

2021 Schedule IN-117



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

INCLUDE WITH FORM IN-111

Please PRINT in BLUE or BLACK INK

For Residents and Some Part-Year Residents ONLY.

You must complete a separate Schedule IN-117 for each state or Canadian province and include a copy of the other state return(s). Please see instructions.

Table with 4 columns: Taxpayer's Last Name, First Name, MI, Taxpayer's Social Security Number

- 1. Name of state or Canadian province. Use standard two-letter abbreviation. 1. _____
2. Enter Adjusted Gross Income taxed in another state or Canadian province that is also subject to Vermont income tax. This entry cannot be more than the entry on Form IN-111, Line 1. (If less than zero, enter -0-). 2. _____ .00
3. 2021 Bonus Depreciation addback taxed in another state or Canadian province AND taxed in Vermont. 3. _____ .00
4. Non-Vermont state/local obligations taxed in another state or Canadian province AND taxed in Vermont 4. _____ .00
5. ADD Lines 2 through 4. 5. _____ .00
6. Bonus Depreciation subtracted from income in another state or Canadian province in tax year 2021 6. _____ .00
7. U.S. Government interest income subtracted from income in another state or Canadian province in tax year 2021 7. _____ .00
8. ADD Lines 6 and 7 8. _____ .00
9. Modified Adjusted Gross Income for income taxed in another state or Canadian province AND taxed in Vermont (SUBTRACT Line 8 from Line 5) 9. _____ .00
10. Adjusted Gross Income from Form IN-111, Line 1. (If less than zero, enter -0-). 10. _____ .00
11. Non-Vermont state/local obligations from Schedule IN-112, Part I, Line 3 11. _____ .00
12. Bonus Depreciation from Schedule IN-112, Part I, Line 4. 12. _____ .00
13. ADD Lines 10 through 12. 13. _____ .00
14. U.S. Government interest income from Schedule IN-112, Part I, Line 7 14. _____ .00
15. Bonus Depreciation from Schedule IN-112, Part I, Line 9. 15. _____ .00
16. ADD Lines 14 and 15 16. _____ .00
17. SUBTRACT Line 16 from Line 13 17. _____ .00
18. Vermont income tax from Form IN-111, Line 14 18. _____ .00
19. Computed tax credit (DIVIDE Line 9 by Line 17. MULTIPLY the result by Line 18.) Result cannot be more than 100% of Vermont tax. Line 9 _____ x Line 17 _____ x Line 18 _____ 19. _____ .00
20. Income tax paid to another state or Canadian province based on modified Adjusted Gross Income from Line 9 above 20. _____ .00
21. VERMONT CREDIT for income tax paid to another state or Canadian province. Enter the lesser of Line 19 or Line 20. Also enter on Form IN-111, Line 17 21. _____ .00

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 2021 Vermont income tax for income tax paid in the 2021 tax year to another state or Canadian province on income that is taxed by **both** Vermont and the other taxing jurisdiction.

Supporting Documents Required: Copy of 2021 income tax return filed in the other state(s). For Canadian province(s), copy of 2021 provincial income tax return filed, copy of federal Form 1116, Foreign Tax Credit (Individual, Estate, or Trust), and copy of Revenue Canada income tax return. Convert amounts on Canadian returns to U.S. dollars.

Please see tax.vermont.gov for additional information on limitations if you have capital gain, business income, or made adjustments to arrive at your federal Adjusted Gross Income.

More Than One State Or Canadian Province?

- Complete a 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.

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- Lines 11 - 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.
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- Line 17** Subtract Line 16 from Line 13. If Line 16 is greater than Line 13, enter -0-.
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- Line 18** Enter the Vermont income tax calculated on Form IN-111, Line 14.
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- Line 19** 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.
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- Line 20** 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.
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- Line 21** Enter the *lesser* 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. Otherwise, see instructions for “More Than One State or Canadian Province.”