

FORM PR – 141 RENTER REBATE CLAIM

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FORM PR – 141 RENTER REBATE CLAIM

CHANGES FOR 2008 CLAIMS

FILING DUE DATES

April 15, 2009 - Timely Filing
September 1, 2009 - Late Filing but can still make a renter rebate claim.

AMENDING HOUSEHOLD INCOME

Household income may be amended on renter rebate claims filed up to September 1st. You have up to three years from the April 15th or September 1st due date, whenever you filed the original HI-144, to amend the household income. This is the only amendment allowed.

HOW TO FILE

Renter rebate claims cannot be electronically filed. They must be filed by paper.



Mail to: Vermont Department of Taxes
PO Box 1881
Montpelier, VT 05601-1881

WHEN TO FILE

File Form PR-141 as soon as possible, but no later than April 15th. If the 15th falls on a holiday or weekend, the due date becomes the next business day.

2009 DUE DATE IS APRIL 15th

Form PR-141 can be filed independently of the income tax return.

TIMELY FILING

A renter rebate claim mailed through the U.S. Post Office is considered timely if received at the Department within 3 business days of the due date. When bringing the return to the Department in person, the Department must receive the return on or before the due date to be timely.

LATE FILING

The law defines any renter rebate claim filed after April 15, 2009 as late. However, a claim may be filed up to September 1, 2009 and eligible renters may still receive a rebate.

FILING AFTER SEPTEMBER DEADLINE

A renter rebate claim filed after the September 1, 2009 deadline cannot be accepted, regardless of the reason the claim could not be filed.

APPEAL RIGHTS

If the Department changes information on the renter rebate claim, the renter receives a notice of adjustment. The renter has 60 days from the date of notice to appeal the Department's action.

Renter rebate claims filed after the September 1, 2009 deadline have no appeal rights for denial of the rebate when the claim is filed after that deadline.

AMENDING PR-141 INFORMATION

Only household income can be amended. The amendment must be done within three years from the April or September due date, whichever date you filed the original HI-144.

2006 VT	Household Income	Form HI-144	----
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**To amend household income, use
Form HI-144 for the applicable year.
Mark the top of the form**

**“AMENDED” and complete as if doing an original filing. Send the amended
HI-144 separately from any other returns being filed with the Department.**

EXAMPLES:

1: Rachel Renter files a 2008 Renter Rebate Claim on April 15, 2009. She receives a corrected W-2 that decreases her household income. She can amend her 2008 household income for up to three years from April 15, 2009.

2: Ryan Renter files a 2008 Renter Rebate Claim on September 1, 2009. He receives a corrected W-2 that decreases his household income. He can amend his 2008 household income for up to three years from September 1, 2009.

If amended household income results in additional renter rebate, the Department sends the amount to the renter. The law does not allow interest to accrue on renter rebates.

If amended household income results in an overpayment of the original renter rebate, the Department bills the renter. Interest and penalty accrues on the overpayment from the September filing date to the date of payment.

MISSING INFORMATION OR INCOMPLETE FILING



Renter rebate claims with incomplete or missing information, or where information, or where the Department asks clarifying information, are not considered filed. The Claimant will be given an opportunity to provide the information. The information must be provided by the September 1st due date or 30-days from the Department's request date, whichever is later. In some instances, the claim will be denied or the Department will change information on the claim. The claimant will have 60 days from the date of the adjustment or denial to appeal our decision.

EXAMPLES

- 1: On March 15, Roger Renter files a Renter Rebate Claim without the required Form HI-144, Household Income. Roger receives notification his claim is denied until he provides the HI-144 to complete his claim. He sends in the HI-144 on August 30. His claim is processed.
- 2: On September 1, Rebecca Renter files a Renter Rebate Claim without the required Landlord's Certificate. Rebecca receives notification that her claim is denied and given up to September 30th to provide Landlord's Certificate to complete her claim. She provides Landlord's Certificate on October 16th. Her claim remains denied.
3. On August 12, Lori Lessee files a Renter Rebate Claim. Her Landlord's Certificate shows three renters for the unit but she reported only her income for household income. Lori receives notification that her claim is denied until she provides the income of all household occupants. She has 60 days from the date of the notice to appeal the Department's action.

REQUIRED DOCUMENTATION

All renter rebate claims must have a completed Form HI-144, Household Income, and Form LC-142, Landlord's Certificate, filed with the claim.

Form LC-142, Landlord's Certificate

The name and Social Security Number of the Claimant must be entered on the top of Form LC-142 to have the rebate claim processed. The Department recommends the renter enter this information after the landlord completes the rental information.

