

# FORM PTT-172 Instructions

## Property Transfer Tax Return

### General Information

#### When is a Property Transfer Tax Return required?

The Property Transfer Tax is a tax on the transfer by deed (as defined below) of title to real property in Vermont. Form PTT-172 must be filed with the town clerk whenever a deed transferring title of real property is delivered for recording. The town clerk cannot record a deed unless it is accompanied by a completed Property Transfer Tax Return.

#### Who are the Transferor and Transferee?

The term “Transferor” is the seller of the property in the transaction.

The term “Transferee” is the buyer of the property in the transaction.

#### What if the transfer is to report the transfer or acquisition of a direct or indirect controlling interest in any person with title to property?

Pay attention to the instructions for each section. You are not required to fill out much of Form PTT-172, but you will be required to attach Schedule PTT-182, Property Transfer Controlling Interest. You must file this return and accompanying schedule calculating property transfer tax due based on the value of the real property transferred. Do **not** deliver this return or accompanying schedule to the town clerk(s) for recording. You must deliver the return and schedule directly to the Vermont Department of Taxes after the transfer has occurred.

#### Who is liable for the tax?

The Transferee is liable for the transfer tax. **Do not send your payment for any Property Transfer Tax due to the town. This tax is due at the time of transfer and must be paid to the Vermont Department of Taxes directly.** If you send your payment to the town, commonly the Transferee will be billed for late payment.

#### What documents are deeds for Property Transfer Tax purposes?

The following documents are considered deeds and must be accompanied by a completed Property Transfer Tax Return when they are recorded at the Town:

- warranty deed;
- quitclaim deed;
- any agreement, instrument or memorandum evidencing an agreement;
- or instrument in which the grantee holds equitable title and is entitled to possession at any time during the term of the agreement and in which the grantor reserves legal title to the property for a period of time (or until the grantee satisfies conditions specified in the agreement or instrument, including, but not limited to, a bond for a deed, title bond, contract for sale, contract to convey, executory contract for sale, installment sale and lease for a deed); or
- a lease if it is for a period of at least 50 years (including possible renewals); or if the lessee has a purchase option and the right to construct a building or structure, or to make major capital improvements, such as water systems, sewer systems, roads or parking facilities.

No return is to be filed when the following documents are delivered to a town clerk:

- mortgage deed;
- assignment of mortgage;
- subordination of mortgage;
- release or discharge of mortgage;
- attachment;
- lien;
- license to sell;
- agreement to sell;
- option to buy;
- deed of a cemetery plot;
- utility line easement purchased by a public utility or municipality for \$500 or less, disclaimers pursuant to 14 V.S.A. Chapter 83; or
- transfers of property to the United States of America, the State of Vermont, or any of their instrumentalities, agencies, or subdivisions; if the transfer is of an interest in property for highway purposes and the consideration for the transfer is \$10,000 or less. An entity acquiring such properties shall notify the town's listers of the grantors, grantees, consideration, date of execution, and location of the easement property when that entity files to record a deed transferring a utility line easement that does not require a transfer tax return under this subsection.

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## Exemptions

If the transfer qualifies for an exemption, you are still required to file this return. You must enter the correct exemption number on Section E, Line E1, of this return. Failure to enter a valid exemption number commonly results in the Transferee receiving a bill.

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## Income Tax Withholding and Certification

A withholding obligation amount is required from the Transferee when this person acquires Vermont real property from Transferor that are nonresidents to Vermont. Unless a valid exemption is claimed, the Transferee(s) must withhold 2.5% of the consideration exchanged for the real property.

Nonresident individuals and entities are defined in the instructions for Form REW-171, Vermont Withholding Tax Return for Transfer of Real Property, in the "Who Must File" section. Please refer to those instructions for more information.

Exemptions from Real Estate Withholding may apply. These exemptions are defined in the instructions for Form REW-171, in the "Exemptions" section. If this transfer qualifies for an exemption, you must cite the appropriate exemption in the "Withholding Certification Section" on Section I, Line I2 of this return.

A Form IN-111, Vermont Income Tax Return, must be filed within the time prescribed for filing the federal income tax return. Any tax liability in excess of withholding must be paid by the Transferor with the return. Any excess withholding will be refunded to the Transferor by the Vermont Department of Taxes.

### If you are filing on *myVTax*

- You will be prompted in the “introduction” step to indicate if you are the “Transferee,” the “Transferor,” or a “third party,” use the pull down menu to select the correct designation.
- You will be prompted to write down the verification code associated with your return.
- After you have completed all required information on each step, you must click the “Next” button in the bottom left corner of the screen to move ahead.

