

STATE OF VERMONT
DEPARTMENT OF TAXES
133 STATE STREET
MONTPELIER, VERMONT 05633

This booklet contains:

- VERMONT PROPERTY TRANSFER TAX RETURN (Form PT-172 - Replaces Form PT-1)
 - Additional SELLERS (Attachment for Vermont Property Transfer Tax Return) (Form PT-172-S)
 - Additional BUYERS (Attachment for Vermont Property Transfer Tax Return) (Form PT-172-B)
 - REAL ESTATE WITHHOLDING RETURN (Form RW-171)
 - LAND GAINS WITHHOLDING TAX RETURN (Form LG-1)
 - LAND GAINS TAX RETURN (Form LG-2)
 - ACT 250 DISCLOSURE STATEMENT (Form 250)
-

USE THIS BOOKLET FOR TRANSACTIONS OCCURRING AFTER NOVEMBER 30, 2008

Vermont Property Transfer Tax Return

In order to record a deed for the transfer of title to real property, you must file a Vermont Property Transfer Tax Return, even if no tax is due. Complete the original and one copy of the return and deliver them to the town clerk with payment of any tax due. Make checks payable to the Vermont Department of Taxes. The town clerk will forward the original return and payment to the Department of Taxes and will retain a copy of the return at the town clerk's office. For assistance with the Property Transfer Tax Return, call (802) 828-2542.

Real Estate Withholding Tax Return

If any seller was a nonresident at the time of transfer, the buyer must withhold 2.5% of the full consideration paid for the transfer and transmit it to the Commissioner of Taxes with Form RW-171 within 30 days of the transfer. If the buyer fails to withhold, the buyer will be personally liable for the amount of the withholding. Send Form RW-171 directly to the Department of Taxes. Do not file Form RW-171 with the town clerk. For assistance with the Real Estate Withholding Return, call (802) 828-2777.

Land Gains Withholding Tax Return and Land Gains Tax Return

The Land Gains Tax is a tax on the gain from the sale or exchange of Vermont land which was held for less than six years. If the seller has owned the land for less than six years, the buyer may be required to withhold 10% of the purchase price of the land and remit it to the Vermont Department of Taxes using Form LG-1. This requirement applies to the sale of Timber and Timber Rights on parcels of 300 acres or more. Please refer to the Land Gains Tax Return (Form LG-2) for further details. Please read the instructions for the Land Gains and Land Gains Withholding Tax Returns. For assistance with either return, call (802) 828-2550.

Act 250 Disclosure Statement

If the transfer creates a partition or division of land, you must attach an Act 250 Disclosure Statement to the town clerk's copy of the Vermont Property Transfer Tax Return when you file a deed for recording. The town clerk will acknowledge receipt of the Act 250 Disclosure Statement on the face of the Property Transfer Tax Return. **Do not file the Act 250 Disclosure Statement with the Department of Taxes or the Natural Resources Board.** For assistance with the Act 250 Disclosure Statement, call (802) 828-3309 or your Act 250 regional office (see map on page 34).

Taxpayer Assistance

If you need help with any of the forms in this booklet, please call the appropriate number listed above. Assistance is available weekdays between 8:00 a.m. and 4:30 p.m.

For forms, call (802) 828-2515 or they are available on our website at <http://tax.vermont.gov>.

VERMONT PROPERTY TRANSFER TAX RETURN, Form PT-172 (Replaces Form PT-1)

GENERAL INFORMATION

Please use blue or black ink only. Do not copy for future transfers. Please use a blank form for each transfer.

ATTENTION!

PREPARERS

The Property Transfer Tax Return has been changed to a computer scanned return. This has resulted in new instructions that preparers need to read to become familiar with the new format.

If you are completing the form by hand, please print legibly and stay within the outline of each box. It is imperative that as preparers, you fill in all applicable fields, such as name, address, tax ID number, and complete all appropriate boxes and choices related to the transfer.

If the transfer qualifies for an exemption, please complete Line L, with the correct exemption number. For purchases where the buyer's principal residence is funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or for which the Vermont Housing Finance Agency or the US Department of Agriculture and Rural Development has committed to make or purchase, enter "99" on Line L. Failure to enter an exemption number may result in a bill to the buyer.

To calculate the appropriate tax rate for primary residence, current use, or qualified farm, Lines P, Q or R must be completed.

For all transfers where a tax is due, please complete the rate schedule on page 3 of the form following the instructions on page 5.

Please read the entire instructions to correctly complete the return. If you have any questions, please call (802) 828-2542.

TOWNS

Complete the acknowledgment section. Use the 2-digit grand list category code numbers listed. Once you have completed this section of the return, please send the Department the original return you received from the preparer within 30 days from the date of receipt. **Do not send a copy.**

WHEN IS A PROPERTY TRANSFER TAX RETURN REQUIRED TO BE FILED?

The property transfer tax is a tax on the transfer by deed of title to real property in Vermont. A Property Transfer Tax Return must be filed with a town clerk whenever a deed that shows the transfer of title to real property is delivered to a town clerk for recording. A town clerk cannot record a deed unless it is accompanied by a completed Property Transfer Tax Return and any applicable tax payment due.

If a transfer is exempt from the property transfer tax, no payment is due, but a Property Transfer Tax Return must be filed when a deed is delivered to a town clerk for recording.

The town will file this return with the department within 30 days of receipt.

WHO IS LIABLE FOR THE TAX?

The buyer (transferee) is liable for the transfer tax.

WHAT DOCUMENTS ARE CONSIDERED TO BE DEEDS FOR PROPERTY TRANSFER TAX PURPOSES?

The following documents are considered to be deeds and must be accompanied by a completed Property Transfer Tax Return and tax payment (if applicable) when they are recorded: any warranty deed; quitclaim deed; an instrument in which the grantee holds equitable

title and has the right to possession, such as a bond for deed, title bond, contract to convey, executory contract for sale, installment sale, or lease for a deed; quitclaim deed, sheriff's deed or other deed; bill of sale; order of a board, commission or court; or other instrument evidencing a transfer of title to real property or a grant of a life estate, perpetual easement, and all leases.

No return is required to be filed when the following documents are delivered to a town clerk: mortgage deed; assignment of mortgage; subrogation of mortgage; full release or discharge of mortgage; attachment; lien; license to sell; agreement to sell; option to buy; deed of a cemetery plot; or utility line easement purchased by a public utility or municipality for \$500 or less, disclaimers pursuant to 14 V.S.A. Chapter 83.

LINE-BY-LINE INSTRUCTIONS

All information must be completed prior to recording.

Lines A and B - Enter entity name (meaning a Partnership, Limited Liability Company, Trust or Corporation), or individual name (meaning a person) on corresponding lines. Seller/buyer sections are numbered. *Example:* Seller #1 uses "Seller #1" address fields only; Seller #2, uses "Seller #2" address fields only. If you have more than one entity, please use Form PT-172-S for seller or PT-172-B for buyer (Do not use individual address section). Use additional forms if there are more sellers and buyers. Use Form PT-172-S for additional sellers and Form PT-172-B for additional buyers. Spell out names and addresses; **do NOT** use "same", "as above", or any other similar wording. "In care of" should be entered as "c/o" (not "%"). Please complete only the appropriate numbered lines. If one or more of the buyers has an international address, please check the International address box (This is not required for the seller). **Do not attach a list of sellers or buyers other than these forms. Please black out social security numbers and federal identification numbers on the town clerk's copy only.** The Department requires social security numbers and Federal identification numbers on the original returns.

Line C - Enter the street address and town. If no street address exists, provide as complete a description as possible. If the property is located in two towns, please list both towns.

Line D - Enter the date the property was transferred.

Line E - Write the number from the list that best describes the property interest being acquired. A lease is subject to tax if it is for a period of at least 50 years (including possible renewals) or if the lessee has a purchase option and the right to construct a building or structure or make major capital improvements, such as water systems, sewer systems, roads or parking facilities.

Line F - Enter the acreage of parcel being conveyed. (If the sale involves less than a full acre, please indicate portion. *Example:* .25 acre).

Line G - Special Factors - This portion is included to provide important sales information describing the nature of the transfer. This information is important to both the municipality and the State in understanding the factors that could influence the sale value. Please complete as follows:

Family Members - If sale was between family members (blood or marriage), please enter number from list.

Development Rights - If development rights have been previously sold or conveyed or are being sold now, please check the box. If development rights and land are being sold together as one transfer, leave box blank.

Financing - Please check appropriate box for Conventional/Bank, Owner financing or other financing (for example, cash or trade).

Line H - Select the type of building construction for the primary buildings on the property at the time of transfer. Check all that apply. If this is a multi-family dwelling or condominium, also enter the number of units transferred.

Lines I and J - Enter one number from the list that describes the primary use of the property prior to and after transfer. Enter "1" ("Primary residence") if the occupant (regardless of whether the occupant is the owner or lessee) uses the property as his or her primary residence. (**Note:** This does not necessarily entitle the buyer to the principal residence rate which requires that property be the *buyer's* principal residence - see Rate Schedule Instructions on page 5.) A multi-family dwelling with up to four units is considered a primary residence if it is occupied as the main home or domicile of the buyer. A multi-family dwelling with five or more units is commercial property. "Secondary Residence" includes vacation rental property which is purchased as an investment. If the property was rented before or after transfer, please check box. Please check the appropriate box if the property was purchased by the tenant or if the buyer holds title to adjoining property. If "commercial" or "industrial", please describe on line provided.

Line K - (1) If the land is now or was previously enrolled in the use value appraisal program for agricultural, forest or conservation land, it may be subject to a lien to secure payment of a land use change tax. 32 V.S.A. §3757(a)

(2) If enrolled property is transferred to another owner, the new owner is entitled to continue enrollment of eligible property provided the new owner elects continuation of use value appraisal at the time of transfer, and within 30 days after the Property Transfer Tax Return has been received by the municipality for recording, applies to the VT Department of Taxes, Director of Property Valuation and Review, and pays the required fees. 32 V.S.A. §5756(e)

Line L - If the transfer is exempt from tax, insert the number of the exemption from the list that follows. **Failure to enter an appropriate exemption number may result in a bill to the taxpayer.**

The following transfers are exempt from the payment of the property transfer tax, see 32 V.S.A. §9603:

01. Transfers recorded prior to January 1, 1968;
02. Transfers of property to the United States of America, the State of Vermont, or any of their instrumentalities, agencies or subdivisions;
03. Transfers directly to the obligee to secure a debt or other obligation;
04. Transfers which, without additional consideration, confirm or correct a transfer previously recorded;
05. Transfers between husband and wife, parent and child, or child's spouse, grandparent and grandchild, or grandchild's spouse without actual consideration; and also transfers in trust or by decree of court to the extent of the benefit to the donor or one or more of the related persons above named;

and transfers from such a trust conveying or releasing the property free of trust as between such persons and without actual consideration;

06. Transfers directly to the obligor of release of property which is security for a debt or other obligation when such debt or other obligation has been fully satisfied;
07. Transfers of partition;
08. Transfers made pursuant to mergers or consolidations of corporations pursuant to which transfer no gain or loss is recognized under the Internal Revenue Code, and bona fide transfers to shareholders of corporations in connection with the complete dissolution;
09. Transfers made by a subsidiary corporation to its parent corporation for no consideration other than cancellation or surrender of the subsidiary's stock;
10. Transfers made to a corporation at the time of its formation pursuant to which no gain or loss is recognized under §351 of the Internal Revenue Code*;
11. Transfer to or by the Vermont Industrial Development Authority or a non-profit local development corporation (See 10 V.S.A. §212(10));
12. Transfer to an IRC §501(c)(3) organization that meets the public support test of §509(a)(2) of the Internal Revenue Code to preserve farmland or open space land or transfer to a §501(c)(2) holding company for such organization;
13. Transfer to a partnership or limited liability company at the time of formation, if no gain or loss is recognized under the Internal Revenue Code*;
14. Transfer by a partnership to a partner or a limited liability company to a member in connection with a bona fide dissolution provided no gain or loss is recognized under the Internal Revenue Code;
15. Transfer of a utility line easement to a public utility or municipality for \$500 or less;
16. Transfer between an obligor and primary obligee in foreclosure or a conveyance in lieu of foreclosure;
17. Court-ordered transfer to spouse in divorce;
18. Transfer to a limited equity cooperative to provide low or moderate income housing; transfer to a §501(c)(3) organization or its wholly-owned subsidiary to preserve housing for low income families;
19. Transfers of leasehold interests made to low income individuals by organizations qualifying under §501(c)(3) or by a wholly-owned subsidiary of such an organization, when such a transfer is made concurrently with the transfer of an improvement located on the leasehold property or is a renewal of such a lease where the purpose of the lease is to provide affordable housing, or to ensure the continued affordability of such housing, or both;
20. Recording of deed when the recording of an agreement, instrument, memorandum or other writing evidencing the same transfer of title to the property was previously taxed;
21. Transfers made to §501(c)(3) organizations or to a wholly-owned subsidiary corporation of such an organization provided one of the stated purposes of the transferee is:

*Transfers made within 90 days of the formation of the entity are treated as exempt pursuant to Department practice. See Technical Bulletin 39 found on the Department's web site at <http://tax.vermont.gov>.

