

Line 19 Subtractions from Vermont Income Tax Complete and submit Vermont Schedule IN-112, Part II, to claim:

- Credit for Child and Dependent Care Expenses (See Section 7 for Low-Income Child and Dependent Care Credit.)
- Credit for the Elderly or the Disabled
- Investment Tax Credit (as defined in IRC Section 46) for Vermont-based portion only
- Farm Income Averaging Credit

Line 20 Vermont Income Tax Subtract Line 19 from Line 18 and enter result. If Line 19 is more than Line 18, leave this line blank.

Line 21 Income Adjustment Enter 100% or complete and submit Schedule IN-113 and enter percent from Line 39.

Line 22 Adjusted Vermont Income Tax Multiply Line 20 by the percentage on Line 21. If Line 21 is 100%, Line 22 will be the same as Line 20.

Section 5 Credits and Use Tax

Line 23 Credit for Income Tax Paid To Other State or Canadian Province (For full-year and some part-year residents) Complete and submit Schedule IN-117 and enter the amount from the schedule here.

Line 24 Vermont Tax Credits Complete and submit Schedule IN-112, Part IV and/or Schedule IN-119. Enter the amount from the applicable schedule here.

Line 25 Total Vermont Credits Add Lines 23 and 24 and enter result.

Line 26 Vermont Income Tax After Credits Subtract Line 25 from Line 22. If Line 25 is more than Line 22, leave this line blank.

Line 27 Use Tax on Out-of-State and Internet Purchases

What is Vermont Use Tax and who must pay it?

Whether you are a resident or nonresident, if the seller does not charge you tax, you must pay Vermont Use Tax when you purchase an item that is subject to Vermont Sales Tax and delivered to Vermont or used in Vermont. This occurs when an item is purchased from an out-of-state seller not registered to collect tax in Vermont, such as an internet seller or a seller located in a state with no sales tax. Use tax and sales tax have the same rate of 6%.

When you purchase an item from a seller in a state with a lower sales tax rate, you owe use tax on the difference between the Vermont Sales Tax rate (6%) and the other state's rate. If you are not reporting any use tax for tax year 2016, you must check the box certifying that you do not owe use tax.

How to calculate use tax

Individual taxpayers have two options for calculating use tax:

Option 1 – If you keep accurate records of all of your purchases, multiply the value of all taxable purchases and rentals by 6% and report the amount on Line 27. For example, if you purchased a computer for \$1,500 over the internet from a business located outside of Vermont and sales tax was not collected, your use tax liability is \$90 ($\$1,500 \times 6\% = \90). If you paid less than 6% on some of your purchases, include them in your calculation and reduce the tax by the amount you paid.

Option 2 - If you do not keep accurate records of your purchases, you must use the Use Tax Reporting Table. The table estimates the tax using ranges of adjusted gross income, calculating the tax at 0.20% for each of the ranges. However, for individual purchases greater than \$1,000, you must calculate the exact tax. Multiply the purchase amount by the 6% use tax rate and add the resulting figure to the estimated amount you owe determined by the Use Tax Reporting Table. The Department will not assess additional use tax unless a purchase with a total invoice amount of \$1,000 is unreported.

USE TAX REPORTING TABLE			
Adjusted Gross Income	Use Tax is:	Adjusted Gross Income	Use Tax is:
\$10,000 - \$14,999	\$20	\$55,000 - \$59,999	\$110
\$15,000 - \$19,999	\$30	\$60,000 - \$64,999	\$120
\$20,000 - \$24,999	\$40	\$65,000 - \$69,999	\$130
\$25,000 - \$29,999	\$50	\$70,000 - \$74,999	\$140
\$30,000 - \$34,999	\$60	\$75,000 - \$79,999	\$150
\$35,000 - \$39,999	\$70	\$80,000 - \$84,999	\$160
\$40,000 - \$44,999	\$80	\$85,000 - \$89,999	\$170
\$45,000 - \$49,999	\$90	\$90,000 - \$94,999	\$180
\$50,000 - \$54,999	\$100	\$95,000 - \$99,999	\$190

AGI \$100,000 or more, multiply by 0.20% (0.0020)

For each individual purchase of \$1,000 or more, you must calculate the exact tax by multiplying the amount of the purchase by 6% (0.06). If you are using the reporting table for other purchases of less than \$1,000, add the use tax from the table to the exact tax for your individual purchases to determine total use tax owed.

NOTE: Businesses must report use tax on Form SUT-451, Sales and Use Tax Return, or on Form SU-452, Use Tax Return.

Line 28 Total Vermont Taxes Add Lines 26 and 27 and enter result.