

# 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 of title to real property in Vermont. A Property Transfer Tax Return must be filed with a Town Clerk whenever a deed transferring title to real property is delivered to them for recording. A Town Clerk cannot record a deed unless it is accompanied by a completed Property Transfer Tax Return.

#### Who is Liable for the Tax?

The Transferee (buyer) is liable for the transfer tax.

#### 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 is subject to tax 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 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 \$10,000.00 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.

Please remember, **DO NOT SEND PAYMENT FOR PROPERTY TRANSFER TAX DUE TO THE TOWN. THE TAX IS DUE AT THE TIME OF TRANSFER and is PAID TO THE VERMONT DEPARTMENT OF TAXES.**

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### Exemptions

If the transfer qualifies for an exemption, please complete Line E1 with the correct exemption number. Failure to enter an exemption number may result in a bill to the buyer.

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### Income Tax Withholding and Certification

Vermont income tax is due on the gain from the sale of Vermont real estate, whether the seller is a resident, part-year resident or nonresident. For nonresident sellers, the buyer is required to withhold 2.5% of the value paid for the transfer and send it to the Commissioner of Taxes with Form REW-171 within 30 days after the transfer.

A nonresident individual is one who is domiciled outside Vermont at the time of closing. A partnership, limited liability company, or a subchapter S corporation is a nonresident entity to Vermont if the controlling interest is held by nonresidents. A corporation (other than a subchapter S corporation) that was incorporated outside Vermont is a nonresident entity to Vermont unless it has its principal place of business in Vermont and does no business in its state of incorporation.

Exemptions from Real Estate Withholding may apply. Read the instructions for Form REW-171. If this transfer qualifies for an exemption, check the appropriate box on the Withholding Certification section of the Property Transfer Tax Return.

A 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 seller with the return. Any excess withholding will be refunded to the seller by the Vermont Department of Taxes.

In the case of an installment sale, the seller may elect to report the entire gain in the year of sale by paying a tax of 6% of the entire gain. If this election is not made, the withholding will be retained by the Department and applied as a credit against the seller's tax liability in each year that the installments are received.

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## 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 (seller) 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. Use Form PTT-175 for additional sellers.

For non-resident aliens, the ID field is optional **only** 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 as soon as you can.

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**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 (buyer) 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. Use Form PTT-175 for additional buyers.

For non-resident aliens, the ID field is optional **only** 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 as soon as you can.

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**Section C** Enter the number and street or road name of the physical location of the property. 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 in this section as such, and prepare a separate return for each town showing the acreage and property information for 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. If this property has not yet been assigned a SPAN because it is a subdivision, enter “99999” as the last 5 numbers of the SPAN. It is your responsibility to contact the Department and provide us the actual SPAN number once it has been assigned by the Town. If the property is a timeshare, enter “00000” as the last 5 numbers of the SPAN.

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**Section D** Enter the date the seller acquired the property. Then enter the date of this closing, then calculate the time the property was held by the seller and enter the time held in years and months.

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**Section E Exemptions**

**Line E1** If the transfer falls into one of the exemptions described in the list that follows, you must enter the number on this line to be exempt from paying Property Transfer Tax. If this transfer does not fall into one of the exemptions described in the list below, you must enter 00 on this line, and the transfer is subject to Property Transfer Tax.

The exemptions described in the list below are pursuant to 32 V.S.A. § 9603

- 00** None
- 01** Transfers recorded prior to January 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 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
- 07 Transfers of partition
- 08 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
- 09 Transfers made by a subsidiary corporation to its parent corporation for no consideration other than cancellation or surrender of the subsidiary's stock
- 10 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)
- 11 Transfers to or by the Vermont Industrial Development Authority or a non-profit local development corporation (See 10 V.S.A. § 212(10))
- 12 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
- 13 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)
- 14 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
- 15 Transfers of a utility line easement to a public utility or municipality for \$500 or less
- 16 Transfers between an obligor and primary obligee in foreclosure or a conveyance in lieu of foreclosure
- 17 Court-ordered transfer to spouse in divorce
- 18 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
- 19 Transfers of leasehold or fee interests made to low income individuals by organizations qualifying under Section 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
- 20 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
- 21 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

- 22** 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)
- 23** 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
- 99** Please use this exemption number for the buyer’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 \$110,000.00 in value. Value between \$110,000.00 and \$200,000.00 is taxable at 0.0125. Any excess above \$200,000.00 is taxable at 0.0145.

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**Line E2** If this transfer is between family members, enter the number from the list below that describes the relationship. Adopted and step-children or grandchildren are considered a child or grandchild.