- (a) To acquire property in order to preserve housing for low-income families; or
 - (b) To operate a statewide public television station; or
 - (c) To act as a food clearinghouse to reduce the incidence of hunger in Vermont and provided that the property transferred will be held by the transferee for this purpose;
22. Leases that meet the following condition:
- (a) Leases of land for less than 50 years, including extensions (however, all leases regardless of term are subject to tax if they contain an option to purchase and allow the lessee to construct a building or make major capital improvements);
 - (b) Leases that had a completed Act 250 application filed with a local environmental commission or the Environmental Board on or before June 22, 1989; or
 - (c) Leases that were not subject to Act 250 and were under review by a municipal planning commission on or before June 22, 1989;
23. Transfers to IRC §501(c)(3) organization which prior to the transfer have been determined to meet the "public support" test of §509(a)(1) of the Internal Revenue Code, shall not be exempt from tax, but the tax shall be deferred, provided one of the stated purposes of the organization is to acquire property or rights and less than fee interest in property in order to preserve farmland or open-space land and provided that the property transferred, or rights and interests in the property, will be held by the organization for this purpose. Any transferee organization for which tax is deferred under this subdivision shall pay the deferred tax upon later transfer by that organization of all or a part of the property or the development rights for that property, up to a maximum of the consideration received for such later transfers;
99. Please use this exemption number for the buyer's principal residence funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or for which the Vermont Housing Finance Agency (VHFA) or the U.S. Department of Agriculture and Rural Development has committed to make or purchase. No tax is due on the first \$110,000.00 in value. Any excess above \$110,000.00 is taxable at 0.0125.

If exemption is claimed, please indicate the number of the exemption claimed on Line L of the return.

Lines M, N and O - Note: These lines must be completed even if the transfer is exempt from tax.

On Line M, enter the total consideration paid.

On Line N, enter the total consideration paid or to be paid for personal property. Please list types of personal property on line provided.

On Line O, enter the total consideration paid or to be paid for real property. (Subtract Line N from Line M)

Consideration includes the amount of any cash, checks or notes given to the transferor; the amount of any liens or encumbrances that were on the property before transfer and were not removed; the amount of any indebtedness that was forgiven; the amount of any mortgage assumed; and the fair market value of any other property given to the transferor in exchange for the property.

If the real property was transferred for less than fair market value enter the fair market value of the real property at the time of transfer, and explain the circumstances on Line O.

Line P - Buyer's principal residence. See rate schedule instructions on page 5. Please complete rate schedule on page 3 of the return.

If the purchaser obtains a mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the VHFA or U.S. Department of Agriculture and Rural Development has committed to make or purchase, enter up to \$110,000.00. (Make sure to enter "99" on Line L.) **Failure to enter "99" on Line L may result in a bill to the taxpayer.**

For transfers not funded in these three ways, enter up to \$100,000.00 in value on this line. A tax of 0.005 is due on this amount.

Line Q - Enter fair market value (not current use value) of property enrolled in Current Use Program. See rate schedule instructions on page 5.

Line R - Enter fair market value of qualified working farm. See rate schedule instructions on page 5.

Line S - Compute the tax due, using the Rate Schedule on page 3 of the return. Enter the total amount of tax due.

Line T - Enter the date the seller acquired the property.

Line U - If a Land Gains Tax Return is not being filed, enter up to three exemption numbers from the list below.

In general, anyone who sells Vermont land that was held by the seller for less than six years is required to file a Vermont Land Gains Tax Return (Form LG-2) within 30 days after the sale, even if no tax is due. The definition of land may include the sale of Timber and/or Timber Rights. The buyer of property that is held for less than six years is required to file a Vermont Land Gains Withholding Tax Return (Form LG-1).

If the transfer is described in the list that follows, the parties may claim the exemption on this return and thereby are not required to file a Land Gains Tax Return or Land Gains Withholding Tax Return.

If the transfer is not included in this list, a Land Gains Tax Return or a Land Gains Withholding Tax Return must be filed. See Form LG-1 and Form LG-2 instructions.

Note: To claim purchaser's principal residence exemption, builder's exemption, agriculture exemption, affordable housing exemption, the buyer must file a Vermont Land Gains Withholding Tax Return and the seller must file a Vermont Land Gains Tax Return.

The following exemptions from the land gains tax may be claimed on Line U of this return:

01. Sale of land held by the seller for six years or longer;
02. Transfer without consideration, such as a gift, devise, partition, or straw transfer by corrective deed;
03. Sale of up to ten acres of land beneath or contiguous to a dwelling that was the principal residence of the seller. If local zoning requires more than ten acres for residential property, then the minimum amount specified in the ordinance will be exempted, up to a maximum of 25 acres.
A principal residence includes a multi-family dwelling of four units or less if at least one unit was used as the seller's principal residence. A dwelling may qualify as a principal residence even though the resident maintains an office or retail store in the dwelling;
04. Court-decreed transfer of land between the parties through a divorce;

05. Transfer to a mortgagee in foreclosure or voluntary conveyance in lieu of foreclosure, provided there is no gain from the transfer;
06. Sale of land to the State of Vermont from an organization qualifying under IRC §501(c)(3); sale of land to a §501(c)(3) organization that meets the public support test and will use the property to preserve agricultural, forestry or open-space land for at least six years; or sale of conservation or preservation rights and interests to a qualified holder (i.e., the State of Vermont, a municipality, or a §501(c)(3) organization that will use the land to preserve historic, agricultural, forestry or open space resources or a holding company for such organization);
07. Sale of land owned by the United States, the State of Vermont, an organization qualifying under §501(c)(3) provided that the sale is exempt from federal income taxation, or a local development corporation (see 10 V.S.A. §212(10));
08. Leases of land for less than 50 years, including extensions (however, all leases regardless of term are subject to reporting if they are taxable under 32 V.S.A. §10004, or if the lease contains an option to purchase and allows the lessee to construct a building or make major capital improvements);
09. Sale of mineral rights for a limited period of time; or sale of gravel, soil or similar items;
10. Sale of a perpetual easement for \$1.00 or less;
11. Sale of land that is a mobile home park which is transferred in a single purchase to a group composed of the mobile home park leaseholders or to a nonprofit organization that represents such a group;
12. Transfers of undeveloped land in a "Vermont neighborhood" as defined in 24 V.S.A. §2791(15), which is the first transfer of that parcel following the original designation of the Vermont neighborhood.

RATE SCHEDULE INSTRUCTIONS

A tax at the rate of one-and-one-quarter percent (0.0125) is imposed on all property other than a purchaser's principal residence, property enrolled in the current use program or a working farm. Real property that will be the purchaser's principal residence is taxed at one-half of one percent (0.005) of the first \$100,000 of value and one and one-quarter percent (0.0125) of the value over \$100,000. A subsequent purchase of contiguous land on which there is no dwelling and no immediate plan to construct a dwelling is subject to tax at the higher rate.

With respect to the transfer of property to be used as a primary residence, no tax is due on the first \$110,000.00 in value if the purchaser obtains a purchase mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing Finance Agency or the U.S. Department of Agriculture and Rural Development has committed to make or purchase. On Line 5 replace 0.005 with 0.000. Please provide documentation from your lender of their commitment.

Transfer of housing cooperative property, the sole purpose of which is to provide principal residences for all its members or shareholders, is taxed at (0.005) on the first \$100,000 in value and (0.0125) of the

value in excess of \$100,000. If it ceases to be a housing cooperative within six years of the transfer, transferee must pay back any reduction in tax.

Property that is either enrolled in the current use program or is a working farm is taxed at (0.005) of the entire value of the property. If land in the current use program is converted to a use which subjects it to the land use change tax or an obligation to repay tax benefits within three years after the transfer, or if a working farm is taken out of agricultural production within six years after the transfer, the buyer must pay the additional tax balance at the (0.0125) rate. This property transfer tax obligation is a lien running with the land.

Line 1: Enter either up to \$100,000.00 in value to be taxed at 0.005 or up to \$110,000.00 to be taxed at 0.000, as defined in 32 V.S.A. §10002a. (See instructions above) A dwelling may qualify as a principal residence even though the resident maintains an office or retail store in the dwelling. A principal residence also includes a multi-family dwelling of four units or less if the buyer will occupy at least one unit as a principal residence. If a dwelling contains five or more units, enter the prorated value of only that portion of the dwelling that will actually be occupied by the buyer as a principal residence. The buyer may also include as a principal residence land on which the buyer will construct and occupy a principal residence within two years. If qualified property has a value in excess of amount entered on Line 1 (\$100,000.00 or \$110,000.00), complete Lines 7-12.

Line 2: Enter the value of any portion of the transferred property that is enrolled in the current use program. A dwelling and two acres surrounding it may not be included in the current use program and should not be included in Line 2. The land and dwelling may qualify for the lower rate for a purchaser's principal residence, however.

Line 3: Enter the value of any land (excluding buildings) that is not enrolled in the current use program, but qualifies as a working farm. A working farm is land that is actively farmed by a person who earns at least one-half of his or her annual gross income from the business of farming.

INSTRUCTIONS FOR LOCAL AND STATE PERMITS AND ACT 250 CERTIFICATES

Lines A and B - This certificate is required by 32 V.S.A. §9606(c) and (e).

Line C - 32 V.S.A. §9606(c) requires each party to certify whether the property being transferred is in compliance with, or is exempt from, rules governing wastewater systems and potable water supplies under 10 V.S.A. Chapter 64. If a determination as to the status of the lot is desired, contact the appropriate Regional Office of the Agency of Natural Resources listed on page 8 of this booklet.

Compliance: A wastewater system and potable water supply permit is required if any action is taken that requires a permit under the Wastewater System and Potable Water Supply Rules.

Exemption: A lot is exempt from the requirements for a permit under the Wastewater System and Potable Water Supply Rules if it meets the requirements of the exemptions listed in Section 1-304 of the rules. *For example:* write in "§1-304(a)(1)" for a building or structure that meets the conditions of the exemption. Please contact the Agency of Natural Resources Regional Offices (not Act 250) for a list of exemptions. Office addresses and telephone numbers are on page 8.

Line D - 32 V.S.A. §9608 requires the seller to certify whether the transfer or any development thereon is in compliance with 10 V.S.A. Chapter 151 (Act 250) or is exempt as specified therein. If a

determination as to the status of the land is desired, a jurisdictional opinion may be obtained from the District Environmental Coordinator at the Regional Offices, listed on page 34 of this booklet.

Compliance: An Act 250 permit is required if:

1. The parcel is one of ten or more lots created by a person within a continuous period of five years and within five miles of the land being divided or partitioned or within the jurisdictional area of the District Environmental Commission in which the land being partitioned or divided is located; or
2. The parcel is one of six or more lots created by a person within a continuous period of five years within a town that does not have both permanent zoning and subdivision regulations; or
3. The project is a development, as defined in 10 V.S.A. §6001(3)(A) or §6001a.-c.; or
4. The project is a subdivision or development in existence prior to the effective date of Act 250 as specified in §6081(b) which has been or will be substantially changed; or
5. The parcel is one of five or more lots within a radius of five miles which have been partitioned or divided, within a period of 10 years, for the purpose of resale by public auction.

Exemption: A parcel is exempt from the requirements for a permit under Act 250 if:

- a. It is not one of 10 or more lots created by a person within a continuous period of five years and within five miles of the land being subdivided or partitioned or within the jurisdictional area of the District Environmental Commission in which the land being partitioned or subdivided is located; and
- b. It is not one of 6 or more lots created by a person within a continuous period of five years in a town which does not have both permanent zoning and subdivision regulations; and
- c. No development, as defined in 10 V.S.A. §6001(3)(A) or §6001a.-c., has taken place on the parcel after June 1, 1970; and
- d. The project is not a "substantial change" to a subdivision or development in existence prior to the effective date of Act 250 as specified in §6081(b).