## Line-by-Line Instructions

**Section A** Enter the full name, mailing address, Social Security or Federal Identification Number, daytime telephone number, and email address of the primary Transferor who agrees to be responsible for receiving all correspondence from the Department (including, but not limited to, bills and refunds). The primary Transferor is responsible for sharing this information with all other affected parties. If you have additional Transferors, complete Form PTT-175, Additional Transferors and Transferees.

For nonresident aliens, if you do not have an Individual Taxpayer Identification Number (ITIN) at the time of transfer, you **must** apply for an ITIN immediately if you have not already done so and provide us with your ITIN as soon as it is issued. It is your responsibility to provide this number to the Department. To file without an ITIN, you must contact the real estate transaction tax section to request a pseudo ID for use when filing.

**Section B** Enter the full name, mailing address, Social Security or Federal Identification Number, daytime telephone number, and e-mail address of the primary Transferee who agrees to be responsible for receiving all correspondence from the Department (including, but not limited to, bills and refunds). The primary Transferee is responsible for sharing this information with all other affected parties. If you have additional Transferees, complete Form PTT-175.

For nonresident aliens, if you do not have an ITIN at the time of transfer, you **must** apply for an ITIN immediately if you have not already done so and provide us with your ITIN as soon as it is issued. It is your responsibility to provide this number to the Department. To file without an ITIN, you must contact the Department’s Real Estate Transaction Tax Section to request a pseudo ID for use when filing.

**Section C** If this is a transfer or acquisition of a direct or indirect controlling interest, you are not required to complete this section of the return. Instead, you will use Schedule PTT-182 to identify all property involved in this transfer.

Enter the 911 address or a description of the property and its physical location.

List the city or town the property physically lies in and the SPAN for the property.

If the property lies in more than one city or town, check the box provided in this section to indicate this. You must prepare a separate return for each town with the acreage, and property information about the portion of the property in that town. Full consideration should be entered on all returns. However, tax due should be calculated and paid on only the return for the “parent” parcel (largest or parcel with homestead). All other returns filed should include exemption “20” in Section E, Line E1. To avoid possible billing issues and help with any questions, please include a note on the return or an attachment that makes reference to the other return(s). If this transfer did not involve

land, check the box provided in this section to indicate this. (Examples of transfers not involving land are mobile homes in a mobile home park, or camps on leased land.)

If this property has not yet been assigned a SPAN because it is a subdivision, enter the SPAN previously assigned to the entire property and select option “08 Other” on the interest in property, Line F2. Then, on Line F2b, enter the description “subdivision,” then enter the SPAN that was assigned to the entire parcel that was subdivided. You are responsible for contacting the Department once the new SPAN has been assigned by the town so we can update our database. Failure to provide the new SPAN may delay the process if you file Form HS-122, Homestead Declaration, or Form PTT-172 to sell this property later. If the property is a timeshare, enter “00000” as the last five numbers of the SPAN.

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**Section D** Enter the date the Transferor acquired the property.

Enter the date of this closing, then calculate the holding period between those dates, and enter it in years and months.

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**Section E Exemptions**

**Line E1** If the transfer is not exempt from taxation, or this is a transfer or acquisition of a direct or indirect controlling interest, you must enter “00 None” on this line. If the transfer is exempt from taxation, you must enter the number of the exemption from the list that follows.

The exemptions described in the list below are under 32 V.S.A. § 9603:

- 00** None
- 01** Transfers recorded prior to Jan. 1, 1968
- 02** Transfers of property to the United States of America, the State of Vermont, or any of their instrumentalities, agencies or subdivisions
- 03** Transfers directly to the obligee to secure a debt or other obligation
- 04** Transfers which, without additional consideration, confirm or correct a transfer previously recorded
- 05** Transfers between husband and wife, parent and child or child’s spouse, grandparent and grandchild or grandchild’s spouse without actual consideration; and also transfers in trust or by decree of court to the extent of the benefit to the donor or one or more of the related persons above named; and transfers from such a trust conveying or releasing the property free of trust as between such persons and without actual consideration
- 06** Transfers to effectuate a mere change of identity or form of ownership or organization where there is no change in beneficial ownership
- 07** Transfers directly to the obligor of release of property which is security for a debt or other obligation when such debt or other obligation has been fully satisfied
- 08** Transfers of partition
- 09** Transfers made pursuant to mergers or consolidations of corporations pursuant to which transfer no gain or loss is recognized under the Internal Revenue Code, and bona fide transfers to shareholders of corporations in connection with the complete dissolution
- 10** Transfers made by a subsidiary corporation to its parent corporation for no consideration other than cancellation or surrender of the subsidiary’s stock
- 11** Transfers made to a corporation at the time of its formation pursuant to which no gain or loss is recognized under § 351 of the Internal Revenue Code. This exemption can only be claimed if the corporation has no capital (fee interests for transfers after June 30, 2012)

