federal unified credit. For decedents who died after December 31, 2008, the executor or other fiduciary is required to file a return for all estates with a tax due as calculated under Section 2001 of the Internal Revenue Code and the applicable credit amount under Section 2010 as in effect January 1, 2008 with no deduction under Section 2058.

GENERAL INSTRUCTIONS

Date of Filing Returns

Vermont Estate Tax Returns are required to be filed within nine months of the death of the decedent. Prior to expiration of the filing period, executors may apply for a six-month extension. A copy of the Federal application for extension of time to file or a letter requesting an extension of time must be submitted to the Vermont Department of Taxes.

Tax Payable

The Vermont Estate Tax is due and payable by the executor or other fiduciary at the time the Vermont Estate Tax Return is required to be filed. An extension of time to file the VT Estate Tax Return does not extend the time to pay. The tax estimated to be due must be paid with the extension of time request.

Where to File

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

What to File

In the case where no federal tax is due, the executor must file a complete, pro forma federal form 706, including all exhibits and appraisals, with the Vermont Estate Tax Return. When Federal tax is due, the first page of Federal Form 706 should be included with the Vermont return. After filing a Federal return, a duplicate of the estate tax closing letter must be filed with this Department when it is received from the IRS.

Special Instructions for Schedule A

The value to use for Schedule A, Line 5 is determined from a calculation of the tax on a pro forma Federal Form 706. To complete the calculation on the Federal pro forma, the maximum unified credit on Line 9 is \$780,800.

VT ESTATE TAX DEFINITIONS

Vermont Resident Decedent means a person whose domicile is in Vermont at date of death.

* ***Non-Vermont Gross Estate*** for a Vermont Resident Decedent means the total value of real estate and tangible personal property (cars, boats, clothes, jewelry, furniture, etc.) which is located outside Vermont at the date of death and is taxed by another state.

** ***Vermont Gross Estate*** for a nonresident decedent means the value of real estate and tangible personal property (cars, boats, clothes, jewelry, furniture, etc.) located in Vermont at date of death.

PLEASE NOTE: Bank accounts, stocks, bonds and mortgages are intangible assets and are taxable by the State in which the decedent was a resident at time of death regardless of where the asset was located at the date of death.

NOTE: An estate with a closely-held farm business may be eligible for a special reduction in the Vermont estate tax. Contact the Vermont Department of Taxes at (802) 828-2548 for more information.