NOTE: Lots created prior to June 1, 1970 may be exempt from the requirements of Act 250. Contact the District Coordinator at the Act 250 Regional Office (see page 34) for additional information.

If an Act 250 permit has been issued for the property, enter the permit number on Line D1. If the property is exempt from Act 250 regulations, give the reason on Line D2. Insert the letter of the exemption from these instructions.

Line E - 32 V.S.A. §9608 requires the seller to certify whether the conveyance creates the partition or division of land. If so, an Act 250 Disclosure Statement must be appended to the Property Transfer Tax Return prior to filing.

GENERAL INFORMATION FOR INCOME TAX WITHHOLDING AND CERTIFICATION

Vermont income tax is due on the gain from the sale of Vermont real estate, whether the seller is a resident, part-year resident or nonresident. For nonresident sellers, the buyer is required to withhold 2.5% of the consideration paid for the transfer and send it to the Commissioner of Taxes with Form RW-171 within 30 days after the transfer.

A nonresident individual is one who is domiciled outside the State at the time of closing. A partnership, a limited liability company or a Subchapter S Corporation is deemed to be a nonresident of Vermont if the controlling interest is held by nonresidents. A corporation (other than a Subchapter S Corporation) that was incorporated outside Vermont is a nonresident unless it has its principal place of business in Vermont and does no business in the state of incorporation.

Exemptions from Real Estate Withholding may apply. Read the instructions for Form RW-171. If this transfer qualifies for an exemption, check the appropriate box on the Withholding Certification section of the Property Transfer Tax Return.

A Vermont Income Tax Return must be filed within the time prescribed for filing the federal income tax return. Any tax liability in excess of withholding must be paid by the seller with the return. Any excess withholding will be refunded to the seller by the Vermont Department of Taxes.

In the case of an installment sale the seller may elect for Vermont purposes, to report the entire gain in the year of sale by paying a tax of 6% of the entire gain. If this election is not made, the withholding will be retained by the Department and applied as a credit against the seller's tax liability in each year that the installments are received.

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AGENCY OF NATURAL RESOURCES

Please go back to our website at

<http://tax.vermont.gov>

for a copy of the
Agency of Natural Resources
regional map.

Click “Forms”, then “Complete list of
forms”, then scroll down to
“ANR Map”.

Buyer #1 or Entity _____
 SSN or FID _____
 Property Location _____
 Date of Closing _____



* 0 8 1 7 2 1 3 0 0 *

RATE SCHEDULE

Tax on Special Rate Property

- 1. Value of purchaser's principal residence (See instructions) 1. _____
- 2. Value of property enrolled in current use program 2. _____
- 3. Value of qualified working farm 3. _____
- 4. Add Lines 1, 2, and 3 4. _____
- 5. Tax rate 5. 0.005
- 6. Tax due on Special Rate Property (Multiply Line 4 by Line 5) 6. _____

Tax on General Rate Property

- 7. Enter amount from Line O on page 2 of this form 7. _____
- 8. Enter amount from Line 4 above 8. _____
- 9. Subtract Line 8 from Line 7 9. _____
- 10. Tax rate 10. 0.0125
- 11. Tax due on General Rate Property (Multiply Line 9 by Line 10) 11. _____

TOTAL TAX DUE

- 12. Add Line 6 and Line 11. Enter here and on Line S on page 2 of this form. 12. _____

LOCAL AND STATE PERMITS AND ACT 250 CERTIFICATES

Buyer(s) and Seller(s) certify as follows:

- A. That they have investigated and disclosed to every party to this transaction all of their knowledge relating to flood regulations, if any, affecting the property.
- B. That the seller(s) advised the buyer(s) that local and state building regulations, zoning regulations and subdivision regulations and wastewater system and potable water supply rules under 10 V.S.A. Chapter 64 pertaining to the property may limit significantly the use of the property.
- C. That this transfer is in compliance with or is exempt from the wastewater system and potable water supply rules of the Agency of Natural Resources for the following reasons:
 - 1. This property is the subject of Permit Number _____ and is in compliance with said permit, or
 - 2. This property and any retained parcel is exempt from the wastewater system and potable water supply rules because (see instructions for exemptions):
 - a. Parcel to be sold: Exemption Number _____
 - b. Parcel retained: Exemption Number _____

Seller(s) further certifies as follows:

- D. That this transfer of real property and any development thereon is in compliance with or exempt from 10 V.S.A. Chapter 151, Vermont's Land Use and Development law (Act 250), for the following reason:
 - 1. This property is the subject of Act 250 Permit Number _____ and is in compliance with said permit, or
 - 2. This property is exempt from Act 250 because (list exemption number from Line D in instructions): _____
- E. That this transfer does / does not (strike one) result in a partition or subdivision of land. **Note:** If it does, an Act 250 Disclosure Statement must be attached to this return before filing with the town clerk (see Line E instructions).

WITHHOLDING CERTIFICATION

- Buyer(s) certifies that Vermont income tax has been withheld from the purchase price and will be remitted to the Commissioner of Taxes with Form RW-171 within 30 days from the transfer,
- OR that the transfer is exempt from income tax withholding for the following reason (check one):**
 - 1. Under penalties of perjury, seller(s) certifies that at the time of transfer, each seller was a resident of Vermont or an estate.
 - 2. Buyer(s) certifies that the parties obtained withholding certificate number _____ from the Commissioner of Taxes in advance of this sale.
 - 3. Buyer(s) certifies that this is a transfer without consideration. (See instructions for Form RW-171.)
 - 4. Seller(s) is a mortgagor conveying the mortgaged property to a mortgagee in a foreclosure or transfer in lieu of foreclosure, with no additional consideration.

Buyer #1 or Entity _____
 SSN or FID _____
 Property Location _____
 Date of Closing _____



* 0 8 1 7 2 1 4 0 0 *

SIGNATURES

We hereby swear and affirm that this return, including all certificates, is true, correct and complete to the best of our knowledge.

SELLER(S)	Signature _____	Date _____
	Signature _____	Date _____
	Signature _____	Date _____
	Signature _____	Date _____
BUYER(S)	Signature _____	Date _____
	Signature _____	Date _____
	Signature _____	Date _____
	Signature _____	Date _____
Prepared by (print or type) _____		Preparer's Signature _____
Preparer's Address _____		Buyer's Representative _____
		Buyer's Representative Telephone _____

Town or City: Please forward original to the VT Department of Taxes within 30 days of receipt.

THIS SECTION TO BE COMPLETED BY TOWN OR CITY CLERK

Book Number _____ Page Number _____ Grand List year of _____

City or Town Date of Record

M M D D Y Y Y Y

Listed Value , , . Parcel ID Number

Grand List Category* SPAN - -

ACKNOWLEDGMENT

Return received (including certificates and Act 250 disclosure statement) and tax paid.

SIGNED _____, Clerk DATE _____

* Please use the following two-digit grand list category codes

- | | | |
|-----------------------------------|--------------------------------|------------------------------|
| Residential <6 Acres 01 | Seasonal >6 Acres 06 | Utilities Other 11 |
| Residential >6 Acres 02 | Commercial 07 | Farm 12 |
| Mobile Home/Un 03 | Commercial Apt 08 | Other 13 |
| Mobile Home/La 04 | Industrial 09 | Woodland 14 |
| Seasonal <6 Acres 05 | Utilities Elec 10 | Miscellaneous 15 |

Buyer #1 or Entity _____
 SSN or FID _____
 Property Location _____
 Date of Closing _____



* 0 8 1 7 2 1 8 0 0 *

Attachment for VERMONT Property Transfer Tax Return	Additional BUYERS (cont.)
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BLACK OUT ON TOWN COPY ONLY	Entity BUYER #4 Federal ID number <input type="text"/> - <input type="text"/>	Individual BUYER #7 Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>	Individual BUYER #8 Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>
	Entity BUYER #5 Federal ID number <input type="text"/> - <input type="text"/>	Individual BUYER #9 Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>	Individual BUYER #10 Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>

Entity BUYER #4 Name

Individual BUYER #7 Last Name	First Name	Initial
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Entity BUYER #4 or Individual BUYER #7 Mailing Address **Following Transfer** (Number and Street or Road Name)

City or Town	State	Zip Code
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Entity BUYER #5 Name

Individual BUYER #8 Last Name	First Name	Initial
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Entity BUYER #5 or Individual BUYER #8 Mailing Address **Following Transfer** (Number and Street or Road Name)

City or Town	State	Zip Code
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Individual BUYER #9 Last Name	First Name	Initial
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Individual BUYER #9 Mailing Address **Following Transfer** (Number and Street or Road Name)

City or Town	State	Zip Code
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Individual BUYER #10 Last Name	First Name	Initial
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Individual BUYER #10 Mailing Address **Following Transfer** (Number and Street or Road Name)

City or Town	State	Zip Code
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

VERMONT WITHHOLDING TAX RETURN FOR TRANSFER OF REAL PROPERTY

TO BE COMPLETED BY THE BUYER OR OTHER TRANSFEREE REQUIRED TO WITHHOLD

FILE THIS RETURN AND ALL SCHEDULE "A"s WITH THE
VERMONT DEPARTMENT OF TAXES, 133 STATE STREET, MONTPELIER, VERMONT 05633

PLEASE TYPE OR PRINT CLEARLY. USE BLUE OR BLACK INK ONLY.

1. NAME OF WITHHOLDING AGENT (BUYER OR OTHER TRANSFEREE)		2. SOCIAL SECURITY NUMBER / FEDERAL I.D. NUMBER	
3. ADDRESS (NUMBER AND STREET)			
4. CITY, STATE, AND ZIP CODE			
5. NAME OF WITHHOLDING AGENT (BUYER OR OTHER TRANSFEREE)		6. SOCIAL SECURITY NUMBER / FEDERAL I.D. NUMBER	
7. ADDRESS (NUMBER AND STREET)			
8. CITY, STATE, AND ZIP CODE			
9. LOCATION AND DESCRIPTION OF PROPERTY			10. DATE PROPERTY ACQUIRED BY SELLER
11. DATE OF TRANSFER	12. TOTAL CONSIDERATION PAID	13. RATE OF WITHHOLDING <input type="checkbox"/> (A) 2.5% OF SALES PRICE <input type="checkbox"/> (B) LESS THAN 2.5%. <i>Attach withholding certificate and enter certificate number</i> <input style="width: 100px;" type="text"/>	14. AMOUNT WITHHELD

15. NUMBER OF SCHEDULE "A"s FILLED OUT FOR THIS PROPERTY TRANSFER
 (A Schedule A is required for each individual or entity receiving proceeds from the transfer.)

PLEASE REMEMBER TO ATTACH ALL SCHEDULE "A"s FROM LINE 15 TO THIS FORM FOR PROPER REW CREDIT. FORM WILL BE RETURNED WITHOUT PROPER NUMBER OF SCHEDULE "A"s AND/OR IF SCHEDULE "A"s ARE INCOMPLETE.

MAKE CHECK PAYABLE TO: VERMONT DEPARTMENT OF TAXES

I hereby certify that this return and attached Schedule "A"s are true, correct and complete to the best of my knowledge. If prepared by a person other than the taxpayer, this declaration further provides that under 32 V.S.A. §5901 this information has not been and will not be used for any other purpose or made available to any person other than for the preparation of this return unless a separate valid consent form is signed by the taxpayer and retained by the preparer.

Signature of buyer	Date	Daytime Telephone Number
Signature of buyer	Date	Daytime Telephone Number
Signature of buyer	Date	Daytime Telephone Number
Signature of buyer	Date	Daytime Telephone Number

Signature of preparer if other than taxpayer	Date	Telephone Number
--	------	------------------

Address of preparer

Keep a copy of this return for your records.

BUYERS: PLEASE COMPLETE AND ATTACH SCHEDULE "A"s FOR PROPER REW CREDIT

VERMONT WITHHOLDING TAX RETURN FOR TRANSFER OF REAL PROPERTY (Form RW-171)

GENERAL INFORMATION

PURPOSE OF FORM - A 2.5% withholding obligation is generally imposed on the buyer or other transferee when Vermont real property is acquired from a nonresident of Vermont. The buyer must withhold 2.5% of the consideration paid on the transfer. If the buyer fails to withhold, the buyer will be personally liable for the amount of withholding.