- 12 Transfers to or by the Vermont Industrial Development Authority or a non-profit local development corporation (See 10 V.S.A. § 212(10))
- 13 Transfers to IRC § 501(c)(3) organization which prior to the transfer have been determined to meet the “public support” test of § 509(a)(1) of the Internal Revenue Code, shall not be exempt from tax, but the tax shall be deferred, provided one of the stated purposes of the organization is to acquire property or rights and less than fee interest in property in order to preserve farmland or open-space land and provided that the property transferred, or rights and interests in the property, will be held by the organization for this purpose. Any transferee organization for which tax is deferred under this subdivision shall pay the deferred tax upon later transfer by that organization of all or a part of the property or the development rights for that property, up to a maximum of the consideration received for such later transfers
- 14 Transfers to an IRC § 501(c)(3) organization that meets the public support test of § 509(a)(2) of the Internal Revenue Code to preserve farmland or open space land or transfer to a § 501(c)(2) holding company for such organization
- 15 Transfers to a partnership or limited liability company at the time of formation, if no gain or loss is recognized under the Internal Revenue Code. This exemption can only be claimed if the entity has no capital (fee interests for transfers after June 30, 2012)
- 16 Transfers by a partnership to a partner or a limited liability company to a member in connection with a bona fide dissolution provided no gain or loss is recognized under the Internal Revenue Code.
- 17 Transfers of a utility line easement to a public utility or municipality for \$500 or less
- 18 Transfers between an obligor and primary obligee in foreclosure or a conveyance in lieu of foreclosure
- 19 Court-ordered transfer to spouse in divorce
- 20 Transfers to a limited equity cooperative to provide low or moderate income housing; transfer to a § 501(c)(3) organization or its wholly-owned subsidiary to preserve housing for low income families
- 21 Transfers of leasehold or fee interests made to low income individuals by organizations qualifying under § 501(c)(3) and having as its primary purpose the provision of housing to low income individuals, or from a wholly-owned subsidiary of such an organization, when such a transfer is made concurrently with the transfer of an improvement located on the leasehold or fee property, or is a renewal of such a lease where the purpose of the lease is to provide affordable housing, or to ensure the continued affordability of such housing, or both
- 22 Recording of deed when the recording of an agreement, instrument, memorandum or other writing evidencing the same transfer of title to the property was previously taxed
- 23 Transfers made to § 501(c)(3) organizations or to a wholly-owned subsidiary corporation of such an organization provided one of the stated purposes of the Transferee is: **(a)** To acquire property in order to preserve housing for low-income families; or **(b)** To operate a statewide public television station; or **(c)** To act as a food clearinghouse to reduce the incidence of hunger in Vermont and if the property transferred will be held by the Transferee for this purpose

- 24** Leases of land for less than 50 years, including extensions (however, all leases regardless of term are subject to tax if they contain a right to purchase and allow the lessee to construct a building or make major capital improvements)
- 99** Please use this exemption number for the Transferee's principal residence funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or for which the Vermont Housing Finance Agency (VHFA) or the U.S. Department of Agriculture and Rural Development has committed to make or purchase. No tax is due on the first \$110,000 in value. Values more than \$110,000 but less than \$200,000 are taxable at 0.0125. Any excess above \$200,000 is taxable at 0.0145.

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**Line E2** If this transfer is between family members, even if you aren't claiming an exemption from taxation on the previous line, enter the number from the list below that describes the legal relationship between Transferee and Transferor. Adopted and step-children or grandchildren are considered to be a child or grandchild for the purposes of this tax, and exemption from it. **NOTE:** The State of Vermont does not recognize common law marriage.

- 01** Married / Civil Union
- 02** Parent / Child
- 03** Grandparent / Grandchild
- 04** Self / Exempt Trust (see 32 V.S.A. § 6603(5) for definition)
- 05** Other (If you select this option, you must complete Line E2a)

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**Line E2a** If you selected "**05 Other**" on Line E2, you must enter a description of the relationship between the Transferor and Transferee on this line.