VT	<i>Landlord's Certificate</i>	Form LC-142

The landlord completes Form LC-142, Landlord's Certificate. Landlords must issue a certificate to the renters:

- On or before January 31st, if the landlord has more than 4 residential rental units.
- Upon request of the renter if the landlord has 4 or less residential rental units.

If the renter moves before end of calendar year, the renter should ask for a completed Landlord's Certificate at the time he or she moves or request a completed Landlord's Certificate be mailed to the renter's new address.

Landlord's Certificate Certificates are available by contacting the Department at (802) 828-2515, or e-mailing taxforms@state.vt.us or faxing (802) 828-2701.

Multiple Landlord's Certificate

If the Claimant rented from more than one landlord in the calendar year, a Landlord's Certificate from each landlord is required. The total months rented for all Landlord's Certificates must be 12 months to be eligible. Send all certificates with the renter rebate claim.

Unable to get a Landlord's Certificate from the Landlord

A renter rebate can still be filed. Complete the certificate information and attach copies of cancelled checks or rent receipts to show the rent paid. Attach a letter explaining why a Landlord's Certificate could not be obtained. Be sure to include the landlord's name, address, and telephone number on the form and in the explanation letter.

Certificates are available by contacting the Department at (802) 828-2515, or e-mail taxforms@state.vt.us or fax to (802) 828-2701.

Landlord Not Providing Certificates

Landlords who knowingly fail to provide the certificate are subject to a penalty of \$100 for each certificate not provided.

EXAMPLE

Larry Landlord would not provide Landlord Certificates to his 8 tenants. By law, he is required to provide the certificates by January 31. Larry can be charged \$800 penalty.

Landlords who provide a certificate that reports rent that exceeds by 10% the actual rent paid are subject to a penalty that is the greater of \$100 or the excess amount reported for each certificate.

EXAMPLE

Larry Landlord provided Landlord Certificates to his 8 tenants. The rent for each unit is \$600 a month. Even though 2 of the tenants were behind in their rent, he issued a certificate showing \$7,200 rent paid for the year. Upon examination, the Department discovers the discrepancy and finds one tenant receives \$300 excess rebate of \$300 while the other tenant receives \$95 excess rebate. Larry is charged \$400 penalty (\$300 + \$100).

SPECIAL SITUATIONS

DECEASED RENTER

You may not file a claim on behalf of a deceased person. The right to file a renter rebate claim is personal to the Claimant and does not survive the Claimant's death.

NURSING OR RESIDENTIAL CARE HOME

A person residing in one of these homes may make a renter rebate claim for the room charge only. Services such as heat, electricity, personal services, medical services, etc., are deducted from the total. Generally, the room charge is 25% of the home's total charges to the person. For a percentage greater than 25%, the nursing home or residential care home must provide a breakout of costs.

CLAIMANT IS IN A NURSING OR RESIDENTIAL CARE HOME AND THE CO-OWNER OF A HOMESTEAD

If the person residing in a nursing or residential care home owns a homestead with a sibling or spouse, the person can claim a renter rebate claim OR the sibling or spouse can apply for property tax assistance programs on the homestead – the co-owners cannot participate in both the renter rebate or property tax assistance programs.

DEFINITIONS

Allowable Rent is the amount paid for the right to occupy the rental unit for the calendar year.

Arms-Length Transaction means a landlord who offers property to public to rent in the general course of his or her business.

Claimant is the person who meets the eligibility for the renter rebate and is the person responsible for paying the rent or the leaseholder. There can be only one Claimant per household, but there may be joint Claimants.

Government Subsidized Rent means the landlord receives a reduced amount from the renter and the difference in the rent is paid by the state or federal government.

Non-Allowable Items Included in Rent is the amount paid for items (included in the rent or billed separately) for other than the right to occupy. These items include heat, electricity or other utilities, furnishings, personal care and other services such as garbage collection, snow plowing, lawn service. If any of the items are checked on Form LC-142, Landlord's Certificate Certificate, and the landlord does not designate a dollar amount, the allowable rent is automatically reduced by 50%.

NOTE: Items necessary for occupancy of the rental unit that are included in rent such as water or sewerage costs are included as Eligible Rent.

Non-Arms Length Transaction Rental means the claimant rents from a relative, holds an ownership interest in the rental unit, the owner would not rent the unit out to the public if this claimant ceased to rent, or for some other reason. The amount of allowable rent based on rent paid is not affected by a non-arms length transaction. When the rebate is based on Section C of the Landlord's Certificate Certificate, rent constituting property tax, the Department prorates the property tax to reflect the discounted rent charged.