WHO MUST FILE - A buyer or other transferee of a Vermont real property interest, including a corporation, limited liability company, partnership or fiduciary that is required to withhold tax, must file Form RW-171. If two or more persons are joint transferees, each of them is obligated to withhold. However, the obligation of each will be met if one of the joint transferees withholds and transmits the required amount to the Commissioner of Taxes.

A nonresident individual is one who is domiciled outside the state at the time of closing. A Partnership, Limited Liability Company or a Subchapter S Corporation is deemed to be a nonresident of Vermont if the controlling interest is held by nonresidents. A Corporation (other than a Subchapter S Corporation) that was incorporated outside Vermont is a nonresident unless it has its principal place of business in Vermont and does no business in the state of incorporation.

WHEN TO FILE - A transferee must report and transmit the tax withheld to the Commissioner of Taxes within 30 days after the date of transfer.

WHERE TO FILE - File Form RW-171 directly with the Commissioner of Taxes, Vermont Department of Taxes, 133 State Street, Montpelier, VT 05633. Do not file this return with the town clerk.

EXEMPTIONS - The buyer is not required to withhold or file this return if one of the following applies:

1. At the time of the transfer, the seller certifies to the buyer on the Property Transfer Tax Return, under penalty of perjury, the transferor's social security number and the fact that each seller is a Vermont resident or an estate.
2. The buyer or seller has obtained a certificate from the Commissioner of Taxes in advance of the sale, stating that no income tax is due or that the parties have provided adequate security to cover the liability.
3. The buyer certifies on the Property Transfer Tax Return that this is a transfer without consideration. A transaction is NOT exempt if consideration is paid. Consideration paid includes such items as the value of services or goods, forgiveness of debt, or other items which may be determined as consideration under the Internal Revenue Code.

4. The seller is a mortgagor conveying the mortgaged property to a mortgagee in a foreclosure or transfer in lieu of foreclosure, with no additional consideration.

Please check the applicable box on the Property Transfer Tax Return Withholding Certification section (page 3 of the form) if one of these exemptions applies.

WITHHOLDING CERTIFICATE ISSUED BY THE COMMISSIONER OF TAXES - A withholding certificate may be issued by the Commissioner of Taxes to reduce or eliminate withholding on transfers of Vermont real property interests by nonresidents. A certificate may be issued if:

1. No tax is due on the gain from the transfer;
2. The seller or buyer has provided adequate security to cover the tax liability;
3. Reduced withholding is appropriate because the 2.5% amount exceeds the seller's maximum tax liability;
4. Reduced withholding is appropriate to reflect the gain allocated to a Vermont resident when there are both Vermont resident and nonresident sellers.

To obtain a certificate that no tax is due, or that a reduced amount may be withheld, call (802) 828-2777.

LINE-BY-LINE INSTRUCTIONS (Use Blue or Black ink Only)

Form RW-171 is a two-page form. Please submit page 1 (signature page) with page 2 (Schedule A) together. Failure to do so will result in form being returned to buyer.

Lines 1-8. Enter the name, address, social security number or federal ID number of each withholding agent (buyer).

Line 9. Enter the location of the property, including town and street address.

Line 10. Enter the date the property was acquired by the seller.

Line 11. Enter the date of this transfer.

Line 12. Enter the total contract sales price.

Line 13. Check the appropriate box to indicate the amount withheld. If the parties obtained a withholding certificate from the Commissioner of Taxes authorizing a reduced rate of withholding, enter the certificate number and attach a copy of the certificate to the return.

Line 14. Enter the dollar amount withheld.

Line 15. Enter the number of Schedule "A"s filled out for this property transfer. A separate Schedule "A" is required for each individual or entity receiving proceeds from the transfer.

REW - SCHEDULE A

FILE ORIGINAL ONLY. DO NOT COPY. ATTACH TO RW-171, PAGE 1



* 0 8 1 7 1 1 2 0 0 *

PLEASE TYPE OR PRINT CLEARLY. USE BLUE OR BLACK INK ONLY.

TO BE COMPLETED BY THE BUYER OR OTHER TRANSFEREE REQUIRED TO WITHHOLD

1. Check box to indicate whether SELLER is: <input type="checkbox"/> Individual(s)* <input type="checkbox"/> C-Corporation** <input type="checkbox"/> Composite Business Entity** <small>* Partnerships, S-Corporations, Trusts & LLC's check "Individual(s)" and complete a Schedule A for each individual receiving proceeds from the sale. ** C-Corporation and Composite Business Entity please see Line 1 instructions.</small>		
2. Taxpayer's Social Security Number Spouse's Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> - <input type="text"/>		3. Federal ID number of seller (if applicable) <input type="text"/> - <input type="text"/>
4. Taxpayer's Last Name First Name Initial <input type="text"/> <input type="text"/> <input type="text"/> Spouse's Last Name First Name Initial <input type="text"/> <input type="text"/> <input type="text"/> C-Corporation Name or Composite Business Entity Name (if checked above) <input type="text"/>		
5. Mailing Address (Number and Street or Road Name) <input type="text"/>		
6. City or Town State Zip Code <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="checkbox"/> Check if this is an INTERNATIONAL address		
7. Location and description of property <input type="text"/>		
8. Date property acquired by seller <input type="text"/> / <input type="text"/> / <input type="text"/>	9. Date of transfer <input type="text"/> / <input type="text"/> / <input type="text"/>	10. Total consideration <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
11. Percentage of total gross proceeds received by this seller <input type="text"/> . <input type="text"/> %		12. Amount withheld for this seller <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
Pass-through information. If the individual above is a shareholder, partner or member of an S-corporation, Partnership or Limited Liability Company and sold the real property, please identify the business. Do not complete Lines 13 & 14 if composite entity is checked on Line 1.		
13. Name of Business <input type="text"/>		
14. Federal ID number <input type="text"/> - <input type="text"/>		

DO NOT COPY. For additional Schedule "A"s, call (802) 828-2515.

VERMONT WITHHOLDING TAX RETURN FOR TRANSFER OF REAL PROPERTY
(Form RW-171, Schedule A)

LINE-BY-LINE INSTRUCTIONS

(Use Blue or Black ink Only)

If the seller is a Partnership, Trust, Limited Liability Company, S-Corporation, Corporation, Composite Business Entity or there are multiple sellers, the buyer must fill out a separate Schedule A for each individual or entity receiving proceeds from the property disposition. (Husband and wife may be included on a single Schedule A.)

Line 1 Partnerships, S-Corporations, Trusts, and Limited Liability Companies, please check box "Individual" and complete a Schedule A for each individual receiving proceeds from the sale. C-Corporations and Composite Business Entities check appropriate box. A composite business entity is a pass-through business (i.e. S-Corp, Partnership, or LLC) that has made an election to be taxed at the entity level with respect to income flowing to the non-VT resident owners.

If any or all of the seller's income is taxed as composite, check the box in Line 1, provide the business FID and Name in Lines 3 and 4, and complete the rest of the form. This will ensure that the withholdings are credited to the proper account.

Lines 2-6 Enter the social security number or federal ID number, name, and address of the individual or entity.

Line 7 Enter the location of the property, including town and street address.

Line 8 Enter the date the property was acquired by the seller.

Line 9 Enter the date of this transfer.

Line 10 Enter the total contract sales price from Line 12, page 1.

Line 11 Enter the percentage of the total proceeds from the property transfer that was received by this particular individual or entity. The percentages reported for all Schedule "A"s must add up to 100%.

Line 12 Enter the amount of tax withheld on behalf of this taxpayer. **NOTE:** The amount of tax withheld on behalf of each seller should be in proportion to that seller's share of the proceeds as reported on Line 11. If a seller claims a real estate withholding amount that is not proportionate to that seller's share of the proceeds, please provide supporting documentation.

Lines 13-14 If the individual identified above is a shareholder, partner, or member of an S-corporation, Partnership or LLC that owned and sold the real property, and the entity has not elected to file a composite return, please provide the name and FID number of the business. This will enable the VT Department of Taxes to credit the business for the associated payments, and reduce the chance of the business being assessed for underpayment of estimated tax.

REW - SCHEDULE A

FILE ORIGINAL ONLY. DO NOT COPY. ATTACH TO RW-171, PAGE 1



* 0 8 1 7 1 1 2 0 0 *

PLEASE TYPE OR PRINT CLEARLY. USE BLUE OR BLACK INK ONLY.

TO BE COMPLETED BY THE BUYER OR OTHER TRANSFEREE REQUIRED TO WITHHOLD

1. Check box to indicate whether SELLER is: <input type="checkbox"/> Individual(s)* <input type="checkbox"/> C-Corporation** <input type="checkbox"/> Composite Business Entity** <small>* Partnerships, S-Corporations, Trusts & LLC's check "Individual(s)" and complete a Schedule A for each individual receiving proceeds from the sale. ** C-Corporation and Composite Business Entity please see Line 1 instructions.</small>		
2. Taxpayer's Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>	Spouse's Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>	3. Federal ID number of seller (if applicable) <input type="text"/> - <input type="text"/>
4. Taxpayer's Last Name <input type="text"/> First Name <input type="text"/> Initial <input type="text"/> Spouse's Last Name <input type="text"/> First Name <input type="text"/> Initial <input type="text"/> C-Corporation Name or Composite Business Entity Name (if checked above) <input type="text"/>		
5. Mailing Address (Number and Street or Road Name) <input type="text"/>		
6. City or Town <input type="text"/> State <input type="text"/> Zip Code <input type="text"/> - <input type="text"/> <input type="checkbox"/> Check if this is an INTERNATIONAL address		
7. Location and description of property <input type="text"/>		
8. Date property acquired by seller <input type="text"/> / <input type="text"/> / <input type="text"/>	9. Date of transfer <input type="text"/> / <input type="text"/> / <input type="text"/>	10. Total consideration <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
11. Percentage of total gross proceeds received by this seller <input type="text"/> . <input type="text"/> %	12. Amount withheld for this seller <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>	
Pass-through information. If the individual above is a shareholder, partner or member of an S-corporation, Partnership or Limited Liability Company and sold the real property, please identify the business. Do not complete Lines 13 & 14 if composite entity is checked on Line 1.		
13. Name of Business <input type="text"/>		
14. Federal ID number <input type="text"/> - <input type="text"/>		

DO NOT COPY. For additional Schedule "A"s, call (802) 828-2515.

VERMONT WITHHOLDING TAX RETURN FOR TRANSFER OF REAL PROPERTY
(Form RW-171, Schedule A)

LINE-BY-LINE INSTRUCTIONS

(Use Blue or Black ink Only)

If the seller is a Partnership, Trust, Limited Liability Company, S-Corporation, Corporation, Composite Business Entity or there are multiple sellers, the buyer must fill out a separate Schedule A for each individual or entity receiving proceeds from the property disposition. (Husband and wife may be included on a single Schedule A.)

Line 1 Partnerships, S-Corporations, Trusts, and Limited Liability Companies, please check box "Individual" and complete a Schedule A for each individual receiving proceeds from the sale. C-Corporations and Composite Business Entities check appropriate box. A composite business entity is a pass-through business (i.e. S-Corp, Partnership, or LLC) that has made an election to be taxed at the entity level with respect to income flowing to the non-VT resident owners.

If any or all of the seller's income is taxed as composite, check the box in Line 1, provide the business FID and Name in Lines 3 and 4, and complete the rest of the form. This will ensure that the withholdings are credited to the proper account.

Lines 2-6 Enter the social security number or federal ID number, name, and address of the individual or entity.

Line 7 Enter the location of the property, including town and street address.

Line 8 Enter the date the property was acquired by the seller.

Line 9 Enter the date of this transfer.

Line 10 Enter the total contract sales price from Line 12, page 1.

Line 11 Enter the percentage of the total proceeds from the property transfer that was received by this particular individual or entity. The percentages reported for all Schedule "A"s must add up to 100%.

Line 12 Enter the amount of tax withheld on behalf of this taxpayer. **NOTE:** The amount of tax withheld on behalf of each seller should be in proportion to that seller's share of the proceeds as reported on Line 11. If a seller claims a real estate withholding amount that is not proportionate to that seller's share of the proceeds, please provide supporting documentation.

Lines 13-14 If the individual identified above is a shareholder, partner, or member of an S-corporation, Partnership or LLC that owned and sold the real property, and the entity has not elected to file a composite return, please provide the name and FID number of the business. This will enable the VT Department of Taxes to credit the business for the associated payments, and reduce the chance of the business being assessed for underpayment of estimated tax.