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**Line E3** In general, anyone who sells Vermont land that was held by the Transferor for fewer than six years is required to file Form LGT-178, Vermont Land Gains Tax Return, within 30 days after the sale, even if no tax is due. The definition of land may include the sale of timber and/or timber rights. If you did sell timber or timber rights on this property, consult the timber/timber rights portion in the general information section of the instructions for Form LGT-178 to determine if the sale is subject to Land Gains Tax.

If the transfer is not exempt from Land Gains Tax, enter "00 None" on this line. If the transfer is exempt from Land Gains Tax, you must enter the number of the exemption from the list that follows. If the transfer is exempt from Land Gains Tax, the parties are not required to file a Land Gains Tax Return or Land Gains Withholding Tax Return.

If this is a transfer or acquisition of a direct or indirect controlling interest, or if the sale did not involve land, select "00 None." These transfers are automatically exempt, and the Department does not require that you file a Land Gains Tax Return or Land Gains Withholding Return.

If the transfer involves land, and it is not exempt from Land Gains Tax, select "00 None." The Department requires that you file the Land Gains Tax Return, and the Land Gains Withholding Return.

- 00** None or no land
- 01** Sale or transfer falls outside the definition of "land"
- 02** Sale of land held by the Transferor for six years or longer
- 03** Transfer without consideration, such as a gift, devise, partition, or straw transfer by corrective deed

- 04** Sale of up to ten acres of land beneath or contiguous to a dwelling that was the principal residence of the Transferor. If local zoning requires more than ten acres for residential property, then the minimum amount specified in the ordinance will be exempted, up to a maximum of 25 acres.  
A principal residence includes a multi-family dwelling of four units or less if at least one unit was used as the Transferor’s principal residence. A dwelling may qualify as a principal residence even though the resident maintains an office or retail store in the dwelling
- 05** Court-decreed transfer of land between the parties through a divorce
- 06** Transfer to a mortgagee in foreclosure or voluntary conveyance in lieu of foreclosure, provided there is no gain from the transfer
- 07** Sale of land to the State of Vermont from an organization qualifying under IRC § 501(c)(3); sale of land to a § 501(c)(3) organization that meets the public support test and will use the property to preserve agricultural, forestry or open-space land for at least six years; or sale of conservation or preservation rights and interests to a qualified holder (i.e., the State of Vermont, a municipality, or a § 501(c)(3) organization that will use the land to preserve historic, agricultural, forestry or open space resources or a holding company for such organization)
- 08** Sale of land owned by the United States, the State of Vermont, an organization qualifying under § 501(c)(3) provided that the sale is exempt from federal income taxation, or a local development corporation. See 10 V.S.A. § 212(10).
- 09** Leases of land for less than 50 years, including extensions (however, all leases regardless of term are subject to reporting if they are taxable under 32 V.S.A. § 10004, or if the lease contains an option to purchase and allows the lessee to construct a building or make major capital improvements)
- 10** Sale of mineral rights for a limited period of time; or sale of gravel, soil or similar items
- 11** Sale of a perpetual easement for \$1.00 or less
- 12** Sale of land that is a mobile home park which is transferred in a single purchase to a group composed of the mobile home park leaseholders or to a nonprofit organization that represents such a group
- 13** Transfers of land in a “Vermont neighborhood” or neighborhood development area, a downtown development district, a village center, a growth center, or a new town center development district designated under 24 V.S.A. Chapter 76A.

**Section F      Transfer Information**

**Line F1**      Enter the corresponding number to the choice below that describes how the Transferor acquired the property. If the property was acquired under other circumstances “04”, you must enter an explanation on Line F1a:

- 01** The Transferor purchased the property
- 02** The Transferor inherited the property
- 03** The Transferor was gifted the property
- 04** If other circumstances apply, select this option and enter an explanation on Line F1a.

**Line F1a**      **If you selected “04 Other” on Line F1, describe how the Transferor acquired the property.**

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**Line F2** Enter the corresponding number to the choice below that describes the interest that will be conveyed as a result of this transfer. If this is a transfer of controlling interest including property where a business or entity takes a majority ownership stake in a property without a title change, choose “08 Other” and on Line F2b enter “transfer of controlling interest.” You must also attach a cover letter which briefly explains the transfer details, and any documents pertaining to the transfer of controlling interest.

- 01 Fee Simple
- 02 Life Estate
- 03 Easement or ROW
- 04 Lease
- 05 Timeshare
- 06 Undivided ½ interest
- 07 Specified \_\_\_\_% Interest (must specify % on Line F2a)
- 08 Other (must define other interest on Line F2b)

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**Line F2a** If you selected “07 Specified % interest” on Line F2, enter the specific percent of interest that will be conveyed as a result of this transfer.

