

<b>Line B10</b>	<b>Lot Rent:</b> If you rent a lot in a privately owned mobile home park, obtain Form LC-142, Landlord Certificate, from your landlord and enter the amount of Allocable Rent.
<b>Lines B11 – B12</b>	<b>Allocated Tax from Land Trust, Cooperative, or Nonprofit Mobile Home Park:</b> Enter the amount of education and municipal property tax shown on the statement issued to you by the land trust, cooperative, or nonprofit mobile home park, and attach the documentation to your return.
<b>Lines B13 – B14</b>	<b>Property Tax from Contiguous Property:</b> If you own contiguous property, you may use the property taxes from that parcel if the property tax bill for your dwelling has under two acres or part of the dwelling or a building, such as a garage, is on the contiguous property.
<b>Signature:</b>	Sign the property tax credit claim.
<b>Date:</b>	Enter the date you sign the claim.
<b>Disclosure Authorization:</b>	Check this box if you wish to give the Vermont Department of Taxes authorization to discuss this claim with your tax preparer. Be sure the tax preparer's name is included. This authorization will automatically end April 15, 2026.
<b>Preparer:</b>	If you are a paid preparer, you must sign this claim, enter your Social Security Number or PTIN, and if employed by a business, include the Federal Employer Identification Number of the business. If someone other than the homeowner prepared this claim without charging a fee, the preparer's signature is optional.
<b>If mailing this return, send to:</b>	
Vermont Department of Taxes PO Box 1881 Montpelier, VT 05601-1881	

***The maximum 2021 Property Tax Credit is \$8,000.***

The Property Tax Credit will appear as a state payment on your 2021/2022 property tax bill.

## SCHEDULE HI-144 Household Income Schedule

<b>Domicile</b>	For a definition of "domicile," please refer to Reg. § 1.5811(11)(A)(i)-Domicile on our website.
<b>Homeowner</b>	You are the homeowner if you own and occupy the housesite as your principal residence.
<b>Household Income</b>	means modified Adjusted Gross Income, but not less than zero (0), received in a calendar year by all persons of a household while members of that household.
<b>Household Members</b>	include you, your spouse/civil union partner, roommates, and family members (including children) even if they file their own income tax returns and are not considered dependents. You must include a spouse/civil union partner as a member of your household even if your spouse/civil union partner does not live with you in the same home. If, however, your spouse/civil union partner does not live with you <b>and</b> you and your spouse/civil union partner are <b>legally separated by court order</b> , then this person is not considered a household member.
<b>Exceptions</b>	- The following are <b>not</b> considered household members: <ul style="list-style-type: none"> <li>• A spouse/civil union partner who is at least 62 years of age and who has moved to a nursing home or other care facility with no reasonable prospect of returning to the household</li> <li>• A person who is not related to any member of the household and who is living in the household under a written home sharing agreement with a nonprofit home sharing program authorized by the Vermont Department of Disabilities, Aging and Independent Living</li> <li>• 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</li> <li>• A person who resides with you (the person filing the claim) for the primary reason of providing attendant care services or homemaker or companionship services with or without compensation that allows you to remain in your home or avoid institutionalization. To qualify for this exception, you must be disabled or 62 years of age or older as of Dec. 31, 2020.</li> </ul>
<b>Members of the household for a portion of the year.</b>	You must include the income received by all persons residing in the home or apartment during the period they resided in the home or apartment.

**Household Income** On Schedule HI-144, Lines a through n, list the items of income that are required to be reported for Household Income.

- Report your income (if filing jointly, include the income of your spouse) under Column 1.
- Report the income of your spouse or civil union partner if filing separately, under Column 2.

**Exceptions applying to spouse/civil union partner**

1. You do not have to include your spouse/civil union partner when the person is not living with you as a member of your household **and you are legally separated by court order or previously established protective/restraining order.**
  2. You do not have to include the income of a spouse who is age 62 or older and has moved permanently to a nursing home or other care facility.
- You do not have to include the income of a spouse who has a court-ordered restraining order in place prohibiting contact with you.
  - Report the income of your spouse if filing separately, or civil union partner under Column 2.