VERMONT LAND GAINS WITHHOLDING TAX RETURN (Form LG-1) INSTRUCTIONS FOR BUYER (TRANSFeree)

GENERAL INFORMATION

This form is used by the buyer to report withholding of Vermont land gains tax, which is a tax owed by the seller on the gain from the sale or exchange of Vermont land held for less than six years. The land gains tax is reported by the seller on Form LG-2.

If the seller is a nonresident of Vermont, the buyer is required to withhold Vermont income tax, and the Vermont Withholding Tax Return for Transfer of Real Property (Form RW-171) must also be filed with the Department.

WHO IS REQUIRED TO WITHHOLD THE LAND GAINS TAX?

Anyone who purchases Vermont property that was held by the seller for less than six years is required to withhold 10% of the purchase price of the land from the seller and remit it to the Department of Taxes with this return immediately after the sale. A purchaser who fails to withhold or remit the tax is personally liable for the amount required to be withheld, plus statutory interest and penalty. Exceptions to the withholding requirement are as follows:

Simultaneous Filing

If the buyer and seller simultaneously file this return (Form LG-1) and the Vermont Land Gains Tax Return (Form LG-2) and the seller pays the full amount of land gains tax due, the buyer is not required to withhold tax from the purchase price. If the seller fails to pay the full amount of tax due, however, the buyer is liable for the deficiency, up to 10% of the purchase price of the land.

Advance Certification

If the seller, in advance of the sale, has obtained a certificate from the Commissioner of Taxes stating that the land gains tax has been paid or that no tax is due, the buyer is still required to file this return, but is not required to withhold the tax. If the seller has obtained certification of the amount required to be withheld, the buyer is required to withhold the amount of tax shown on the tax certificate.

Exemptions

The buyer is not required to withhold tax if the buyer or seller has a valid claim that the entire transaction is exempt from tax.

WHO IS REQUIRED TO FILE A RETURN?

Anyone who purchases Vermont property that was held by the seller for less than six years is required to file this return at the time payment is made to the seller, even if no tax is required to be withheld. A withholding return is required if the buyer claims purchaser's principal residence exemption, builder's exemption, agricultural exemption, or affordable housing exemption. Exceptions to the filing requirement are listed on page 4 of this booklet (Line U instructions, Property Transfer Tax Return).

LINE-BY-LINE INSTRUCTIONS

Lines 1 and 2. Enter the full name, mailing address and social security or federal identification number of each transferor and transferee.

Line 3. Enter the street address and town where the property is located. List all towns if more than one town is involved.

Line 4. Enter the date the seller acquired the property that is being sold.

Line 5. Enter the month, day and year the seller transferred title to the land. The transfer of an option is considered a transfer of title to land. The sale or exchange of shares in a corporation or other entity is also considered a transfer of title to land if it effectively entitles a purchaser to use or occupy land. In the case of a contract for deed, enter the date consideration first passed to the seller under the contract. A mere promise to purchase land and amounts paid as earnest money or amounts paid in deposit or escrow, to which the seller has no immediate right, do not constitute the passing of consideration.

Line 6. Enter the total sale price of land and buildings.

Line 7. Enter the fair market value of the land at the time of transfer. You may allocate gain between land and buildings using: 1) Percentages on municipal listers card. Divide the listed value of the land plus improvements (e.g.; septic system or well) by the listed value of the land, improvements and buildings. Multiply the result by the total sale price on Line 6, and enter the portion of the sale price attributable to the land on Line 7. Attach a separate sheet showing computation. 2) A qualified appraisal. Attach a copy of the appraisal. 3) The percentages specified in Technical Bulletin 34 found on our web site at <http://tax.vermont.gov>

Alternatively, you may allocate the amount realized between building and land. See Technical Bulletin 34 for more information on how to use this method.

Line 8. The buyer may claim the purchaser's principal residence exemption, the builder's exemption or the farmer's exemption.

If the buyer claims one of these exemptions, the buyer relieves the seller of any liability for the payment of the land gains tax. If the conditions for exemption are not met, the buyer assumes liability for the payment of the seller's land gains tax plus statutory interest, penalties and late filing fees. Buyer's potential liability must be shown on Line 8. This amount may be obtained from the seller's return (Form LG-2) Line 19a.

Line 8a - Purchaser's Principal Residence Exemption. Sale of a dwelling and up to ten acres of land on which the buyer will occupy within one year of purchase as a principal residence, or if no dwelling exists on the land, land on which the buyer will construct and occupy a principal residence within two years from purchase is exempt from land gains tax. If local zoning requires more than ten acres for residential property, then the acreage specified in the ordinance will be exempted, up to a maximum of 25 acres.

A principal residence includes a multi-family dwelling of four units or less if at least one unit will be used as the buyer's principal residence. A dwelling may qualify as a principal residence even though the resident maintains an office or retail store in the dwelling. In order for a pre-existing dwelling to qualify as a purchaser's principal residence, the purchaser must become a domiciliary of Vermont and occupy the dwelling as his principal residence within one year of the date of purchase.

Line 8b - Builder's Exemption. Sale of up to ten acres of land on which the buyer (a builder) will build a dwelling that will be the principal residence of the next purchaser is exempt from land gains tax. If local zoning requires more than ten acres for residential property, the acreage specified in the ordinance will be exempted, up to a maximum of 25 acres. The builder must begin construction of a dwelling within one year, complete construction within two years, and sell the dwelling within three

years to a buyer who will occupy it as a principal residence. (If the land is sold as more than one parcel by the builder who acquired it, each parcel must meet these three conditions.) In addition to claiming the exemption on Line 8, the builder must file three Certificates of Principal Residence Construction (Form LG 1.3, 1.4 and 1.5). The person buying from the builder must indicate on a subsequent Property Transfer Tax Return that the property will be used as the buyer's principal residence.

Line 8c - Agricultural Exemption - If this exemption is claimed, identify which type by checking Box 1 or Box 2.

Box 1. Sale of agricultural land by a farmer to the farmer's grandparent, parent, stepparent, brother, sister or child. The buyer must use the land as agricultural land for a period of time which, when added to the time the land was used as agricultural land by the transferor, equals or exceeds six years. To qualify as a farmer, an individual must earn at least one-half of his or her gross annual income from the business of farming. Agricultural land must be at least 25 acres or produce an annual gross income of \$2,000 from the sale of farm crops in one of two, or three of the five, preceding calendar years.

Box 2. Sale of 25 acres or less to a farmer (32 V.S.A. §3752) for active and direct use by that farmer, and which, upon transfer, but for the acreage, meets the definition of agricultural or forest land in §3752 and continues to meet that definition for at least six years after the transfer.

Line 8d - Seller's Principal Residence Exemption - Sale of up to ten acres of land (or up to 25 acres if required by a local zoning ordinance) that was occupied by the seller as a principal residence. The buyer cannot claim this exemption for withholding purposes unless the seller has claimed the exemption on a Vermont Land Gains Tax Return. **Note:** Check this box only if a portion of the land is subject to tax. If the entire parcel is exempt from tax, the buyer is not required to file this return. The seller may claim the exemption on the Property Transfer Tax Return.

Line 8e - Affordable Housing Exemption. An organization that qualifies under section 501(c)(3) of the Internal Revenue Code and also meets the "public support" test section 509(a)(2) of the Code and also has as one of the stated purposes of the organization to provide affordable housing may qualify for one of two exemptions:

1. If the land will be held by the organization for 6 years or more following the sale, then only one-half of the tax otherwise imposed is due. If the organization does not hold the land for at least 6 years, the organization is liable for the remainder of the tax.
2. If the organization sells the land within 12 months of the transfer to a buyer who qualifies under an affordable housing program and such buyer occupies a dwelling on the land as the principal residence as required by 32 V.S.A. §10002(b), no tax is due on the transfer to the organization. However, if the organization fails to transfer the land within 12 months to a qualified buyer, the organization is liable for the tax due on the original transfer and the transfer by the organization. Similarly, if the land is transferred without a dwelling and a qualified buyer fails to complete and occupy a principal dwelling within 2 years of purchase from the organization, the organization is liable for the tax on the first transfer and the buyer is liable for the tax on the subsequent transfer.

Line 9 - If the entire parcel is subject to tax, enter the sales price attributable to land on Line 9d. If the entire parcel is exempt from tax, enter zero on Line 9d. If only a portion of the land is exempt (Line 7) from the land gains tax, enter the total number of acres or square feet sold on

Line 9a and the number of acres or square feet that are subject to tax on Line 9b.

Only ten acres of land qualify for the seller's or purchaser's principal residence exemption or the builder's exemption, unless local zoning requires more than ten acres for residential property. If so, the minimum acreage specified in the ordinance may be exempted, up to a maximum of 25 acres.

When the purchaser's or seller's principal residence exemption is claimed for a dwelling used in part for non-qualifying purposes, reduce the exempt area by the proportion that the square footage of the dwelling used for non-qualifying purposes bears to the total square footage of the dwelling. For example, if a five-unit apartment building is sold, and only 1/5 of the building will be occupied by the buyer as a principal residence, the buyer may claim exemption for only 1/5 of the ten acres that would otherwise qualify for exemption, or two acres. Attach a separate sheet showing the computation of the number of taxable acres or square feet.

Line 10 - To qualify as an installment sale, the land must have been held by the seller for at least one year; the total land gains tax liability must exceed \$2,000; and the payments must be made directly to the seller in installments after the date of closing. A sale financed by a mortgage, deed of trust, or other financing arrangement in which the seller is paid in full on the date of closing is not an installment sale.

If the sale qualifies as an installment sale, a separate withholding return is required for each payment, including amounts paid at closing. On Line 10a, enter the amount of this principal payment. If this is the first withholding return filed for this sale, attach a copy of the promissory note or other documentation establishing the dates and amounts of payments. Divide Line 9d by Line 6 and enter the result on Line 10b. Multiply Line 10a by Line 10b and enter this amount on Line 10c.

Example: Seller sells land and buildings for \$60,000, of which \$15,000 is attributable to taxable land. Buyer is required to pay \$12,000 at closing and \$4,800 per year for ten years thereafter. At closing, the amount subject to withholding is \$3,000:

$$\frac{\$15,000 \text{ (Line 9d)}}{\$60,000 \text{ (Line 6)}} \times \$12,000 \text{ (Line 10a)} = \$3,000$$

For each subsequent payment, the amount subject to withholding is \$1,200:

$$\frac{\$15,000 \text{ (Line 9d)}}{\$60,000 \text{ (Line 6)}} \times \$4,800 \text{ (Line 10a)} = \$1,200$$

Line 11 - If this is an installment sale, enter 10% of Line 10c on Line 11c. If the seller has obtained advance certification of the amount of tax due, enter the number of the Commissioner's Certificate and the amount of withholding required under that certificate. In all other cases, enter 10% of Line 9d on Line 11c. If the sale, qualifies for the affordable housing exemption, as stated in Line 8e instruction, please remit one-half of tax due if applicable.

If the seller is simultaneously filing a Vermont Land Gains Tax Return (Form LG-2) and paying the full amount of tax due, check the appropriate box. Under those circumstances, the buyer is not required to pay a withholding tax; if the seller fails to pay the full amount due, however, the buyer will be liable for the deficiency, up to 10% of the purchase price of the land.

VERMONT LAND GAINS WITHHOLDING TAX RETURN

TO BE COMPLETED BY BUYER (TRANSFeree)

VERMONT DEPARTMENT OF TAXES

MONTPELIER, VERMONT 05633

PLEASE TYPE OR PRINT CLEARLY.

