

# HERRICK, LTD.

Certified Public Accountants

Client Name: \_\_\_\_\_

## WHAT'S NEW IN VERMONT - 2008

PLEASE COMPLETE THE ITEMS IN ITALICS AND RETURN THIS SHEET TO US

### PROPERTY TAX UPDATE

All Vermont resident homeowners must file Part A of Form HS-122. Although the form is included in the tax booklet, it **IS NOT** part of your tax return. Part A of Form HS-122 is the Vermont Homestead Declaration, which must be completed and submitted to Vermont as soon as possible, either by using the paper form or completing it on-line. Part A is due April 15, 2009. The last date to file a late declaration is September 1, 2009. Homeowners filing Part A of the form after September 1, 2009 will have their property taxes assessed at the non-resident rate and will be ineligible to make a property tax adjustment claim. Late filing penalties will apply to all forms filed after April 15, 2009. Please send us a photocopy of Part A of your HS-122 form once you have submitted it to Vermont. *If you would like Herrick, Ltd. to prepare Part A of Form HS-122 please initial here:* \_\_\_\_\_.

If your 2008 adjusted gross income is under \$97,000, Part B of Form HS-122 will also need to be completed, and Household Income Form HI-144 will need to be attached. Herrick, Ltd. will prepare Part B of Form HS-122 and Form HI-144 if it looks as though you may qualify for a property tax adjustment. The calculation for the property tax adjustment will use the 2008 household income, 2008 house site value, and 2008 property taxes on the house site. The 2009 property tax adjustment, if any, **goes directly to your town** as a credit towards your 2009/2010 property tax bill. The Vermont Department of Taxes will send notifications to homeowners of the amount credited to their property tax bill. The maximum adjustment amount is \$8,000.

If Herrick, Ltd. is preparing Part B of Form HS-122 and Form HI-144, we will need the amount and type of other income received, which may not normally be taxable (e.g., child support, veteran's benefits, etc.). Furthermore, we also need complete details of the amounts and types of all income for **ALL OTHER MEMBERS OF YOUR HOUSEHOLD** not included on this tax return (includes children, roommates, non-family persons). If you have adult children who use your address for filing their Vermont tax returns, this will cause problems unless all of their income is reported on the rebate claim.

PLEASE ALSO READ OTHER SIDE

**CAPITAL GAINS**

New in 2008 the capital gains exclusion allowed is the smaller of 40% of the gain or 40% of the Federal taxable income.

**SALES TAX (USE TAX)**

Unless you advise us to the contrary, we will calculate the standard Vermont Sales Tax Assessment (0.04% of Vermont adjusted gross income) in lieu of actual sales/use tax occurring on out-of-state/mail order purchases.

*If you have kept records and know the actual amount of qualifying out-of-state and mail order purchases, please indicate that amount here:\_\_\_\_\_.* (Do not include purchases of new clothing.)

**CIVIL UNIONS**

If you qualify to file under Vermont's Civil Union rules, please notify us, as we will need to request additional information. This will not affect the manner in which your federal tax return is filed.

**VERMONT SPECIAL CONTRIBUTIONS**

*Do you wish to contribute, on your Vermont tax return, to any of the following special Vermont Funds? If yes, please indicate the amount. Your contribution will be tax deductible if you itemize your deductions in 2009.*

	YES/NO	AMOUNT
Vermont Non-game Wildlife Fund	_____	_____
Vermont Children's Trust Fund	_____	_____
Vermont Campaign Fund	_____	_____

**VERMONT 529 COLLEGE SAVINGS PLAN**

If you contributed during 2008 to a 529 plan administered by VSAC (Vermont Student Assistance Corporation), please provide copies of the paperwork as you may be eligible for a Vermont tax credit.

**USING AN INCOME TAX REFUND TO PAY PROPERTY TAXES**

If you are a Vermont resident homeowner and filed a Declaration of Homestead, please indicate if you want all or part of your Vermont income tax refund to pay 2009 property taxes. The State will add an amount equal to one percent of the refund amount towards your property taxes. If you do not indicate any allocation of your refund to your property taxes, the default is that the full refund will be sent to you.