**Exclusions:** The following are **not** part of household income:

- Payments by the State of Vermont for foster care under Vermont law at 33 V.S.A. Chapters 49 and 55
- Payments by the State of Vermont to a family for the support of an eligible person with a developmental disability
- Payments by the State of Vermont or an agency for adult foster care payments (formerly “difficulty of care” payments) found in 18 V.S.A. § 8907
- Surplus food or other relief in-kind supplied by a government agency
- The first \$6,500 of income received (earned or unearned) by a person who qualifies as a dependent of the claimant under the Internal Revenue Code **and** who is the claimant’s parent or disabled adult child
- The first \$6,500 of income earned, such as wages, salaries, tips, etc., by a full-time student who qualifies as a dependent of the claimant (all unearned income must be reported)
- The first \$6,500 of gifts of cash and/or cash equivalents received by all household members
- Distributions from the contributions to a ROTH IRA (distributions from the earnings of the ROTH IRA are to be reported in household income)
- Gifts from a nongovernmental source, such as aid provided by the Red Cross, Salvation Army, a church, to assist paying a living expense (for example, fuel, utilities, rent)
- Any income that resulted from cancellation of debt. Refer to 32 V.S.A. § 6061(4)(B)

**Household Income**

<b>Line a</b>	<b>Cash public assistance and relief</b> Enter all payments from the State of Vermont Agency of Human Services except for foster care payments, difficulty of care payments, food stamps, and fuel assistance. The first \$6,500 of refugee settlement payment is excluded.
<b>Line b</b>	<b>Social Security, Social Security Income (SSI), Social Security Disability Income (SSDI), railroad retirement, and veterans’ benefits (taxable and nontaxable)</b> Enter payments from Social Security as reported in Box 5 of your SSA-1099 (this box adjusts for any repayment of Social Security benefits you were required to make) or from federal Form 1040, U.S. Individual Income Tax Return. Social Security benefits also include SSI and SSDI payments. Enter all railroad retirement from RRB-1099 and veteran’s benefits.
<b>Line c</b>	<b>Unemployment compensation and workers’ compensation</b> Enter the full unemployment compensation shown on Form 1099-G, Certain Government Payments, plus any workers’ compensation you received.
<b>Line d</b>	<b>Wages, salaries, tips, etc.</b> Enter the income shown on Form W-2, Box 1. Also report Form 1099-MISC, Miscellaneous Income, issued for nonemployee compensation if this is income not included as part of Line i, Business Income. See “Exclusions” in “Household Income” section before completing this line.
<b>Line e</b>	<b>Interest and dividends</b> Enter the income reported on federal Form 1040, Lines 2b and 3b.
<b>Line f</b>	<b>Interest on U.S., state, or municipal obligations</b> Enter the income reported on federal Form 1040, Line 2a, and all interest income from federal, state or municipal government bonds. This includes interest taxed at the federal level but exempted for Vermont income tax purposes and interest not taxed at the federal level.
<b>Line g</b>	<b>Alimony, support money</b> Enter the total received for alimony and support money. Support money includes payment of housing expenses for a household member or other financial assistance that makes it possible for the household member to live in the homestead or rental unit.
<b>Line h</b>	<b>Child support and cash gifts</b> List all child support payments received in the calendar year as well as all cash gifts. Cash gifts include any and all cash received by you or other household members, as well as cash equivalents. Cash equivalents include gifted stocks, bonds, treasury obligations, certificates of deposit or other household instruments convertible to cash. Specify the type of income you are reporting on the indicated line.