- 01** Married / Civil Union
- 02** Parent / Child
- 03** Grandparent / Grandchild
- 04** Self / Donors Exempt Trust
- 05** Other (If you select this option, you must complete Line E2a)

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**Line E2a** If you selected option 05 on Line E2, you must enter a description of the relationship between the Transferors (sellers) and Transferees (buyers) on this line.

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**Line E3** In general, anyone who sells Vermont land that was held by the seller for less than six years is required to file a Vermont Land Gains Tax Return Form LGT-178 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 have a sale of timber or timber rights on a 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 falls into one of the exemptions described in the list that follows, you must enter the number on this line, and the parties are not required to file a Land Gains Tax Return or Land Gains Withholding Tax Return.

If the transfer does not fall into one of the exemptions described in this list, select “00” (None) and file a Land Gains Tax Return (Form LGT-178) and Land Gains Withholding Tax Return (Form LGT-177).

- 00** None
- 01** Sale of land held by the seller for six years or longer
- 02** Transfer without consideration, such as a gift, devise, partition, or straw transfer by corrective deed
- 03** Sale of up to ten acres of land beneath or contiguous to a dwelling that was the principal residence of the seller. 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 seller’s principal residence. A dwelling may qualify as a principal residence even though the resident maintains an office or retail store in the dwelling
- 04** Court-decreed transfer of land between the parties through a divorce
- 05** Transfer to a mortgagee in foreclosure or voluntary conveyance in lieu of foreclosure, provided there is no gain from the transfer
- 06** 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)
- 07** 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))
- 08** 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)
- 09** Sale of mineral rights for a limited period of time; or sale of gravel, soil or similar items
- 10** Sale of a perpetual easement for \$1.00 or less
- 11** 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
- 12** Transfers of undeveloped land in a “Vermont neighborhood” as defined in 24 V.S.A. § 2791(15), which is the first transfer of that parcel following the original designation of the Vermont neighborhood

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**Section F      Transfer Information**

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

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

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**Line F1a**      **If you selected option 04 on Line F1, enter a description of how the Transferor (seller) 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:

- 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 option 07 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 option 08 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 the choice below that describes the type of building(s) on the property at the time of transfer that will be conveyed because of this transfer. If this is a transfer of land only, select option 01.

- 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 option 05 on Line F3, enter the number of units that will be conveyed as a result of this transfer.

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**Line F3b** If you selected option 06 on Line F3, enter the number of dwelling units that will be conveyed as a result of this transfer.

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**Line F3c** If you selected option 20 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 buyer was a tenant on this property prior to this transfer, check "yes" on this line. If the buyer 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.

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

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**Line G1** Indicate if the property being transferred is currently enrolled in the Current Use program. If you answer yes to this question, you must also answer question G2. If you answered no, skip to Section H.

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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 use value appraisal 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 buyer 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 application with payment for the application fee within 30 days of the date this transfer is recorded by the Town Clerk (32 V.S.A. § 5756(e)).

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**Section H Transfer Information**

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**Line H1** Enter the number from the list below that describes the sellers 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 buyer's intended use of this property after this transfer. Do NOT select principal residence if the buyer themselves will not use this property as their 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 buyer. A multi-family dwelling with five or more units is commercial property. If the buyer is using this property as an investment or rental property not used by one of the buyers personally as their domicile even if it's a single-family dwelling used by someone other than the buyer(s) as a residence, do NOT select principal residence as the use after the transfer for the buyer. This type of property would be a Secondary Residence which includes vacation, rental, and property which is purchased as an investment.

**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 buyer 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.

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**Line I1** Check "yes" or "no" to indicate if the buyer 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 I1**, you must enter the corresponding number to the choice below that describes the reason the buyer 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 (buyer) 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 buyer understands by claiming this exemption if the certificate number is not provided, they may be billed for lack of withholding.

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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 the PTT-172 have slightly different instructions for Section J due to the auto-calculations that are done. 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, you may enter -0- on Lines J1 through J15.

**Tax on Special Rate Property**

The special rate may be applied to your tax calculation **ONLY** if:

- The buyer is a Grantors Revocable Trust with an individual or an individual who will use the property as their principal residence within 1 year of the transfer if there is an existing structure at the time of transfer or 2 years to build and occupy 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 the buyer claimed exemption “99” on Line E1 of this return, enter up to \$110,000 of the value paid or transferred for this property. If the buyer will use this property as their principal residence as described above, and did not claim exemption “99” on Line E1 of this return, enter up to \$100,000 of the value paid or transferred for this property

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**Line J2 - PAPER**

Enter the value of the property if it 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 buyer 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 amount over \$110,000 but below \$200,000 of the value paid or transferred for this property. (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 amount 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 an amount 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 amount on Line J9 from the amount on Line J8 and enter the final amount 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 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 J5, enter -0-.

