

§ 5910(b). Definitions; federal conformity

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(b) Except as otherwise expressly provided or clearly appearing from the context, any term used in this subchapter shall have the same meaning as when used in comparable context in the Code, or in any statute relating to federal income taxes, in effect for the taxable period. Due consideration shall be given in the interpretation of this subchapter to applicable sections of the Code in effect from time to time and to federal rulings and regulations interpreting such sections, provided such Code, rulings, and regulations do not conflict with the provisions of this subchapter.

§ 5911. Taxation of an S corporation and its shareholders

(a) An S corporation shall not be subject to the tax imposed by section 5832 of this title, except to the extent of income taxable to the corporation under the provisions of the Internal Revenue Code.

(b) For the purposes of section 5823 of this title, each shareholder's pro rata share of the S corporation's income attributable to Vermont and each resident shareholder's pro rata share of the S corporation's income not attributable to Vermont shall be taken into account by the shareholder in the manner provided in Section 1366 of the Code.

16 USC 1366(b)

(b) Character passed thru

The character of any item included in a shareholder's pro rata share under paragraph (1) of subsection (a) shall be determined as if such item were realized directly from the source from which realized by the corporation, or incurred in the same manner as incurred by the corporation.

32 V.S.A. § 5912

The character of any S corporation item taken into account by a shareholder of an S corporation pursuant to subsection 5911(b) of this subchapter shall be determined as if such item were received or incurred by the S corporation and not its shareholder.