

## Vermont Schedule HI-144: How to Determine Household Income

This fact sheet will help you prepare your household income information when filing Schedule HI-144, which must be submitted with Property Tax Adjustment and Renter Rebate claims. This fact sheet covers a general overview of common HI-144 factors only.

- Be sure to refer to the instructions for the schedule to get more details, and contact the Department when complex scenarios and questions arise. Please note this fact sheet is continued on a second page.
- Household Income is "Modified Adjusted Gross Income" and is **not** the same as *Federal taxable income*.
- Household Income includes all income, taxable and nontaxable, of everyone who resided with you at any time during the tax year, including children and non-related individuals. If an individual resided with you for fewer than 12 months, include that individual's income only for the time s/he resided with you.

### What is Household Income?

For Vermont tax purposes, Household Income includes all the funds available to support a household, even if you did not receive any financial contribution from the members of the household.

- It includes **both taxable and nontaxable income**. See Income Sources section on page 2.
- It includes all sources of income of any persons living in your household. This refers to individuals, including children, who lived in your home for any period of time during the year and who may or may not be related to you
- Note that unless you are separated with a final decree signed by a judge or divorced with a final decree signed by a judge, your spouse/civil union partner's income must be included (unless they were at least 62 years old and permanently residing in a nursing home or other care facility)
- Include income of your spouse/civil union partner, whether or not you were living in the same household, from Jan. 1 until the date the final divorce decree or final legal separation decree was signed by a judge.

### Who Is a Member of Your Household?

Household members may include:

- Yourself
- Your spouse or civil union partner
- Roommates/housemates
- Family members, including children, even if they file their own income tax returns and are not considered dependents

The Social Security Number of all household members is required.

#### TIP

**If a person living with you is planning to move, be sure to get the person's Social Security Number and income information you'll need to complete the HI-144 before they move.**

Household members do **not** include:

- A person not related to any household member and living in the household under a written homesharing agreement with an authorized program
- A person living in the household who is a bona fide employee hired to provide personal care to a member of the household and who is not related to the person for whom the care is provided
- A person who resides with you to provide attendant care services, homemaker, or companionship services, with or without compensation, that allows you to remain in your home or avoid institutionalization. **However, you must be disabled or at least 62 years of age as of December 31 of the tax year.**

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**Need Help? Contact the Taxpayer Services Division at 802-828-2865.**

Disclaimer: This fact sheet is intended to provide an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information provided in this fact sheet.

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## Income Sources That Are Household Income

The sources of income that you are required to report include all shown in this section. Many of these figures can be taken from the Federal Form(s) 1040 and related schedules. Refer to line-by-line instructions on Schedule HI-144 for more details. Consultation with a tax preparer may also be helpful.

### TIP

**Allow time to collect all the income sources, any proofs of payment, and forms you need for everyone in your household.**

- Cash public assistance and public relief\*
- Social security/SSI/SSDI/railroad retirement/veteran's benefits, **taxable and nontaxable**\*
- Unemployment compensation/worker's compensation
- Wages, salaries, tips, etc.
- Interest and dividends\*\*
- Interest on U.S., state, and municipal obligations, **taxable and nontaxable**
- Alimony, support money, child support, cash gifts
- Business income\*\*\*
- Capital gains, **taxable and nontaxable**. Include nontaxable gains from sale of primary residence\*\*\*
- **Taxable** pensions, annuities, IRA and other retirement fund distributions. Include ROTH IRA earnings distributions
- Rental and royalty income\*\*\*
- Income from farms, partnerships, S corporations, LLCs, estates, or trusts\*\*\*
- Other income including prizes and awards, gambling or lottery winnings, director's fees, employers allowances, taxable refunds from Federal return 1040, Line 10, allowances by dependents of armed services personnel and military subsistence payments (BAH, FSA), loss of time insurance, cost of living adjustment (COLA) paid to federal employees
- Income exceeding \$6,500 for exceptions involving dependents

\* There may be exceptions, so refer to "Income Sources That Are Not Household Income" (next column) for more information

\*\* If you are under the age of 65 as of December 31 of the tax year and the total interest and dividend income reported are in excess of \$10,000, your household income is increased by the total interest and dividend income greater than \$10,000

\*\*\* If losses, see instructions for limits

## Income Sources That Are Not Household Income

The following income sources are **not** considered to be Household Income:

- Foster care payments
- Payments received for the care of eligible persons with developmental disabilities (formerly Difficulty of Care)
- In-kind relief by a government agency, such as fuel assistance
- Food from a governmental agency
- Gifts from nongovernmental sources, such as assistance for fuel, utilities, and rent
- The first \$6,500 of cash gifts received by the entire household unless used for support
- The first \$6,500 of income received by a person who qualifies as your dependent **and** who is your parent or adult child with a disability
- The first \$6,500 of income earned by a full-time student who qualifies as your dependent

**For further clarification, refer to section above Who Is a Member of your Household?**

## Allowable Adjustments to Reduce Household Income

- Social Security and Medicare tax withheld on wages
- Self-employment tax
- Child support paid—be prepared to provide proof of payment
- Business expense for Reservists
- Alimony paid
- Tuition and Fees deduction
- Self-employed health insurance deduction
- Health Savings Account deduction

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For more information about household income, refer to Vermont Statute 32 V.S.A. § 6061.