1. SELLER'S (TRANSFEROR'S) NAME(S)	COMPLETE MAILING ADDRESS FOLLOWING TRANSFER	SOCIAL SECURITY NO. (S) OR FEDERAL IDENTIFICATION NO.
2. BUYER'S (TRANSFeree'S) NAME(S)	COMPLETE MAILING ADDRESS FOLLOWING TRANSFER	SOCIAL SECURITY NO. (S) OR FEDERAL IDENTIFICATION NO.
3. PROPERTY LOCATION	4. DATE ACQUIRED BY SELLER	5. DATE OF CLOSING
6. TOTAL SALES PRICE	7. SALES PRICE ATTRIBUTABLE TO LAND (SEE INSTRUCTIONS)	
8. EXEMPTIONS CLAIMED BY BUYER - CHECK BOX IF APPLICABLE. NOTE: IF BUYER FAILS TO COMPLY WITH ALL NECESSARY REQUIREMENTS FOR EXEMPTION, BUYER WILL BE LIABLE FOR THE TAX AS SHOWN ON LINE 19a OF FORM LG-2 IN THE AMOUNT OF \$ _____. 8a. <input type="checkbox"/> PURCHASER'S PRINCIPAL RESIDENCE EXEMPTION 8b. <input type="checkbox"/> BUILDER'S EXEMPTION 8c. <input type="checkbox"/> AGRICULTURAL EXEMPTION 1. <input type="checkbox"/> OR 2. <input type="checkbox"/> (IDENTIFY WHICH TYPE; SEE INSTRUCTIONS) * EXEMPTION MUST BE CLAIMED BY SELLER ON VERMONT LAND GAINS TAX RETURN (FORM LG-2)		
8d. <input type="checkbox"/> SELLER'S PRINCIPAL RESIDENCE EXEMPTION* 8e. <input type="checkbox"/> AFFORDABLE HOUSING 8f. <input type="checkbox"/> OTHER (PLEASE EXPLAIN)		
9. SALES PRICE ATTRIBUTABLE TO TAXABLE LAND: IF THIS ENTIRE PARCEL IS SUBJECT TO TAX, ENTER THE AMOUNT FROM LINE 7 ON LINE 9d. IF THE ENTIRE PARCEL IS EXEMPT FROM TAX, ENTER ZERO ON LINE 9d. IF ONLY A PORTION OF THE LAND IS EXEMPT FROM TAX, ENTER THE FOLLOWING:		
9a. TOTAL NUMBER OF ACRES OR SQUARE FEET SOLD	9a.	
9b. NUMBER OF TAXABLE ACRES OR SQUARE FEET - SEE INSTRUCTIONS	9b.	
9c. DIVIDE LINE 9b BY LINE 9a	9c.	
9d. MULTIPLY LINE 9c BY LINE 7.	9d.	
IF THIS IS NOT AN INSTALLMENT SALE, SKIP TO LINE 11.		
10. IF THIS IS AN INSTALLMENT SALE, ATTACH PROMISSORY NOTE AND ENTER THE FOLLOWING:		
10a. AMOUNT OF THIS PRINCIPAL PAYMENT	10a.	
10b. DIVIDE LINE 9d BY LINE 6	10b.	%
10c. AMOUNT OF THIS PAYMENT SUBJECT TO WITHHOLDING: MULTIPLY LINE 10a BY LINE 10b	10c.	
11. TAX DUE:		
11a. ENTER THE AMOUNT ON LINE 9d (LINE 10c IF INSTALLMENT SALE)	11a.	
11b. WITHHOLDING TAX RATE	11b.	10%
11c. TAX DUE: MULTIPLY LINE 11a BY LINE 11b. IF SELLER OBTAINED ADVANCE CERTIFICATION, ENTER COMMISSIONER'S CERTIFICATE NO. _____ AND THE AMOUNT OF WITHHOLDING REQUIRED BY THE CERTIFICATE.	11c.	→
<input type="checkbox"/> CHECK HERE IF SELLER IS SIMULTANEOUSLY FILING A VERMONT LAND GAINS TAX RETURN (FORM LG-2) AND PAYING THE FULL AMOUNT OF TAX DUE		
WE HEREBY CERTIFY THIS RETURN IS TRUE, CORRECT AND COMPLETE TO THE BEST OF OUR KNOWLEDGE.		
SIGNATURE OF BUYER (Transferee)	DATE	PREPARER'S SIGNATURE
SIGNATURE OF BUYER (Transferee)	DATE	PREPARED BY - PRINT OR TYPE
SIGNATURE OF BUYER (Transferee)	DATE	TELEPHONE NO.
SIGNATURE OF BUYER (Transferee)	DATE	MAILING ADDRESS - STREET OR PO BOX
SIGNATURE OF BUYER (Transferee)	DATE	CITY, STATE, ZIP

MAKE CHECKS PAYABLE TO AND MAIL WITH THIS FORM TO:
 VERMONT DEPARTMENT OF TAXES, LAND GAINS WITHHOLDING TAX, 133 STATE STREET, MONTPELIER, VT 05633

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VERMONT LAND GAINS TAX RETURN (Form LG-2) INSTRUCTIONS FOR SELLER (TRANSFEROR)

GENERAL INFORMATION

WHO IS REQUIRED TO FILE A VERMONT LAND GAINS TAX RETURN? The land gains tax is a tax on the gain from the sale or exchange of Vermont land that was held for less than six years. The definition of land may include the sale of timber or timber rights. Anyone who sells Vermont land that was held by the seller for less than six years is required to file this return within 30 days after the sale, even if no tax is due. **If the buyer claims the builder's exemption, the agricultural exemption, the affordable housing exemption, or the purchaser's principal residence exemption, the seller must file this return within 30 days of the sale to establish the amount of the buyer's liability in the event the conditions for exemptions are not met.**

Timber/Timber Rights. When the underlying land is sold separately from timber or timber rights and both sales occur within 6 years of the purchase, the gain on the sale of the timber or timber rights shall be combined with the gain or loss on the sale of the land to determine the land gains tax liability. If the sale of the land occurs first, and land gains tax on the sale has become due, before the timber or timber rights are sold, the taxpayer shall recompute and file an amended Land Gains Tax Return to include the gain or loss from the sale of timber and timber rights sold within 6 years of purchase. This rule shall apply if the underlying land is or was part of more than 300 acres of contiguous land owned by the same taxpayer. If the land is subject to and in compliance with a forest management plan approved under 32 V.S.A. §3755(b) or 10 V.S.A. §2623(2), neither timber nor timber rights are taxable.

Exceptions to Filing Requirement - The seller is not required to file this return if the buyer or seller claims one of the exemptions on the Property Transfer Tax Return. See the instructions for Line U on page 4.

LINE-BY-LINE INSTRUCTIONS

Lines 1 and 2 - Enter the full name, mailing address and social security or federal identification number of each transferor and transferee.

Line 3 - Check which describes the property interest being sold. A lease is subject to tax if it is for a period of at least 50 years (including possible renewals) or if the lessee has a purchase option and the right to construct a building or structure or make major capital improvements.

Line 4a - Enter the street address and town. If the property is located in more than one town, list all towns.

Line 4b - Enter the acreage or number of square feet being sold.

Line 5 - Check the boxes that describe the property.

Line 6 - Check the appropriate box if an exemption is claimed. The seller may not claim the purchaser's principal residence exemption, the builder's exemption, or the agricultural exemption unless the buyer has claimed the exemption on a Land Gains Withholding Tax Return filed with the Department of Taxes. If you check "other," please explain.

6a Purchaser's Principal Residence Exemption - This exemption applies to the sale of a dwelling and up to ten acres of land which the buyer will occupy as a principal residence within one year of purchase, or if no dwelling exists, sale of land on which the buyer will construct and occupy a principal residence within two years from purchase. If a local zoning ordinance requires more than ten acres for residential property, then the acreage specified in the ordinance will be exempted, up to a maximum of 25 acres. A "principal residence" includes a multi-family dwelling of four units or less if at least one unit will be used as the buyer's principal residence. A dwelling may qualify as a principal residence even though the resident maintains an office or retail store in the dwelling. In order for an existing dwelling to qualify as a purchaser's principal residence, the purchaser must occupy the dwelling as his principal residence within one year of the date of purchase.

6b Builder's Exemption - This exemption applies to the sale of up to ten acres of land on which the buyer (a builder) will build a dwelling that will be the principal residence of the next purchaser. If local zoning requires more than ten acres for residential property, the acreage specified in the ordinance will be exempted, up to a maximum of 25 acres. The builder must begin construction of a dwelling within one year, complete construction within two years, and sell the dwelling within three years to a buyer who will occupy it as his or her principal residence. (If the land is sold as more than one parcel by the builder who acquired it, each parcel must meet these three conditions.) In addition to claiming the exemption on the Land Gains Withholding Tax Return, the builder must file three Certificates of Principal Residence Construction (Forms LG 1.3, 1.4, and 1.5). The person buying from the builder must indicate on the Property Transfer Tax Return that the property will be used as the buyer's principal residence.

6c Agricultural Exemption - If this exemption is claimed, identify which type by checking Box 1 or Box 2.

Box 1. Sale of agricultural land by a farmer to the farmer's grandparent, parent, stepparent, brother, sister or child. The buyer must use the land as agricultural land for a period of time which, when added to the time the land was used as agricultural land by the transferor, equals or exceeds six years. To qualify as a farmer, an individual must earn at least one-half of his or her gross income from the business of farming. Agricultural land must contain at least 25 acres or produce an annual gross income of \$2,000 from the sale of farm crops in one of the two, or three of the five, preceding calendar years.

Box 2. Sale of 25 acres or less to a farmer (32 V.S.A. §3752) for active and direct use by that farmer, and which, upon transfer, but for the acreage, meets the definition of agricultural/forest land in §3752 and continues to meet that definition for at least six years after the transfer.

6d Seller's Principal Residence Exemption - Sale of up to ten acres of land (or up to 25 acres if required by a local zoning ordinance) that was occupied by the seller as his or her principal residence. If the entire parcel is exempt from tax, the seller is not required to file this return. The seller may claim the exemption on the Property Transfer Tax Return. If more than ten acres of land

(or up to 25 acres if required by a local zoning ordinance), schedules A & B must be completed to calculate the seller's tax liability on the land greater than ten acres.

6e Affordable Housing Exemption - An organization that qualifies under section 501(c)(3) of the Internal Revenue Code and also meets the "public support" test section 509(a)(2) of the Code and also has as one of the stated purposes of the organization to provide affordable housing may qualify for one of two exemptions:

1. If the land will be held by the organization for 6 years or more following the sale, then only one-half of the tax otherwise imposed is due. If the organization does not hold the land for at least 6 years, the organization is liable for the remainder of the tax.
2. If the organization sells the land within 12 months of the transfer to a buyer who qualifies under an affordable housing program and such buyer occupies a dwelling on the land as the principal residence as required by 32 V.S.A. §10002(b), no tax is due on the transfer to the organization. However, if the organization fails to transfer the land within 12 months to a qualified buyer, the organization is liable for the tax due on the original transfer and the transfer by the organization. Similarly, if the land is transferred without a dwelling and a qualified buyer fails to complete and occupy a principal dwelling within 2 years of purchase from the organization, the organization is liable for the tax on the first transfer and the buyer is liable for the tax on the subsequent transfer.

Line 7 - Check the boxes that describe the transaction. If you check "other," please explain.

Line 8a - Enter the date the seller acquired the property that is being sold. If the seller tacked the holding period of another person, enter the date the seller acquired the property on Line 8a and enter the total holding period on Line 8c.

Line 8b - Enter the month, day and year the seller transferred title to the land. The transfer (but not the granting) of an option is considered a transfer of title to land. The sale or exchange of shares in a corporation or other entity is also considered a transfer of title to land if it effectively entitles a purchaser to use or occupy land. In the case of a contract for deed, enter the date consideration first passed to the seller under the contract. A mere promise to purchase land and payment of earnest money, or a deposit in escrow, to which the seller has no immediate right, does not constitute the passing of consideration.

Line 8c - Enter the period of time the property was held as determined under the Internal Revenue Code. A spouse who acquires property by reason of death or divorce may add to his or her holding period the period of time the property was held by the other spouse or by both spouses. The holding period of one spouse alone before the creation of a tenancy by the entirety may be added to the holding period of the tenancy by the entirety.

Line 9 - Enter the total sales price of both land and buildings. The sales price includes all consideration paid or to be paid, including the amount of any liens on the property that are not removed at the time of transfer.

Line 10 - Itemize those selling expenses that may be used to reduce the seller's gain for federal income tax purposes, such as

legal fees, sales commissions, advertising costs and surveying expenses that are directly connected with the sale of this parcel. The amount of land gains tax reported on this return may not be claimed as a selling expense. The total selling expenses for property that was held by the seller for less than one year may not exceed 12% of the selling price entered on Line 9.

Line 12 - Itemize all capital costs of acquiring the land and land improvements (such as roads, sidewalks, sewer and water systems). Attach an itemized list by description and cost. Also include the amount of any property transfer tax and legal fees paid by the seller when the seller acquired the land.

Line 13 - Enter the capital cost of all structures, including both the cost of acquisition and the cost of subsequent improvements. Do not include any personal property such as furniture. Do not include non-capital expenses such as taxes and interest unless capitalized under IRC §266.

