

# The Vermont Property Tax Credit

The Vermont Property Tax Credit assists many Vermont homeowners with paying their property taxes. You may be eligible for a property tax credit on your 2022 and 2023 property taxes if your property qualifies as a homestead and you meet the eligibility requirements described in this fact sheet. The maximum credit for the 2022 and 2023 property tax bill is \$5,600 for the education property tax portion and \$2,400 for the municipal property tax portion. This fact sheet provides guidance on who can file, how to file, and frequently asked questions.

## WHO IS ELIGIBLE TO FILE A CLAIM?

In order to file a Vermont Property Tax Credit Claim, you must meet **ALL** of the following eligibility requirements:

- Your property qualifies as a homestead, and you have filed a Homestead Declaration for the 2022 grand list.
- You were domiciled\* in Vermont for the entire 2021 calendar year.
- You were not claimed as a dependent of another taxpayer for 2021.
- You occupy the property as your homestead as of April 1, 2022.
- You meet the “household income” criteria (up to \$136,900 for calendar year 2021).

*\* Domicile is a legal concept that has implications for Vermont income tax, the statewide education tax, and property tax credit. For the definition of “domicile,” see Vermont Regulation § 1.5811(11)(A)(i) found at [tax.vermont.gov/regulations](https://tax.vermont.gov/regulations).*

## WHAT IS A HOMESTEAD?

A Homestead Declaration (Form HS-122) must be filed each year so that you are correctly assessed the homestead tax rate on your property. A “homestead” is the principal dwelling and parcel of land surrounding the dwelling. It is your responsibility as the property owner to claim the property as a homestead if you meet, or expect to meet, the following requirements:

**The Property Tax Credit Claim for 2022 is due on April 18 and no later than Oct. 17. There is a \$15 late fee after April 18.**

- You are a Vermont resident.
- You own and occupy a homestead as your domicile as of April 1, 2022.

**Note:** If you meet these requirements, except that your homestead is leased to a tenant on April 1, 2022, you may still claim it as a homestead if it is not leased for more than 182 days in the 2022 calendar year.

## WHAT FORMS ARE NEEDED TO FILE

You need the following two forms to file a claim:

### 1. Form HS-122:

- Section A: Homestead Declaration
- Section B: Property Tax Credit Claim

### 2. Schedule HI-144: Household Income

The form and schedule require different types of information as described below and on the next page.

## HOW DO I FILE EACH FORM?

Homestead Declaration, Form HS-122, Section A  
When filing this form, you need to have available the following:

- The property’s School Property Account Number (SPAN) printed on your property tax bill; and

- Your Social Security Number

#### **Important reminders:**

- If you are filing an income tax extension, be sure that the Homestead Declaration is filed by the April 18, 2022, due date.
- Sign the Homestead Declaration at the end of section B on the reverse side of the form.

For declarations received after the April due date, you may receive a penalty of up to 8% of the education tax owed. This penalty is assessed by your municipality.

- Only one Property Tax Credit Claim is allowed per household per year.

### **Property Tax Credit Claim, Form HS-122 Section B**

When filing a claim, you need to enter the following information from your property tax bill:

- Housesite Value
- Housesite Education Property Tax
- Housesite Municipal Tax

#### **Important reminders:**

- You must answer the eligibility questions and enter household income information from Form HI-144 before the claim can be processed.
- For claims received after the April due date, a \$15 late filing fee is deducted from the property tax credit.
- No claims will be accepted after the October due date. Incomplete adjustment claims are considered not filed.

Other information and forms may be needed, if applicable to your situation, such as:

- Form LRC-147, Statement of Rent for Mobile Home Park Lot Rent, Co-ops, and Trusts (provided by lot owner)
- Property Tax from Contiguous Property
- Ownership Interest (percentage of ownership). For example, if there is an owner who doesn't reside in the home on April 1, enter the percentage of ownership of the owner(s) who does reside there.

### **Household Income, Schedule HI-144**

Household income is different from the income reported on income tax forms. It includes all sources of income of any persons living in your household, including children, for any period of time during 2021. It includes both taxable and nontaxable income, such as the following:

- Social Security
- Veterans' benefits
- Some nontaxable pensions
- Support money

Here's a short checklist of what you need:

- Names and Social Security Numbers of all persons who lived with you and had income
- All sources and amounts of income of those persons while living with you
- Any allowable adjustments from the federal income tax return

### **EXCEPTIONS APPLYING TO A SPOUSE OR CIVIL UNION PARTNER**

The income of a spouse or civil union partner must be included in household income, even if the person does not live with you in the same home. Here are a few exceptions:

If your spouse or civil union partner is at least 62 years old and permanently living in a nursing home or other care facility with no reasonable prospect of returning home, you may exclude that person's income from household income.

#### **Legal separation or divorce**

If at any time during the tax year, you have become legally separated or divorced from your spouse or civil union partner by a signed judge's decree and the person does not live with you in the same home, you may exclude that person's income from household income. If, however, the spouse or civil union partner still lives with you in the same home, you must include that person's income in household income.

#### **Protective Order**

If you have a protective order against your spouse or civil union partner by a signed judge's decree in place prior to filing a Property Tax Credit Claim,

you may exclude that person's income from household income. You may wish to consult a tax professional regarding limitations to these claims in the case of separation or divorce.

## FREQUENTLY ASKED QUESTIONS

### **What if I lease my home on April 1, 2022, and it ends up being leased for more than 182 days in 2022?**

You must withdraw your Homestead Declaration and your Property Tax Credit Claim, using paper form HS-122W, Vermont Homestead and/or Property Tax Credit Withdrawal.

### **What happens when a homeowner dies before April 1, 2022?**

If the claim was filed by a single owner, the claim must be withdrawn using paper Form HS-122W. If the property has not sold or is not being rented, the law does allow the estate to claim Homestead only for one year after the death of the homeowner; however the estate may not file for the property tax credit.

### **What can I do if I make a mistake when filing HS-122?**

You may amend the following lines on the HS-122:

- Housesite Value
- Housesite Education Tax
- Housesite Municipal Tax
- Ownership percentage

For all other errors, please contact the Vermont Department of Taxes for instructions.

### **What happens if I jointly own my home with my spouse, make a claim, and my spouse owes money to a Vermont state agency?**

If your property tax credit was used to pay money owed to a Vermont state agency, the Department will notify you. You have 30 days from the date of the notice to submit an "injured spouse" claim. You may receive the portion of the credit equal to the percentage of your ownership of the homestead. For more details, see [tax.vermont.gov/individuals/injured-spouse](https://tax.vermont.gov/individuals/injured-spouse).

## CONTACT

Contact us at [tax.individualincome@vermont.gov](mailto:tax.individualincome@vermont.gov) or (802) 828-2865 or (866) 828-2865 (toll-free in Vermont).

## RESOURCES

**Homestead Property Tax Credit And Renter Credit**  
[legislature.vermont.gov/statutes/chapter/32/154](https://legislature.vermont.gov/statutes/chapter/32/154)

**File Online**  
[myVTax.vermont.gov](https://myVTax.vermont.gov)

**Property Tax Credit**  
[tax.vermont.gov/property/tax-credit](https://tax.vermont.gov/property/tax-credit)