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**Line F2b** If you selected “08 Other” on Line F2, enter the description of the interest that will be conveyed as a result of this transfer.

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**Line F3** Enter the corresponding number to at least one choice below that describes the type of building(s) on the property at the time of transfer that will be conveyed as a result of this transfer. If this is a transfer of land only, select “01 None.” You may enter up to three choices.

- 01 None
- 02 Single Family Dwelling
- 03 Seasonal Dwelling
- 04 Mobile Home
- 05 Condominium (must enter # of units transferred on Line F3a)
- 06 Multi Family (must enter # of dwelling units transferred on Line F3b)
- 07 Farm Buildings
- 08 Residential New Construction
- 09 Office Buildings
- 10 Store
- 11 Restaurant
- 12 Gas Station/Garage
- 13 Auto Sales
- 14 Factory
- 15 Hotel/Motel
- 16 School/Dorm
- 17 Parking Area
- 18 Cell Tower
- 19 Church/Religious
- 20 Other (must enter a description on Line F3c)



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**Line F3a** If you selected “05 Condominium” on Line F3, enter the number of condominium units that will be conveyed as a result of this transfer.

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**Line F3b** If you selected “06 Multi Family” on Line F3, enter the total number of dwelling units in the multi family dwelling(s) that will be conveyed as a result of this transfer.

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**Line F3c** If you selected “20 Other” on Line F3, enter a description of the other type of building construction that will be conveyed as a result of this transfer.

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**Line F4** If the Transferee was a tenant on this property prior to this transfer, check “Yes” on this line. If the Transferee was not a tenant on this property prior to this transfer, check “No.”

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**Line F5** Check the box that best describes any financing related to this transfer. If you select “Other,” describe the situation on Line F5c.

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**Line F5c** If you selected “Other” on Line F5, enter a description of the other type of financing (*Example:* cash, gift, trade).

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**Line F6** Check “Yes” or “No” to indicate if you intend to deliver this Property Transfer Tax Return with the evidence of transfer to the town clerk for recording within 60 days of the date of closing entered in Section D of this return. If this is a transfer of controlling interest, only check “No” because you are not required to file this return with the town clerk.

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**Section G Agricultural/Manages Forest Land Use Value Program**

**Line G1** Indicate if the property being transferred is currently enrolled in the Current Use Program (also known as the Use Value Appraisal Program). If you answer “Yes” to this question, you must also answer question G2.

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**Line G2** If you answered “Yes” to G1, be aware that if the land is now or was previously enrolled in the Current Use Program for agricultural, forest or conservation land, it may be subject to a lien to secure payment of a land use change tax 32 V.S.A. § 3757(a). Check “Yes” or “No” to indicate if the Transferee in Section B of this return, as the new owner, will continue enrollment in the Current Use Program. If the answer to this question is “Yes,” the new owner must submit a new Current Use Program application with the application fee within 30 days of the date this transfer is recorded by the Town Clerk. See 32 V.S.A. § 5756(e).

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**Section H Transfer Information**

**Line H1** Enter the number from the list below that describes the Transferor’s use of this property before this transfer:

- 01 Domicile/Principal Residence
  - 02 Secondary Residence
  - 03 Open Land
  - 04 Timberland
  - 05 Operating Farm
  - 06 Government Use
  - 07 Commercial (If selected, you must enter a description on Line H1a)
  - 08 Industrial (If selected, you must enter a description on Line H1a)
  - 09 Other (If selected, you must enter a description on Line H1a)
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**Line H1a** If you selected “07,” “08,” or “09” on Line H1, you must enter a description of what this property was used for.

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**Line H2** Enter the number from the list below that describes the Transferee’s intended use of this property after this transfer. Do **not** select principal residence if the Transferee will not use this property as his or her principal residence. A multi-family dwelling with up to four units is considered a principal residence if it is occupied as the domicile of the Transferee. A multi-family dwelling with five or more units is commercial property. If the Transferee will use this property for rental or investment purposes, select option “02 Secondary Residence.” If this is a purchase of land adjoining Transferee’s existing primary residence, do **not** select option “01 Domicile/Principal Residence.” See 32 V.S.A. § 9601(11).