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**Line J13 - PAPER**

Add the amounts on Lines J11 and J12. Subtract the sum of J11 and J12 from the amount on Line J10 and enter the final amount here.

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**Line J14 - PAPER**

Multiply the amount on Line J13 by 0.0145 and enter the result on this line.

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**Line J15 - PAPER**

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

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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, you may enter -0- on Lines J1 through J15.

**Tax on Special Rate Property**

The special rate may be applied to your tax calculation ONLY if:

- The buyer is a Grantors Revocable Trust with an individual or an individual who will use the property as their principal residence within 1 year of the transfer if there is an existing structure at the time of transfer or 2 years to build and occupy 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 - myVTax**

If the buyer claimed exemption “99” on Line E1 this return will automatically enter up to \$110,000 of the value paid or transferred for this property. If the buyer will use this property as their principal residence as described above, and did not claim exemption “99” on Line E1 of this return this return will automatically enter up to \$100,000 of the value paid or transferred for this property

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**Line J2 - myVTax**

This return will enter the value of the property if it 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 buyer 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**

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

---

**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 becomes 0.00 and up to 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 becomes 0.005.

---

**Line J5 - myVTax**

This line will calculate to show the total tax due for the value eligible for special tax rate.

---

**Line J6 - myVTax**

For use only if you claimed exemption 99 on Line E1 of this return. If you claimed exemption 99 on Line E1, this return will automatically enter the amount over \$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 appear here if exemption 99 was claimed on Line E1.

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**Line J8 - myVTax**

This return will multiply the amount on Line J5 by 0.0125 and enter the result on this line.

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**Line J9 - myVTax**

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

---

**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 an amount 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 amount on Line J9 from the amount on Line J8 and enter the final amount on this line.

---

**Line J13 - myVTax**

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

---

**Line J14 - myVTax**

If there is a value on Line J5, the return enter that value here. If there is no value on J6, it will enter -0-.

---

**Line J15 - myVTax**

This return adds the amounts on Lines J13 and J14. It then subtracts the sum of J13 and J14 from the amount on Line J12 and enters the final amount here.

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**Line J16 - myVTax**

Tax rate on general rate property shown here 0.0145 this includes a 0.002 surcharge for the clean water fund.

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**Line J17 - myVTax**

This return will multiply the amount on Line J15 by Line J16 and enter the result on this line.

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**Line J18 - myVTax**

This return will add the values on Lines J13, J14 and J17 then enter the result here. This is the amount of tax due for the transfer of this property. Property Transfer Tax is due at the time of closing and must be sent to the Department with Property Transfer Tax Payment Voucher, 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 is no longer required on the property transfer tax return. Further information about local and state permits may be found at:

**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** <http://drinkingwater.vt.gov/poregionaloffices.htm>

**For Act 250 Land Use Permit information contact the Act 250 coordinator in this properties district for info visit** [http://www.nrb.state.vt.us/lup/commission\\_members.htm](http://www.nrb.state.vt.us/lup/commission_members.htm)

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**Contacting the Department**

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

**Phone:** (802) 828-5860

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

# Quick Reference Guide for Vermont Property Transfer Tax Return - Form PTT-172

This is a quick reference guide. For full details, refer to the instructions and the relevant statutes.

## Line E1

### Property transfer tax exemptions

- 00 None - not exempt
- 01 Recorded prior to January 1, 1968
- 02 Transfers to USA, Vermont, or any of their instrumentalities
- 03 Directly to obligee to secure a debt
- 04 To confirm or correct a previously recorded transfer
- 05 Immediate family (spouse, child, grandparent), self, or trust to benefit immediate family
- 06 Directly to obligor when debt is satisfied
- 07 Transfers of partition
- 08 Mergers or consolidations of corporations with no gain or loss recognized; dissolutions
- 09 Subsidiary corporation to its parent corporation for no consideration
- 10 To a corporation as the initial capitalization with no gain or loss recognized
- 11 To or by the Vermont Industrial Development Authority or a non-profit local development corporation
- 12 To a 501(c)(3) to preserve farmland or open space - public support test § 509(a)(2)
- 13 To a partnership or LLC as the initial capitalization with no gain or loss recognized
- 14 By a partnership or LLC to a member at dissolution
- 15 Utility line easement to public utility or municipality for \$500 or less
- 16 Between obligor and primary obligee in foreclosure
- 17 Court-ordered transfer to spouse in divorce
- 18 To a limited equity cooperative to provide low or moderate income housing
- 19 Leasehold or fee interests made to low income individuals by 501(c)(3) organizations
- 20 Recording of deed when same transfer was previously taxed
- 21 To 501(c)(3) to (a) acquire property for low-income housing; (b) operate statewide public television station; or (c) act as a food clearinghouse to reduce hunger in Vermont
- 22 Lease of land for less than 50 years including extensions
- 23 To 501(c)(3) to preserve farmland or open space - public support test § 509(a)(1) (Deferred tax)
- 99 Buyer's principal residence funded in part by Vermont Housing and Conservation Trust Fund; Vermont Housing Finance Agency (VHFA); or U.S. Department of Agriculture and Rural Development (Only first \$110,000 is exempt)