EXAMPLES

Ricky Renter rents a house from his parents for \$200 a month. Ricky's parents would not rent the house to any one else and not at this price if Ricky moved. This is not an arms-length transaction. If Ricky uses rent paid as the basis of the Renter Rebate Claim, he can claim 21% of the rent paid for that calendar year. If Ricky uses Section C, Allocation Property Tax, the property taxes will be prorated to the percentage of rent paid to the fair market rental determined by HUD.

The proration calculation will be: According to HUD, houses in Ricky's area have of \$800 a month. The property taxes will adjusted to be in proportion to the rent paid / fair market rental. Ricky pays 25% of the fair market rent ($\$200 / \800). Total rent paid is \$2,400. The property taxes on the house are \$2,800. The rebate allows the greater of total rent paid for occupancy or property taxes, up to the total amount of rent paid. The property taxes allowed for a rebate is \$600 ($\$2,400 \times 25\%$).

Todd Tenant is a partner in TTN Partnership. TTN Partnership owns real estate and Todd rents a house from TTN Partnership. Todd is not eligible for a renter rebate as he owns the property through the partnership and is, in essence, renting to himself.

Joint Claimants are the persons or leaseholders responsible for the rent, both reside in the rental unit as their principal residence, and both meet the eligibility for the rebate. The Department issues the rebate check to the names on the claim filed. The term Joint claimants does not mean each member of the household files a separate claim for their percentage.

EXAMPLES

Tommy Tenant and Lola Lessee, his significant other, rent an apartment. Both meet the eligibility requirements for the renter rebate. Tommy and Lola can file a renter rebate claim in both names.

Lindsey Lessee and Terry Tenant rent an apartment. Both meet the eligibility requirements for the renter rebate. Lindsey and Terry can file as joint claimants or one can file as the Claimant using the rent paid with combined household income. They **cannot** each file a renter rebate claim using 50% of the rent and only their own income.

Rent Constituting Property Tax is the property tax on the rental unit. The landlord uses an allocation to arrive at the property tax only on the unit. The renter receives the greater of the allowable rent or rent constituting property tax for the rebate claim. The amount of rent constituting property tax, however, cannot be more than the total rent paid for the right of occupancy.

Who Files

A renter may file a renter rebate claim if he or she

- Was a legal resident of VT for the entire calendar year 2007; and
- Was not claimed as a dependent of another taxpayer for tax year 2007; and
- Has household income in 2007 that does not exceed \$47,000; and
- Is the only person in the household making a renter rebate claim; and
- Rented in VT for all 12 months in 2007.

Only exception to 12-month rent requirement:

Renters who owned a VT housesite in 2007, sold the housesite prior to April 1, 2007, and rented on December 31, 2007 may be eligible for a rebate of rent paid in 2007.

LINE-BY-LINE INSTRUCTIONS

Claimant Information

There can only be one Claimant per household but there can be Joint Claimants. The Department issues the payment to the name(s) and address shown on the rebate claim. The date of birth pertains to the Claimant (not the spouse or civil union partner listed on the second line). Enter the date of birth numerically. Date of birth of November 18, 1953 Enter as 11 18 1953

Line 1 School District Code

Select the three-digit school district code for the town where the landlord paid school property taxes for the rental unit occupied on December 31, 2005.

Line 2 City/Town of Legal Residence

If there is a city and town of the same name, include the appropriate designation.

For example: St. Albans City St. Albans Town
Barre City Barre Town
Rutland City Rutland Town

NOTE: The school district code and legal residence may be different from the town used in the mailing address.

Location of Rental Unit

Enter the physical location of the property. For example: 133 State Street, 985 Up Hill Road, Route 100B North

Do **NOT** enter the city or town name, "same"
"see above" or post office box

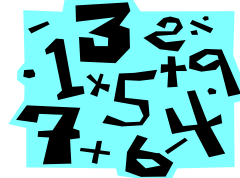
Even a leprechaun
finds a post office box
too small to live in!



Eligibility Questions

ALL the eligibility questions must be answered before the renter rebate claim can be considered filed and processed.

REBATE CALCULATION



Line 3 Allowable Rent

Enter the greater of Line 16 or Line 22 from Form LC-142, Landlord's Certificate Certificate. This is rent paid for the right of occupancy for the calendar year. A deposit paid is not part of allowable rent.