- 01 Domicile/Principal Residence
- 02 Secondary Residence
- 03 Open Land
- 04 Timberland
- 05 Operating Farm
- 06 Government Use
- 07 Commercial (If selected you must enter a description on Line H2a)
- 08 Industrial (If selected you must enter a description on Line H2a)
- 09 Other (If selected you must enter a description on Line H2a)

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**Line H2a** If you selected “07,” “08,” or “09” on Line H1, you must enter a description of what this property will be used for.

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**Line H3** Check “Yes” or “No” to indicate if this property was rented before this transfer.

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**Line H4** Check “Yes” or “No” to indicate if this property will be rented after this transfer.

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**Line H5** If development rights and land are being sold together as one transfer, check “No.” Check “Yes” if development rights on this property were conveyed to anyone prior to this transfer, or are being separately conveyed from the land as a result of this transfer.

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**Line H6** Check “Yes” or “No” to indicate if the Transferee holds title to any adjoining (contiguous) property.

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**Section I Real Estate Withholding Certification**

If you have questions about this section, please refer to the “General Information for Real Estate Withholding” in the FAQ section at the beginning of these instructions, and the instructions for Form REW-171.

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**Line I1** Check “Yes” or “No” to indicate if the Transferee will withhold 2.5% of the full purchase price and remit it to the Department within 30 days of the closing. If you select “Yes,” skip to Section J. If you check “No,” you must complete Line I2.

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**Line I2** If you checked “No” on Line I1, you must enter the corresponding number to the choice below that describes the reason the Transferee will not withhold:

- 01 Under penalties of perjury, the Transferor(s) certify that at the time of transfer, each Transferor was a resident of Vermont or an estate.
- 02 Transferee(s) certify that this is a transfer without consideration.
- 03 Transferor is a mortgagor conveying the mortgaged property to a mortgagee in a foreclosure or transfer in lieu of foreclosure with no additional consideration.

**04** Transferee certifies that a withholding certificate was obtained from the Commissioner of Taxes in advance of this sale and the number the Commissioner assigned to that certificate will be provided on the following line (Line I2a) of this return. The Transferee understands by claiming this exemption if the certificate number is not provided, they may be billed for lack of withholding.

**05** Pending Certification.

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**Line I2a** If “04” was entered on Line I2, you must provide the number from the Commissioners Certificate issued for this transfer.

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**Section J Tax Calculation**

The **myVTax** version and the paper version of Form PTT-172 have slightly different instructions for Section J due to the auto-calculations in **myVTax**. Please refer to the appropriate subset of instructions.

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**Section J - PAPER Tax Calculation**

If you selected an option other than “00” or “99” on Line E1 of this return, there was no value paid or transferred in exchange for title to this property, and the entire transfer is exempt from Property Transfer Tax, enter -0- on Lines J1 through J15.

**Tax on Special Rate Property** - Special lesser rates described in the paper instructions for Lines J4 and J6 will apply to your tax calculation ONLY if:

- The Transferee is a Grantors Revocable Trust with an individual or an individual who will use the property as their principal residence within one year of the transfer if there is an existing structure at the time of transfer or within two years if the Transferee will build and occupy their principal residence on transfer of land only; or
- Exemption “99” was claimed on Line E1 of this return.

If none of these are true in your situation, skip to Line J8.

If one or more of these are true, begin your tax calculation on Line J1.

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**Line J1 - PAPER**

If one of the Transferees described above claimed exemption “99” on Line E1 of this return, enter the first \$110,000 of the value paid or transferred for this property. Enter up to \$100,000 of the value paid or transferred if that Transferee will use this property as their principal residence as described above, but did not claim exemption “99” on Line E1 of this return.

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**Line J2 - PAPER**

Enter the portion of value eligible for special rate if this transfer meets the following qualifications:

- If this transfer has a date of closing before July 1, 2011, AND it is property that is a working farm that is not enrolled in the Current Use Program, but qualifies as a working farm (A working farm is land that is actively farmed by a person who earns at least one-half of his or her annual gross income from the business of farming.); or
- Property enrolled in the Current Use Program at the time of the transfer (enter the value of the property on this line); or
- The land in the Current Use Program is converted to a use which subjects it to the Land Use Change Tax or an obligation to repay tax benefits within three years after the transfer; or

- If a working farm is taken out of agricultural production within six years after the transfer, the Transferee must pay the difference between the amount of tax paid and the tax calculated at the higher rate.

This property transfer tax obligation is a lien running with the land. A dwelling and two acres surrounding it may not be included in the Current Use Program and should not be included in this line. The land and dwelling may qualify for the lower rate for a purchaser's principal residence.

