

FORM WH-435 Instructions

Vermont Estimated Income Tax Payments for Nonresident Shareholders, Partners, or Members

If no payment is due, DO NOT file Form WH-435.

NOTES

Pass-through entities are required to make estimated income tax payments on behalf of shareholders, partners, or members who are Vermont nonresidents. Estimated payments are due quarterly on the 15th day of the 4th, 6th, and 9th months of the fiscal year, and the 1st month of the following year (April, June, September, and January for a calendar-year entity).

The total required annual payment is calculated by applying the current rate of 6.6% to the Vermont-sourced income (including guaranteed partnership payments) distributed or allocable to nonresident shareholders, partners, or members. The income amount will be calculated on Schedule BI-472, Vermont Non-Composite, or Schedule BI-473, Vermont Composite.

A “safe harbor catch-up” payment may be made at the original (not extended) due date for the entity return. For “catch-up” payments, be sure to indicate the correct fiscal year to which the payment should be credited. Catch-up payments made after the original due date for the entity return will be subject to late payment penalties and interest. Late payment penalties and interest are separate and apart from underpayment penalties and interest and their accrual generally begins when the accrual period for underpayment penalties and interest ends. In order for the catch-up payment to be valid and to eliminate underpayment interest and penalty, the taxpayer must have made four quarterly payments sufficient to cover at least the lesser of 90% of the current year’s or 100% of the prior year’s tax liability.

If either the current or prior year total estimated payment amount is \$500 or less, then no underpayment interest and penalty is assessed, but a single payment by the fourth due date must be made.

All estimated payments will be distributed to nonresident shareholders, partners, and members, or applied to entity composite tax, as directed on Form BI-471, Business Income Tax Return, that is filed annually.

Review [32 V.S.A. §§ 5914 & 5920](#), and [Technical Bulletin TB-06](#), Estimated Payments by S Corporations, Partnerships, and Limited Liability Companies on Behalf of Shareholders, Partners, and Members, for details. Information is available at tax.vermont.gov

INSTRUCTIONS

- Print in blue or black ink.
- Enter the beginning and ending date of the entity’s tax year in the required format —YYYYMMDD.
- Enter the Federal Employer Identification Number (FEIN).
- This form should not be used for C-Corporations. If Vermont Form CO-411, Corporate Income Tax Return, will be filed, use Form CO-414, Corporate Estimated Tax Payment Voucher, to make your estimated payments.
- Enter the business name and address.
- Enter the total amount of payment included with this coupon. Enter a whole dollar amount.
- Do not file Form WH-435 if no payment is due.

Form WH-435 Instructions

Page 1 of 1
Rev. 10/25