Line 16 - To determine the percentage that the seller's gain bears to the seller's basis, divide Line 15 by Line 14. If the result is not a whole number, round up to the next highest whole number.

Line 17 - If you are reporting the gain from the sale of land only (no buildings), enter the amount shown on Line 15.

If the transfer includes a building, complete Schedule A and enter the amount shown on Line 28. See instructions for Schedule A on page 29.

If an exemption from tax was claimed on Line 6, complete Schedule B and enter the amount shown on Line 35. See instructions for Schedule B on page 29.

If the entire parcel is exempt from tax, enter zero.

Line 18 - Enter the single flat rate of tax that applies to the transaction, based on the seller's holding period (Line 8c) and the percentage which the seller's gain bears to the seller's basis (Line 16), using the following table:

Years Land Held by Transferor (Line 8c)	Gain, as a Percentage of Basis (Line 16)		
	0-99%	100-199%	200% or more
Less than 4 months	60%	70%	80%
4 months, but less than 8	35%	52.5%	70%
8 months, but less than 1 year	30%	45%	60%
1 year, but less than 2	25%	37.5%	50%
2 years, but less than 3	20%	30%	40%
3 years, but less than 4	15%	22.5%	30%
4 years, but less than 5	10%	15%	20%
5 years, but less than 6	5%	7.5%	10%

Line 19 - Multiply Line 17 by Line 18 to determine the land gains tax due. If the sale qualifies for the affordable housing exemption as stated in the instructions for Line 6e, please remit one-half of the tax due.

Line 19a - If the buyer assumes a tax liability based upon a purchaser's principal residence or builders exemption, calculate the potential tax liability. If total acreage is 10 acres or less, multiply Line 15 by Line 18. If the total acreage exceeds 10 and the transfer does not include a building, multiply Line 15 by Line 18

then subtract the amount on Line 19. If the total acreage exceeds 10 and the transfer includes a building, multiply Line 28 by Line 18 then subtract the amount on Line 19. Enter this amount on Line 8 Form LG-1.

Line 20 - To qualify as an installment sale, the land must have been held by the seller for at least one year; the total land gains tax liability reported on Line 19 must exceed \$2,000; and the payments must be made directly to the seller in installments after the date of closing. A sale financed by a mortgage, deed of trust, or other financing arrangement in which the seller is paid in full on the date of closing is not an installment sale.

If the sale qualifies as an installment sale, a separate Land Gains Tax Return is required for each payment, including amounts paid at closing. On Line 20a, enter the amount of this principal payment. If this is the first Land Gains Tax Return filed for this sale, attach a copy of the promissory note or other documentation establishing the dates and amounts of payments.

Line 21 - Enter the amount of tax withheld by the buyer and remitted to the Vermont Department of Taxes. If the seller obtained advance certification from the Commissioner of Taxes, enter the amount of land gains tax paid in advance of the sale.

NOTE: Do not complete Schedule A or Schedule B if you reported a loss on Line 15.

Schedule A - Complete this schedule if the transfer includes a building.

Line 24 - Enter the fair market value of the land at the time of transfer. You may allocate gain between land and buildings using: 1) Percentages on municipal listers card. Divide the listed value of the land plus improvements (e.g.; septic system or well) by the listed value of the land and buildings. Multiply the result by the total sale price on Line 9, and enter the portion of the sale price attributable to the land on Line 24. Attach a separate sheet showing computation. 2) A qualified appraisal. Attach a copy of the appraisal. 3) The percentages specified in Technical Bulletin 34 found on our web site at <http://tax.vermont.gov>

Alternatively, you may allocate amount realized between building and land. See Technical Bulletin 34 for more information on how to use this method.

Schedule B - Complete this schedule if an exemption was claimed on Line 6 and any portion of the transfer is not exempt.

Line 30 - Enter the maximum number of acres or square feet for which an exemption may be claimed. In general, no more than ten acres of land qualify for the purchaser's or seller's principal residence exemption or the builder's exemption. If local zoning requires more than ten acres for residential property, the minimum acreage specified in the ordinance may be exempted, up to a maximum of 25 acres. There is no ceiling on the number of acres that may be claimed for the agricultural exemption in box 1. Box 2 is limited to 25 acres.

Line 31 - If the entire property is used for exempt purposes, enter 100%. If a portion of the property is used for nonexempt purposes, i.e.; commercial use, enter the percentage used for exempt purposes.

If the property is used in part for nonexempt purposes, enter the percentage of area used for exempt purposes. For example, if a five-unit apartment building is sold with ten acres of land and 1/5 of the building will be occupied by the buyer as a principal residence, the buyer may claim exemption for 1/5 of the ten acres that would otherwise qualify for exemption. In this case, the seller should enter "10" on Lines 29 and 30, "20%" on Line 31 and "2" on Line 32.

If the property is used only for exempt purposes without an existing building and the entire acreage qualifies for exemption, you are not required to complete Lines 32 through 34. Skip to Line 35 and enter zero.

Schedule C - If this is the sale of timber, timber rights or they were previously sold, you must include any gain or loss on the sale of the timber or timber rights when figuring your land gains tax. The prior sale of timber or timber rights becomes taxable if the underlying land is sold within six years of purchase. This rule shall apply if the underlying land is or was part of more than 300 acres of contiguous land owned by the same taxpayer. If the land is subject to and in compliance with a forest management plan approved under 32 V.S.A. §3755(b) or 10 V.S.A. §2623(2), the timber or timber rights is not taxable. If the timber is taxable complete this schedule. Please complete Lines 9-15 prior to the completion of this schedule then add Line 37, Basis of Timber/Timber Rights to Line 14. Add the result from Line 38 to Line 15 and recompute Line 16, Gain as a Percentage of Basis.

Note: Residents, Part-Year Residents, and Nonresidents - If the sale of property resulted in a gain which was included in your Federal Adjusted Gross Income, a Vermont Income Tax Return must be filed and income tax paid on that gain. If the seller was a nonresident at the time of the sale, the buyer must withhold 2.5% of the consideration paid for the transfer and remit it with Form RW-171 within 30 days of the transfer. If the buyer fails to withhold this amount, the buyer will be personally liable for the amount required to be withheld. See instructions on Form RW-171 or Form PT-172.

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VERMONT LAND GAINS TAX RETURN

TO BE COMPLETED BY SELLER (TRANSFEROR)

VERMONT DEPARTMENT OF TAXES, MONTPELIER, VERMONT 05633

PLEASE TYPE OR PRINT CLEARLY

1. SELLER'S (TRANSFEROR'S) NAME(S)	COMPLETE MAILING ADDRESS FOLLOWING TRANSFER	SOCIAL SECURITY NO.(S) OR FEDERAL IDENTIFICATION NO.
2. BUYER'S (TRANSFeree'S) NAME(S)	COMPLETE MAILING ADDRESS FOLLOWING TRANSFER	SOCIAL SECURITY NO.(S) OR FEDERAL IDENTIFICATION NO.

3. INTEREST IN PROPERTY

<input type="checkbox"/> FEE SIMPLE	<input type="checkbox"/> UNDIVIDED _____ INTEREST	<input type="checkbox"/> LEASE	<input type="checkbox"/> OTHER _____
<input type="checkbox"/> UNDIVIDED 1/2 INTEREST	<input type="checkbox"/> TIMESHARE	<input type="checkbox"/> EASEMENT	<input type="checkbox"/> RESALE OF OPTION

4a. PROPERTY LOCATION (ADDRESS IN FULL)	4b. NO. OF ACRES OR NO. OF SQUARE FT.
---	---------------------------------------

5. TYPE OF PROPERTY a. LAND <input type="checkbox"/> 1. OPEN <input type="checkbox"/> 2. TIMBER/TIMBER RIGHTS b. LAND & BUILDINGS <input type="checkbox"/> 1. RESIDENTIAL <input type="checkbox"/> 2. COMMERCIAL <input type="checkbox"/> 3. CAMP OR VACATION <input type="checkbox"/> 4. RENTAL	6. EXEMPTIONS a. <input type="checkbox"/> PURCHASER'S PRINCIPAL RESIDENCE EXEMPTION* b. <input type="checkbox"/> BUILDER'S EXEMPTION* c. <input type="checkbox"/> AGRICULTURAL EXEMPTION* 1. <input type="checkbox"/> OR 2. <input type="checkbox"/> d. <input type="checkbox"/> SELLER'S PRINCIPAL RESIDENCE EXEMPTION e. <input type="checkbox"/> AFFORDABLE HOUSING* f. <input type="checkbox"/> OTHER <small>*THESE EXEMPTIONS DO NOT APPLY UNLESS CLAIMED BY BUYER ON VERMONT LAND GAINS WITHHOLDING TAX RETURN.</small>	7. HOW ACQUIRED a. <input type="checkbox"/> PURCHASE b. <input type="checkbox"/> INHERITANCE c. <input type="checkbox"/> GIFT d. <input type="checkbox"/> OTHER	8. HOLDING PERIOD a. DATE ACQUIRED <hr/> b. DATE SOLD <hr/> c. TIME HELD
---	---	--	--

9. TOTAL SELLING PRICE: (LESS PERSONAL PROPERTY) - LAND & BUILDINGS ONLY	9.
10. LESS SELLING EXPENSES: 10a. LEGAL FEES 10a. 10b. SALES COMMISSIONS 10b. 10c. ADVERTISING 10c. 10d. OTHER (PLEASE LIST) 10d. 10e. TOTAL SELLING EXPENSE: ADD LINES 10a - 10d 10e.	
11. ADJUSTED SELLING PRICE: SUBTRACT LINE 10e FROM LINE 9	11.
12. COST OF LAND: 12a. COST OF LAND 12a. 12b. COST OF LAND IMPROVEMENTS (ATTACH LIST) 12b. 12c. TRANSFER TAX (AT PURCHASE) 12c. 12d. LEGAL FEES (AT PURCHASE) 12d. 12e. OTHER (ATTACH LIST) 12e. 12f. TOTAL: ADD LINES 12a - 12e 12f.	
13. COST OF STRUCTURES: 13a. COST OF STRUCTURES 13a. 13b. OTHER (ATTACH LIST) 13b. 13c. OTHER (ATTACH LIST) 13c. 13d. OTHER (ATTACH LIST) 13d. 13e. TOTAL: ADD LINES 13a - 13d 13e.	
14. TOTAL COST OF LAND AND STRUCTURES: ADD LINES 12f AND 13e	14.
15. TOTAL GAIN OR LOSS: SUBTRACT LINE 14 FROM LINE 11	15.
16. GAIN AS A PERCENTAGE OF BASIS: DIVIDE LINE 15 BY LINE 14 AND ROUND TO THE NEXT HIGHEST WHOLE NUMBER	16. %
17. TAXABLE GAIN: SEE INSTRUCTIONS	17.
18. TAX RATE: SEE INSTRUCTIONS AND RATE TABLE ON PAGE 28	18.
19. TAX DUE: MULTIPLY LINE 17 BY LINE 18	19.
19a. TAX DUE FROM BUYER: IF BUYER FAILS TO MEET ALL REQUIREMENTS OF THE EXEMPTION CLAIMED ON LINE 6, BUYER IS LIABLE FOR \$ _____.	

TURN FORM OVER AND CONTINUE ON REVERSE SIDE

Keep a copy of this return for your records.

20. TAX DUE ON INSTALLMENT SALE. ATTACH COPY OF PROMISSORY NOTE AND CALCULATE TAX DUE. IF THIS IS NOT AN INSTALLMENT SALE, SKIP TO LINE 21.	
20a. AMOUNT OF THIS PRINCIPAL PAYMENT	20a. <input type="text"/>
20b. AMOUNT REPORTED ON LINE 9	20b. <input type="text"/>
20c. DIVIDE LINE 20a BY LINE 20b	20c. <input type="text"/> %
20d. AMOUNT REPORTED ON LINE 19	20d. <input type="text"/>
20e. MULTIPLY LINE 20c BY LINE 20d	20e. <input type="text"/>
21. AMOUNT OF TAX WITHHELD BY BUYER OR ADVANCE PAYMENT	21. <input type="text"/>
22. REFUND: SUBTRACT LINE 21 FROM LINE 19 (LINE 20 IF INSTALLMENT SALE) AND ENTER AMOUNT OF REFUND DUE	22. <input type="text"/>
23. TAX DUE: IF LINE 21 IS SMALLER THAN LINE 19 (LINE 20 IF INSTALLMENT SALE), ENTER THE AMOUNT DUE	23. <input type="text"/> →

**DO NOT COMPLETE SCHEDULE A OR SCHEDULE B
IF YOU REPORTED A LOSS ON LINE 15**

SCHEDULE A - COMPLETE THIS SCHEDULE IF THE TRANSFER INCLUDES BUILDINGS.