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**Line J3 - PAPER**

Add the values entered on Lines J1 and J2 and enter the result on this line.

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**Line J4 - PAPER**

Special tax rate depends on if exemption "99" was claimed.

ONLY if exemption "99" was claimed on Line E1 of this return: the tax rate on this line becomes 0.00 and up to the first \$110,000 of the value paid or transferred for this property is not taxed. Enter -0- on this line and continue to Line J5.

If exemption "99" was NOT claimed on Line E1 of this return, multiply the value shown on Line J3 by 0.005 and enter the result on this line and on Line J7 (skip Lines J5 and J6).

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**Line J5 - PAPER**

For use only if you claimed exemption "99" on Line E1 of this return. If you claimed exemption "99" on Line E1, enter the portion of the value paid or transferred for this property which is over \$110,000 but below \$200,000. (You may enter -0- here but only if the value paid is less than \$110,000.)

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**Line J6 - PAPER**

Multiply the value on Line J5 by 0.0125 and enter the result on this line.

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**Line J7 - PAPER**

Add all values entered on Lines J4 through J6 and enter the result on this line.

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**Line J8 - PAPER**

Enter the full value paid or transferred for the transfer of title to this property as defined in 32 V.S.A. § 9601(6). This statute reads as follows: "Value" means, in the case of any transfer of title to property which is not a gift and which is not made for a nominal consideration, the amount of the full actual consideration for such transfer, paid or to be paid, including the amount of any liens or encumbrances on the property existing before the transfer and not removed thereby; in the case of a gift, or a transfer for nominal consideration, "value" means the fair market value of the property transferred. "Value" shall not include the fair market value of private alternative energy sources as defined in section 3845 of this title."

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**Line J9 - PAPER**

Enter the full value paid for any personal property included in the value on Line J8. If you enter a value on this line, you must attach a list of all personal property separated by each personal property item and the cost for each. (If this is outlined in the purchase and sale agreement, we will accept a copy of that document.)

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**Line J10 - PAPER**

Subtract the value on Line J9 from the value on Line J8 and enter the difference on this line.

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**Line J11 - PAPER**

If there is a value on Line J3, enter that value here. If there is no value on Line J3, enter -0-.

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**Line J12 - PAPER**

If there is a value on Line J5, enter that value here. If there is no value on Line J5, enter -0-.

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**Line J13 - PAPER**

Add the values on Lines J11 and J12. Subtract the sum of Lines J11 and J12 from the value on Line J10 and enter the difference here.

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**Line J14 - PAPER**

Multiply the value on Line J13 by 0.0145 and enter the product on this line.

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**Line J15 - PAPER**

Add all values on Lines J7 through J14 and enter the sum on this line. This value is the full amount of Property Transfer tax due for the transfer of this property. Property Transfer Tax is due at the time of closing and payment must be sent to the Department with Form PTT-173, Property Transfer Tax Payment Voucher.

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**Section J Tax Calculation—myVTax Version Only**

If you selected an option other than “00” or “99” on Line E1 of this return; there was no value paid or transferred in exchange for title to this property; and the entire transfer is exempt from Property Transfer Tax, zeroes are entered on Lines J1 through J15.

**Tax on Special Rate Property** - Special lesser rates described in the myVTax instructions for Lines J4 and J6 will apply to your tax calculation ONLY if:

- The Transferee is a Grantors Revocable Trust with an individual or an individual who will use the property as their principal residence within one year of the transfer if there is an existing structure at the time of transfer or within two years if the Transferee will build and occupy their principal residence on transfer of land only; or
  - Exemption “99” was claimed on Line E1 of this return.
- 

**Line J1 - myVTax**

If one of the Transferees described above claimed exemption “99” on Line E1, this return will automatically enter the first \$110,000 of the value paid or transferred for this property. The first \$100,000 of the value paid or transferred will automatically be entered if that Transferee will use this property as their principal residence as described above, but did not claim exemption “99” on Line E1 of this return.

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**Line J2 - myVTax**

This return will enter the portion of the value eligible for special rate if the transfer meets the following qualifications:

- If this transfer has a date of closing before July 1, 2011, AND it is property that is a working farm that is not enrolled in the Current Use Program, but qualifies as a working farm (A working farm is land that is actively farmed by a person who earns at least one-half of his or her annual gross income from the business of farming.); or
- Property enrolled in the Current Use Program at the time of the transfer (enter the value of the property on this line); or

- The land in the Current Use Program is converted to a use which subjects it to the land use change tax or an obligation to repay tax benefits within three years after the transfer; or
- If a working farm is taken out of agricultural production within six years after the transfer, the Transferee must pay the difference between the amount of tax paid and the tax calculated at the higher rate.