EXAMPLES

Letta Lessee paid \$500 a month for the right to occupy her rental unit. In the calendar year 2007, she paid \$6,500, which is \$6,000 for the calendar year 2007 plus one month's rent she owed from 2006. Letta can use the \$6,000 as the basis for her allowable rent.

Tracy Tenant's rent is \$500 a month for the right to occupy her rental unit but in calendar year 2007, she paid 8 months rent. Terri can use \$4,000 as the basis for her allowable rent.

Louis Lessee rents an apartment in January 2007. He pays a \$500 security deposit and twelve months' rent at \$600 a month that year. The basis for allowable rent is \$7,200. The security deposit is not rent.

Line 4 Home Use

The renter rebate program covers only the portion of the rental unit used as the renter's home. If there is any business use of the unit or a portion is re-let to another person, the home use will be less than 100.00%.

NOTE Use whole numbers and round to the nearest percentage for Lines 5 and 6.

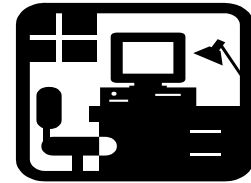
Business Use of Rental Unit:

Up to 25% of the rental unit's floor space can be used for business purposes without any adjustment to Home Use. For business use over 25%, that portion of the rental unit is no longer part of the home and the rent allocable for that portion cannot be rebated. Generally, the business use percentage is the same as reported on the Federal income tax return. To calculate non-home use, divide the square feet used for business by the total square feet.

EXAMPLES

Lara Lessee has a rental unit with 1,800 square feet and uses 635 square feet as a home office and inventory storage for her candle party business. Her business use is 35.28% (635/1,800), rounded to 35%. Enter 65% as home use on Line 4.

Tom Tenant has a rental unit with 1,200 square feet homestead and uses 250 square feet used as a home office for his consulting business. His business use is 20.83% business use (250/1,200), rounded to 21%. Because business use is less than 25%, enter 100.00% for home use on Line 4.



Rental Use of Rental Unit The portion of a rental unit rented to another person is non-home use. All rental use must be reported and the 25% allowance for business use does not apply. The rental use percentage is generally the same as reported on your Federal income tax return.

EXAMPLE

Sara Sublet rents 365 square feet of Laura Lessee's 1,800 square foot rental unit. The rental use is 20.27% (365/1,800), rounded to 20%. Laura enters 80.00% for home use on Line 4.

Line 5 Allowable Rent for Rebate Claim

This line deducts the rent for the percentage of the unit for business or rental use. The rebate is for rent of a home only.

Line 6 Household Income

Enter Line t from Form HI-144.

Maximum household income eligible to make a Renter Rebate Claim is \$47,000.



Line 7 Maximum Percent of Household Income for Rent

The State established household income brackets and the percentage of the income is the maximum amount the renter should pay. The State rebates the difference between the Allowable Rent and the maximum amount.

Line 8 Maximum Rent for Household Income

Multiply the household income by the appropriate percentage for the household income bracket. This is the claimant's portion of the rent.

Line 9 Renter Rebate Amount

If Line 8 is less than Line 5, subtract Line 8 from Line 5 to calculate the rebate amount. If Line 8 is more than Line 5, there is no rebate.

EXAMPLES

Ethel paid \$6,000 in rent last year for the right to occupy her unit. She uses the rent paid basis and the allocable rent is \$1,260 ($\$6,000 * 21\%$). Ethel's household income is \$22,000. The maximum amount of rent for Ethel is \$990 ($\$22,000 * 4.5\%$). Ethel's portion of rent calculated by her household income is less than the allocable rent. Ethel receives a \$270 renter rebate.

Lucy paid \$8,000 in rent last year for the right to occupy her unit. She uses the rent paid basis and allocable rent is \$1,680 ($\$8,000 * 21\%$). Lucy's household income is \$38,000. The maximum amount of rent for Lucy is \$1,900 ($\$38,000 * 5\%$). Lucy's portion of rent calculated by her household income is more than the allocable rent. There is no rebate.

SIGNATURES and DISCLOSURE AUTHORIZATION

Signature Have the renter sign the return in the space provided. Unsigned Renter Rebate Claims are not considered a filed return. If filed by an individual, that person must sign the claim. If filed jointly, both renters must sign the claim.

Date Write the date the form was signed.

Disclosure Authorization If your client wishes to give the Department authorization to discuss the Renter Rebate Claim with you, ask them to check this box.

Preparer Signature For paid preparers - you must also sign the claim, enter your Social Security Number or PTIN and, if employed by a business, the EIN of the business. If someone other than the filer(s) prepared the claim without charging a fee, then that preparer's signature is optional.