24. FAIR MARKET VALUE OF LAND, EXCLUDING BUILDINGS. (SEE INSTRUCTIONS)	24. <input type="text"/>
25. TOTAL SELLING PRICE: ENTER AMOUNT REPORTED ON LINE 9	25. <input type="text"/>
26. PERCENTAGE GAIN ON LAND: DIVIDE LINE 24 BY LINE 25	26. <input type="text"/> %
27. TOTAL REALIZED GAIN: ENTER AMOUNT REPORTED ON LINE 15	27. <input type="text"/>
28. TAXABLE LAND GAIN: MULTIPLY LINE 26 BY LINE 27. IF AN EXEMPTION WAS NOT CLAIMED ON LINE 6, ENTER THE AMOUNT FROM LINE 28 ON LINE 17. IF AN EXEMPTION WAS CLAIMED ON LINE 6, COMPLETE SCHEDULE B	28. <input type="text"/>

SCHEDULE B - COMPLETE THIS SCHEDULE IF AN EXEMPTION WAS CLAIMED ON LINE 6 AND ANY PORTION OF THE TRANSFER IS NOT EXEMPT.

29. TOTAL ACRES OR SQUARE FEET TRANSFERRED	29. <input type="text"/>
30. NO. OF ACRES OR SQUARE FEET ELIGIBLE FOR EXEMPTION. (SEE INSTRUCTIONS)	30. <input type="text"/>
31. PERCENTAGE OF AREA USED FOR EXEMPT PURPOSES (I.E. NONCOMMERCIAL USE). THIS LINE IS NOT THE PRODUCT OF LINES 29 AND 30. (SEE INSTRUCTIONS)	31. <input type="text"/>
32. EXEMPT AREA: MULTIPLY LINE 30 BY LINE 31	32. <input type="text"/>
33. NONEXEMPT AREA: SUBTRACT LINE 32 FROM LINE 29	33. <input type="text"/>
34. PERCENTAGE OF GAIN FROM NONEXEMPT ACRES: DIVIDE LINE 33 BY LINE 29	34. <input type="text"/> %
35. TAXABLE LAND GAIN: MULTIPLY LINE 34 BY LINE 28. IF THE TRANSFER DID NOT INCLUDE BUILDINGS, MULTIPLY LINE 34 BY LINE 15 AND ENTER THE AMOUNT ON LINE 17	35. <input type="text"/>

SCHEDULE C - COMPLETE THIS SCHEDULE IF THE TRANSFER INCLUDES THE SALE OF TIMBER OR TIMBER RIGHTS (SEE INSTRUCTIONS). PLEASE COMPLETE LINES 9-15 PRIOR TO THE COMPLETION OF THIS SCHEDULE.

36. SELLING PRICE OF TIMBER OR TIMBER RIGHTS	36. <input type="text"/>
37. BASIS OF TIMBER OR TIMBER RIGHTS (ADD TO LINE 14)	37. <input type="text"/>
38. GAIN OR LOSS ON SALE OF TIMBER OR TIMBER RIGHTS SUBTRACT LINE 37 FROM LINE 36. ADD THIS AMOUNT TO LINE 15.	38. <input type="text"/>

WE HEREBY CERTIFY THIS RETURN IS TRUE, CORRECT AND COMPLETE TO THE BEST OF OUR KNOWLEDGE.

_____ SIGNATURE OF SELLER (Transferor)	_____ DATE	_____ PREPARER'S SIGNATURE	
_____ SIGNATURE OF SELLER (Transferor)	_____ DATE	_____ PREPARED BY - PRINT OR TYPE	_____ TELEPHONE NO.
_____ SIGNATURE OF SELLER (Transferor)	_____ DATE	_____ MAILING ADDRESS - STREET OR PO BOX	
_____ SIGNATURE OF SELLER (Transferor)	_____ DATE	_____ CITY AND STATE	_____ ZIP

MAKE CHECKS PAYABLE TO AND MAIL WITH THIS FORM TO:

VERMONT DEPARTMENT OF TAXES
LAND GAINS TAX
133 STATE STREET
MONTPELIER, VERMONT 05633

ACT 250 DISCLOSURE STATEMENT

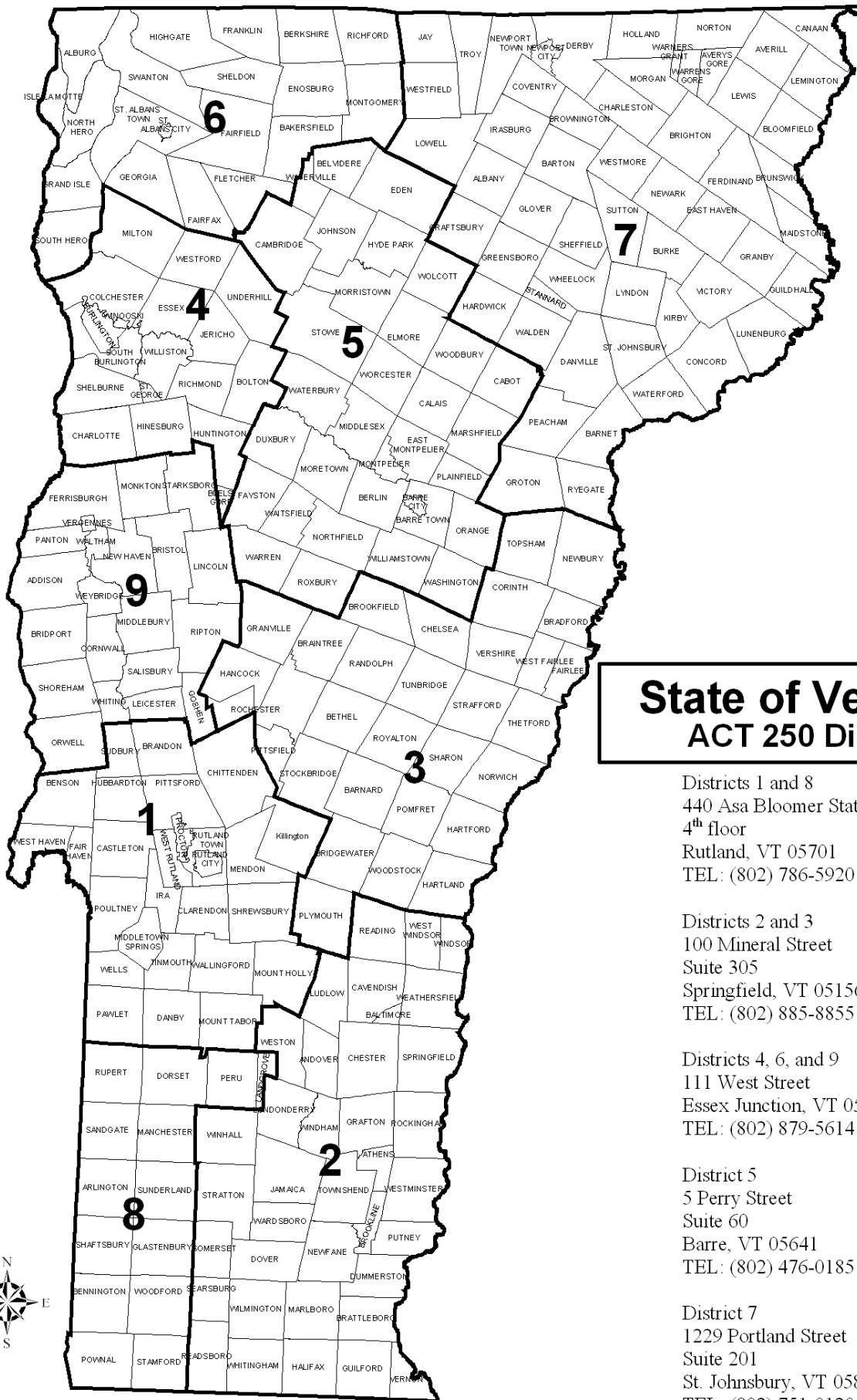
GENERAL INSTRUCTIONS

Prior to the division or partition of land, the seller or other person dividing or partitioning the land shall prepare an "Act 250 Disclosure Statement." A person who is dividing or partitioning land, but is not selling it, shall file a copy of the statement with the town clerk, who shall record it in the land records. The seller who is dividing or partitioning land as part of the sale shall provide the buyer with the statement within ten days of entering into a purchase and sale agreement for the sale or exchange of land, or at the time of transfer of title, if no purchase and sale agreement was executed, and shall file a copy of the statement with the town clerk, who shall record it in the land records. Failure to provide the statement as required shall, at the buyer's option, render the purchase and sales agreement unenforceable. Do not send Act 250 Disclosure Statement to the Natural Resources Board.

LINE-BY-LINE INSTRUCTIONS

1. - 7. Subdivider(s) and Buyer(s) Be sure to enter the full names and mailing addresses of all Subdivider(s) and Buyer(s). Be certain to complete all items.
8. Benefit to Family Members from Subdivider's Transactions Indicate by checking "yes" or "no" whether any family member listed in #6 will derive any profit or consideration, or acquire any other beneficial interest from the partition or division of the land which is the subject of this Disclosure Statement. If the family member receives financial support from the subdivider(s), or if the subdivider(s) receive financial support from the family member, there is a presumption of financial benefit and that person should be listed. If, however, a child is emancipated and is not receiving financial support from the parent, there is no presumption of benefit and that family member should not be listed.
9. Affiliated Persons This includes all persons who are affiliated with the Subdivider in the partition or division of the land in question (i.e. derive a profit, consideration or other beneficial interest from the subdivision). However, some individuals and entities are presumed not to be affiliated with the Subdivider in the subdivision, unless there is substantial evidence of an intent to evade the purposes of Act 250. These include:
 - (i) A stockholder in a corporation subdividing land, where the stockholder and the stockholder's spouse, children, parents and siblings own less than 5% of the outstanding shares of the corporation.
 - (ii) A court-appointed guardian, licensed attorney, real estate broker or salesperson, engineer or land surveyor, unless the compensation or benefit which they receive for their duties indicates more than an agency relationship with the Subdivider.
 - (iii) A chartered lending institution which financed the Subdivider's purchase or ownership of the land, provided the financing rate is not substantially higher than the prevailing lending rates in the community.
10. Affiliated Land Transactions List all lots or parcels of land partitioned or divided for the purpose of resale by the persons identified in item #9 above within the preceding five years and within the same jurisdictional area of the District Environmental Commission or within five miles of the land being divided if the previously divided land is in another district (see map on page 34). Subdivided lots or parcels which were conveyed by these persons prior to July 1, 1987, and which are more than five miles away from the land being partitioned or divided, need not be listed. List the full name of the person, the town in which the land is located, a brief description of the land (i.e. undeveloped land, residential subdivision, lot number, etc.), the number of acres, and the date the lot or parcel was created. Dates for creation of lots or parcels can include the date a plot plan is filed in the town land records, the date a State subdivision permit is issued, the date a local subdivision or zoning permit is issued, or in the absence of any of the above, the date of the legal conveyance of the lot, whichever is later.
11. Notice That An Act 250 Permit May be Required With this statement buyers are on notice that the partition or division of land which is the subject of this Disclosure Statement may be subject to the permit requirements of Act 250. The buyer may request a jurisdictional opinion from the District Coordinator serving the district in which the land is located regarding the applicability of Act 250 to this transaction by submitting the Disclosure Statement to the coordinator at the appropriate Regional Office (see map on page 34).
12. Act 250 Permit Number Enter the Act 250 Land Use Permit Number for this land, if one has been issued. _____

DISTRICT ENVIRONMENTAL COMMISSION BOUNDARY MAP



State of Vermont ACT 250 Districts

Districts 1 and 8
440 Asa Bloomer State Office Bldg.
4th floor
Rutland, VT 05701
TEL: (802) 786-5920

Districts 2 and 3
100 Mineral Street
Suite 305
Springfield, VT 05156
TEL: (802) 885-8855

Districts 4, 6, and 9
111 West Street
Essex Junction, VT 05452
TEL: (802) 879-5614

District 5
5 Perry Street
Suite 60
Barre, VT 05641
TEL: (802) 476-0185

District 7
1229 Portland Street
Suite 201
St. Johnsbury, VT 05819
TEL: (802) 751-0120