This Property Transfer Tax obligation is a lien running with the land. A dwelling and two acres surrounding it may not be included in the Current Use Program and should not be included in this line. The land and dwelling may qualify for the lower rate for a purchaser's principal residence.

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**Line J3 - myVTax**

This return will automatically enter the sum of Line J1 plus Line J2.

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**Line J4 - myVTax**

Special tax rate depends on if exemption "99" was claimed.

ONLY if exemption "99" was claimed on Line E1 of this return, the tax rate on this line will automatically change to 0.00 and the first \$110,000 of the value paid or transferred for this property is not taxed.

If exemption "99" was NOT claimed on Line E1 of this return, but there is a value shown on Line J1 because the use after the transfer is principal residence this line will automatically change to 0.005.

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**Line J5 - myVTax**

This return will automatically enter the total tax due for the portion of the value eligible for special tax rate.

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**Line J6 - myVTax**

Only if you claimed exemption "99" on Line E1, this return will automatically enter any portion of value in excess of \$110,000 but below \$200,000 of the value paid or transferred for this property.

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**Line J7 - myVTax**

Tax rate of 0.0125 will automatically be entered only if exemption "99" was claimed on Line E1.

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**Line J8 - myVTax**

This return will multiply the value on Line J5 by 0.0125 and automatically enter the product on this line.

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**Line J9 - myVTax**

This return will add all values entered on Lines J4 through J6 and automatically enter the sum on this line.

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**Line J10 - myVTax**

Enter the full value paid or transferred for the transfer of title to this property as defined in 32 V.S.A. § 9601(6). This statute reads as follows: "Value" means, in the case of any transfer of title to property which is not a gift and which is not made for a nominal consideration, the amount of the full actual consideration for such transfer, paid or to be paid, including the amount of any liens or encumbrances on the property existing before the transfer and not removed thereby; in the case of a gift, or a transfer for nominal consideration, "value" means the fair market value of the property transferred. "Value" shall not include the fair market value of private alternative energy sources as defined in section 3845 of this title."

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**Line J11 - myVTax**

Enter the full value paid for any personal property included in the value on Line J8. If you enter a value on this line, you must attach a list of all personal property separated by each personal property item and the cost for each. (If this is outlined in the purchase and sale agreement, we will accept a copy of that document.)

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**Line J12 - myVTax**

This return will subtract the value on Line J9 from the value on Line J8 and automatically enter the difference on this line.

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**Line J13 - myVTax**

If there is a value on Line J3, the return will automatically enter that value on this line. If the value on Line J3 is blank or zero, the return will enter "0.00" on this line.

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**Line J14 - myVTax**

If there is a value on Line J5, the return will automatically enter that value on this line. If the value on Line J6 is blank or zero, the return will enter "0.00" on this line.

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**Line J15 - myVTax**

This return adds the values on Lines J13 and J14. It then subtracts the sum of Lines J13 and J14 from the value on Line J12 and automatically enters the difference on this line.

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**Line J16 - myVTax**

The general property transfer tax rate is currently 0.0145 which includes a 0.002 surcharge for the Clean Water Fund. This return will automatically enter the general rate on this line.

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**Line J17 - myVTax**

This return will multiply the value on Line J15 by Line J16 and automatically enter the product on this line.

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**Line J18 - myVTax**

This return will add the values on Lines J13, J14 and J17, then automatically enter the sum on this line. This value is the full amount of Property Transfer tax due for the transfer of this property. Property Transfer Tax is due at the time of closing. You must send the payment to the Department with Form PTT-173.

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**Local and State Permits and Act 250 Notice**

Local and State permit and certificate requirements and Act 250 certificate information are no longer required on the Property Transfer Tax Return.

**To learn about any Local Permits**, contact your town clerk or local zoning administrator.

**For information on State Wastewater System and Potable Water Supply permits**, visit <https://dec.vermont.gov/water>

**For Act 250 Land Use Permit information**, contact the Act 250 coordinator in this properties district. **For information**, visit <https://nrb.vermont.gov/act250-program/district-staff-and-commissions>

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## Contacting the Department

myVTax web notices are the preferred method. [www.myvtax.vermont.gov](http://www.myvtax.vermont.gov)

**Mail:** Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633

**Phone:** (802) 828-6851

**E-mail:** [tax.rett@vermont.gov](mailto:tax.rett@vermont.gov)