<b>Line i</b>	<b>Business income</b> Enter income attributable to a business. If there is a business loss, leave blank. For taxpayers filing Married Filing Jointly, where both spouses have business income or loss from sole proprietorships, enter the amount from federal Form 1040 or leave blank if a negative, in the Claimant column.
<b>Line j</b>	<b>Capital gains</b> Report nontaxable gains from the sale of your home and gains from federal Schedule D, Capital Gains and Losses: A capital loss carryforward cannot be used to offset a current year capital gain. Add back federal Schedule D, Lines 6 and 14 to Line 16. This cannot be less than zero (0). <b>Exception:</b> A business loss may offset a capital gain on the sale of the business's property provided <b>all three</b> of the following are true for the business: <b>(1)</b> the loss and capital gain are for the same business; <b>(2)</b> the IRS requires the capital gain to be reported; and <b>(3)</b> the business loss and capital gain from the sale of the business's property both occurred in the 2020 tax year. If the offset of the capital gain by the loss creates a negative amount, leave blank. A capital loss cannot offset business income.
<b>Line k</b>	<b>Taxable pensions, annuities, IRAs, and retirement fund distributions.</b> Enter the income from retirement, deferred compensation plans, and annuities as reported on federal Form 1040. Household income includes non-qualified distributions from retirement and deferred compensation plans and both taxable and nontaxable federal pension and annuity benefits.
<b>Line l</b>	<b>Rental and Royalty income</b> Enter the income from each rental property you own as reported on federal Schedule E, Supplemental Income and Loss, Part I. <b>Each rental property stands on its own. A loss generated by one property may not be used to reduce income from a different property.</b> Room and board payments received as difficulty of care payments for a member of your household are rental income and must be reported on this line. Report royalty income from federal Form 1099-MISC, Miscellaneous Income, 1099-S, Proceeds from Real Estate Transactions; Schedule K-1, Share of Income Deductions, Credits, etc.; or federal Schedule E, Supplemental Income and Loss, Part I.
<b>Line m</b>	<b>Income from Partnerships, S Corporations, LLCs, Farms, Trusts and Estates</b> Federal Schedule K-1 pass-through income as required to be reported on federal Schedules E and/or F, Profit or Loss from Farming. Report ordinary business income, rental income and guaranteed payments from K-1 on this line. The loss from one K-1 cannot offset income from another K-1. A loss is reported as -0-. See Line j instructions for the only provision allowing netting of a business loss.
<b>Line n</b>	<b>Other income</b> Sources of other income include, but are not limited to, prizes and awards, gambling or lottery winnings, director's fees, employer allowances, taxable refunds from federal Form 1040, allowances received by dependents of armed service personnel and military subsistence payments (Basic Allowance for Housing, flexible spending arrangement or account), loss of time insurance, cost of living adjustment paid to federal employees, and other gains from federal Form 1040. Report on this line income reported to you on federal Form 1099-MISC or W-2G, Certain Gambling Winnings. For more information on military income, see the "Vermont Tax Guide for Military and National Services" available on the Department's website.
<b>Line o</b>	Add items a through n by column. Carry those amounts over to the top of the next page.

### Adjustments to Income:

The following adjustments to household income may be made for each member of the household.

**Line p** **Social Security and Medicare Tax Withheld and Self-Employment Tax on Income Reported** Social Security and Medicare payroll tax payments are deducted from household income, but only to the extent that the salary and wages are included in household income. Please see the examples that follow:

- 1. Deferred compensation** – If you made a deferred compensation contribution for the tax year, the amount of the contribution is not included in the federal Adjusted Gross Income as stated on Form W-2, Box 1, Wage and Tax Statement. The Social Security and Medicare taxes on Form W-2 must be reduced for the purposes of reporting household income on Schedule HI-144. Generally, this amount is 7.65% of the amount stated on Form W-2, Box 1.
- 2. Military pay** – Multiplying the amount stated on Form W-2, Box 1, by 7.65% provides the correct value for this deduction.
- 3. Allocated tips** – In addition to the figures included on Form W-2, add the Social Security and Medicare payments you made as the result of completing federal Form 4137, Social Security and Medicare Tax On Unreported Tip Income.

**Self-Employed Social Security and Medicare Taxes Paid** Self-employed claimants may subtract from household income the amount from federal Schedule SE, Self-Employment Tax, Section A, Line 5, or Section B, Line 12, that represents the Social Security and Medicare taxes paid for 2019 for income reported on Schedule HI-144. For income not required to be reported upon which Social Security and Medicare taxes were paid, multiply the income not reported on Schedule HI-144 by 15.3% and subtract the result from the federal Schedule SE amount. The amount of Social Security and Medicare taxes reported on this line includes the allowable deduction for one-half self-employment tax on federal Form 1040, Schedule 1, Line 14. You may be asked for a copy of your federal Schedule SE.

