

# 2025 SCHEDULE IN-117

## Credit for Income Tax Paid to Other State or Canadian Province

(For full-year and some part-year Vermont residents)

### General Instructions

**Who needs to file?** Full- or part-year residents who earn income in another state or Canadian province **while a Vermont resident.**

A credit may be allowed against 2025 Vermont income tax for income tax paid in the 2025 tax year to another state or Canadian province on income that is taxed by **both** Vermont and the other taxing jurisdiction.

#### More Than One State Or Canadian Province?

- Complete one Schedule IN-117 for each state or Canadian province. Do NOT combine the income and credit of all states or provinces on one Schedule IN-117.
- Add Line 21 from each Schedule IN-117 to calculate the tax credit entry on Form IN-111, Vermont Individual Income Tax Return, Line 17.
- Attach all Schedules IN-117 and the supporting documents required.

**The combined total of Line 2 cannot exceed the amount reported on Form IN-111, Line 1.**

### Line-by-Line Instructions

**Line 1** Enter the name of the state or Canadian province where you paid income tax. Use the standard two-letter abbreviation.

**Line 2** Enter Adjusted Gross Income (AGI) taxed in another state or Canadian province that is also subject to Vermont income tax. The AGI for the other state or Canadian province cannot exceed the amount on Form IN-111, Line 1. **NOTE:** If you have paid taxes in more than one state, you must file a Schedule IN-117 for each state. The total of Line 2 from all Schedules IN-117 cannot exceed the amount on Form IN-111, Line 1.

**Lines 3 - 9** Adjustments for bonus depreciation, non-Vermont state and local obligations, and U.S. government interest income are made to create the income comparable to the AGI used for Vermont income tax purposes.

- The total on Schedule IN-117, Line 6, cannot exceed the amount on Schedule IN-112, Part I, Line 9.
- The total on Schedule IN-117, Line 7, cannot exceed the amount on Schedule IN-112, Part I, Line 7.

**Line 10** Enter the AGI from Form IN-111, Line 1.

#### Lines 11 through 16

Adjustments for bonus depreciation, non-Vermont state and local obligations, and U.S. government interest income are made to make the income comparable to the other state or Canadian province.

**Line 17** Subtract Line 16 from Line 13. If Line 16 is greater than Line 13, enter -0-.

<b>Line 18</b>	Enter the Vermont income tax calculated on Form IN-111, Line 14.
<b>Line 19</b>	Divide Line 9, Modified Adjusted Gross Income for the other state or Canadian province, by Line 17, Modified Adjusted Gross Income for Vermont, and multiply that result by Line 18.
<b>Line 20</b>	Enter the amount of income tax paid to the other state or Canadian province. This amount is income tax paid to the state or Canadian province – not the amount of withholding. City and county tax paid to the other state is not allowed. Credit for the Canadian provincial income tax does not include the portion used as a foreign credit on federal Form 1040, U.S. Individual Income Tax Return.
<b>Line 21</b>	<p>Enter the <i>lesser</i> of Line 19 or 20. This is your credit for income tax paid to another state or Canadian province. If this is the only state or province, also enter on Form IN-111, Line 17.</p> <p>If there is more than one state or province, add Line 21 from all Schedules IN-117 and enter result on Form IN-111, Line 17.</p>