## Line E2

### Sale between family members

- 01 Married / Civil Union
- 02 Parent / Child
- 03 Grandparent / Grandchild
- 04 Self / Donors Exempt Trust
- 05 Other (explain on Line E2a)

## Line E3

### Land gains exemptions

- 00 None - not exempt
- 01 Held by seller for 6 years or longer
- 02 Transfer without consideration (gift, straw transfer by corrective deed)
- 03 Up to 10 acres of land beneath or contiguous to principal residence of seller
- 04 Court-ordered transfer to spouse in divorce
- 05 Transfer to mortgagee in foreclosure or in lieu of foreclosure - no gain
- 06 To State of Vermont from 501(c)(3); to 501(c)(3) to preserve agricultural, forestry, or open-space land for at least 6 years; or to State of Vermont, municipality, or 501(c)(3) to preserve historic, agricultural, forestry, or open space resources
- 07 Land owned by United States, State of Vermont, or 501(c)(3) provided sale is exempt from federal income taxation
- 08 Leases of land for less than 50 years
- 09 Mineral rights for limited time; sale of gravel, soil, or similar
- 10 Sale of perpetual easement for \$1.00 or less
- 11 Mobile home park to a mobile home park leaseholders' group
- 12 First transfer of that parcel of undeveloped land in a "Vermont neighborhood" following the original designation of the Vermont neighborhood



# Quick Reference Guide for Vermont Property Transfer Tax Return - Form PTT-172

This is a quick reference guide. For full details, refer to the instructions and the relevant statutes.

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## Line F1

### How acquired

- |   |  |
|---|--|
| <b>01</b> Transferor purchased the property | <b>03</b> Transferor was gifted the property |
| <b>02</b> Transferor inherited the property | <b>04</b> Other (explain on Line F1a)        |

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## Line F2

### Interest in property

- |                          |  |
|--------------------------|--|
| <b>01</b> Fee simple     | <b>05</b> Timeshare                                    |
| <b>02</b> Life estate    | <b>06</b> Undivided ½ interest                         |
| <b>03</b> Easement / ROW | <b>07</b> Specified __% interest (explain on Line F2a) |
| <b>04</b> Lease          | <b>08</b> Other (explain on Line F2a)                  |

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## Line F3

### Type of building construction

- |  |                                       |
|--|---------------------------------------|
| <b>01</b> None                               | <b>11</b> Restaurant                  |
| <b>02</b> Single family dwelling             | <b>12</b> Gas station / garage        |
| <b>03</b> Seasonal dwelling                  | <b>13</b> Auto sales                  |
| <b>04</b> Mobile home                        | <b>14</b> Factory                     |
| <b>05</b> Condominium (explain on Line F3a)  | <b>15</b> Hotel / motel               |
| <b>06</b> Multi family (explain on Line F3b) | <b>16</b> School / dorm               |
| <b>07</b> Farm buildings                     | <b>17</b> Parking area                |
| <b>08</b> Residential new construction       | <b>18</b> Cell tower                  |
| <b>09</b> Office buildings                   | <b>19</b> Church / religious          |
| <b>10</b> Store                              | <b>20</b> Other (explain on Line F3c) |

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## Lines H1 & H2

### Use of property

- |  |  |
|--|--|
| <b>01</b> Domicile / principal residence | <b>06</b> Government use                               |
| <b>02</b> Secondary residence            | <b>07</b> Commercial (explain on Lines H1a and/or H2a) |
| <b>03</b> Open land                      | <b>08</b> Industrial (explain on Lines H1a and/or H2a) |
| <b>04</b> Timberland                     | <b>09</b> Other (explain on Lines H1a and/or H2a)      |
| <b>05</b> Operating farm                 |  |

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## Line I2

### Withholding certification

- 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 (see instructions for Form RW-171).
- 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(s) certify 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 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.