<b>Line q</b>	<b>Child support paid</b> Report only those payments for which receipts or other evidence of payment is available. This evidence may include cancelled checks or a statement from the Office of Child Support in addition to the name and Social Security Number of the parent receiving the payment.
<b>Line r</b>	<b>Allowable Adjustments</b> from federal Schedule 1. The following expenses may be subtracted from income. <ul style="list-style-type: none"> <li><b>r1.</b> Certain business expenses of reservists</li> <li><b>r2.</b> Alimony paid</li> <li><b>r3.</b> Self-employed health insurance deduction</li> <li><b>r4.</b> Health savings account deduction</li> <li><b>r5.</b> Tuition and Fees as federally allowed</li> </ul>
<b>Line s</b>	Add Lines p, q, and the total of Lines r1 through r5 for each column.
<b>Line t</b>	Subtract the total adjustments on Line s from the total income on Line o for each column. The adjustments for any individual in your household cannot exceed the income of that individual. If Line o minus Line s is negative, enter -0-.
<b>Line u</b>	Add columns 1, 2, and 3 and enter sum. Entry cannot be less than zero (0).
<b>Line v</b>	For claimants under the age of 65 as of Dec. 31, 2020, enter the total interest and dividends for all household members reported on Lines e and f in each column.
<b>Line w</b>	Add the three columns on Line v.
<b>Line x</b>	For purposes of calculating the Property Tax Credit or Renter Rebate Claim, household income is increased by the household total of interest and dividend income greater than \$10,000. Refer to V.S.A. § 6061(e).
<b>Line y</b>	Subtract Line x from Line w. If Line x is more than Line w, enter -0-.
<b>Line z</b>	<b>Household Income.</b> Add Line u and Line y. Enter this figure on Form HS-122 or Form PR-141.

## SPECIAL SITUATIONS

### Deceased Homeowner

**Property Tax Credit:** An estate cannot make a Property Tax Credit Claim on behalf of a deceased homeowner. If a homeowner files a Property Tax Credit Claim, but dies prior to April 1, 2021, the estate must withdraw the claim using Form HS-122W. The estate is responsible to repay any credit issued. If the homeowner filed a Property Tax Credit Claim between January 1 and March 31 and dies after April 1, 2021, the commissioner may pay the credit to the town on behalf of another member of the household with ownership interest.

An estate may continue classification of the property as a homestead until the following April provided the property was the deceased homeowner's homestead at the time of death and the property is not rented.

**Delinquent Property Tax** The 2021 property tax credit applies to the current year property tax. The municipality may use any remaining credit towards penalty, interest, or prior year property taxes.

**Nursing Home or Residential Care** If the homeowner is age 62 or older and another owner who also lived in the homestead is the homeowner's spouse/civil union partner or sibling and has moved indefinitely from the homestead to a nursing home or residential care facility, the homeowner makes the Property Tax Credit Claim with 100% ownership. This applies **only if** the spouse/civil union partner or sibling does not make a Renter Rebate Claim or the spouse/civil union partner or sibling does not make a Property Tax Credit Claim for the same homestead.

If the homeowner has moved to a nursing home or residential care facility, a Property Tax Credit Claim may be made if there is a reasonable likelihood that the homeowner will be returning to the homestead and the homeowner does not make a Renter Rebate Claim. The Department may ask for a doctor's certificate to help determine whether the nursing home or residential care facility is a temporary location.

**Renting at the End of the Year** You may be eligible for a Renter Rebate Claim for rent paid in 2020 under the following circumstances: **1)** If you owned a Vermont homestead in 2020, **2)** sold the homestead before April 1, 2020, **3)** withdrew or did not file a 2020 Property Tax Credit Claim and **4)** rented between the date of the sale and Dec. 31, 2020. To qualify for a renter rebate, your household income must be \$47,000 or less. **NOTE: This is the only situation where a renter rebate can be claimed for fewer than 12 months.**

### OWNERSHIP SITUATIONS

**Homeowner Age 62 or Older in 2020** If the homeowner shares ownership of the homestead with his or her descendant(s), the homeowner may claim 100% ownership interest on the Property Tax Credit Claim, even if the other owners (descendants) do not live in the homestead. The Department may request a letter of explanation.

**Divorced or Legally Separated Joint Owners** When the divorce decree or court order has declared a specific percentage of home ownership for the purpose of property taxes, you must use that percentage if the following apply: **1)** you are divorced or legally separated from your spouse/civil union partner; **2)** your name and the name of the spouse/civil union partner from whom you are divorced or legally separated remain on the deed; and **3)** you are awarded possession