Town of Craftsbury, Vermont
Application for Waiver of Late Filed Homestead Penalty
Must be filed within 14 days of Notice of Penalty

Summarized from 32 VSA section 54100):
A taxpayer may appeal an assessment of the Late Filed Homestead penalty within 14 days after the date of mailing of notice of the penalty. Further appeal from the listers is to the Board of Civil Authority and thereafter to the courts. The Selectboard shall have authority in cases of hardship to abate all or any portion of a Late Filed Homestead penalty appealable to the listers under this section and any tax, penalty, and interest arising out of a corrected property classification under this section; and shall state in detail in writing the reasons for its grant or denial of the requested abatement. **Requests for this waiver shall be made to the municipal treasurer (collector of current taxes), and that person shall forward all requests, with his or her recommendation, to the board of Listers (see below to file for hardship consideration with the Selectboard).**

Date of Penalty Notice:_____

Property Owner Name:_____

Address: _____

Parcel ID: _____

I hereby request that the Town of Craftsbury, where I reside, waive the Late Homestead Filing Penalty of $_____ on my homestead identified by the property number above.

_____
Print name above Signature Date

Please briefly describe the circumstances and reasons for your request:

_____

_____

_____

_____

_____

_____

Please Note: The Selectboard will hear the request when due to hardship. <u>If one of the criteria is checked below, this request will go to the Selectboard</u> and be scheduled for an upcoming meeting for consideration (otherwise the request is heard by the Town Clerk and listers). Hardship means an owner's inability to pay or an owner's filing an incorrect, or failing to file, a correct homestead declaration due to one or more of the following (please check one)

☐ (1) Full time active military duty of the declarant outside the State;

☐ (2) Serious illness or disability of the declarant;

☐ (3) Serious illness, disability, or death of an immediate family member of the declarant;

☐ (4) Fire, flood, or other disaster.

The Vermont Homestead Declaration

By Vermont law, property owners whose homes meet the Vermont "homestead" definition must file a Homestead Declaration annually by the April due date. If eligible, you must file so that you are assessed the correct homestead tax rate on your property. This fact sheet will provide the information you need about filing your Homestead Declaration as a property owner.

What is the Vermont Homestead Declaration

In Vermont, all property is subject to education property tax to pay for the state's schools. For this purpose, property is categorized as either homestead or nonhomestead. A homestead is the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by the resident as the person's domicile. Domicile is a legal concept that has implications for Vermont income tax, the statewide education tax, and property tax adjustments. For the definition of "domicile," see Regulation §1.5811(11)(A}/i) Domicile (https://tax.vermont.gov/content/regulation-15811-11-i-domicile).

The Homestead Declaration is due April 15 and no later than October 15. If you file after the October due date, the property will not be added to the municipal grand list as a homestead for that year, however you may still be subject to any penalties and interest that apply.

Properties are considered "nonhomestead" unless declared as a "homestead." The education property tax rate levied on nonhomestead property differs from the rate levied on homestead property. It is your legal responsibility as the property owner to claim the property as a homestead if you meet, or expect to meet, the following requirements:

- You are a Vermont resident.
- You own and occupy a homestead as your domicile as of April 1, 2024.

Note: If you meet these requirements, except that your homestead is leased to a tenant on April 1, 2024, you may still claim it as a homestead if it is not leased for more than 182 days in the 2024 calendar year.

What is Not a Homestead

Property is considered nonhomestead if one of the following applies:

- Your property is leased for more than 182 days out of the calendar year.
- The property is used exclusively for commercial, including rental purposes.
- The property is used for a second home, camp, vacation, or summer cottage

If Your Homestead is Used for Commercial Purposes or Rentals

As long as the property meets the requirements of a Vermont homestead, a part of the homestead property may be used for commercial purposes or as a rental. If more than 25% of the dwelling is used for business purposes, then that portion must be reported as nonhomestead on the Homestead Declaration. However, if any part of the dwelling is a rental, then the actual percentage that is a rental must be reported. Outbuildings used for business or rental purposes are considered nonhomestead.

Disclaimer: The information provided here is intended to be an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information presented here.
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When are Homestead Declarations Due

Homestead Declaration is due annually by the April income tax due date. After the April due date, if you have not filed, the municipality may assess a penalty of up to 3% of the education tax on the property if the nonhomestead rate is higher than the homestead rate, or up to 8% if the homestead rate is higher. If you file after the October due date, the property will not be added to the municipal grand list as a homestead for that year, and you will be subject to any penalties and interest that apply.

How to File the Homestead Declaration

The Homestead Declaration is filed using Form HS-122, the Homestead Declaration, and the Property Tax Credit Claim (https://tax.vermont.gov/property-owners/homestead-declaration). The easiest and quickest way is to file electronically through myVTax (https://myvtax.vermont.gov). If you file a paper form, it is important to remember to sign the form at the bottom of the reverse side (below the Property Tax Credit Claim).

Many people file their Homestead Declarations when they file their Vermont income tax returns.

However, if you apply to extend the time to file your income tax return, the declaration is still due on the April filing due date. Even if a person is not required to file a Vermont Income Tax Return, the declaration must still be filed by the April filing due date. See 32 V.S.A. 9707 (https://legislature.vermont.gov/statutes/section/32/233/09707).

What You Will Need to File

In addition to the property owner's basic information, you should have the following available when filing:

- The property's School Property Account Number {SPAN) printed on the property tax bill
- The property owner's Social Security Number (SSN)
- The three-digit school district code found on the property tax bill

How to Withdraw a Filed Homestead Declaration

There may be a situation in which the Homestead Declaration was filed between January 1 and April 1 but needs to be withdrawn. The following are a few common reasons for withdrawal:

- The homestead was not owned by the person declaring it a homestead on April 1.The property no longer qualifies as a homestead.
- The Homestead Declaration was submitted in error (for example, it was not the owner's primary residence).
- The homestead was leased to a tenant for more than 182 days.

To withdraw the homestead declaration, use Form HS-122W, Vermont Homestead Declaration or Property Tax Credit Withdrawal (https://tax.vermont.gov/property-owners/homestead-declaration).

Frequently Asked Questions

What if there is more than one owner of the homestead?

If the property owners are a married or civil union couple, both owners are included in the Homestead

Declaration. However, for other ownership situations, please refer to the instructions in the Vermont Income Tax Return booklet (https://tax.vermont.gov/individuals/personal-income-tax) or contact the Vermont Department of Taxes.

What if the homestead is located in two adjoining towns?

You will need to file a Homestead Declaration for each town.

What if I have an ownership situation not covered here?

For help with unusual ownership situations, see Special Situations (https://tax.vermont.gov/property-owners/homestead-declaration/special-situations) or Regulation§ 1.541(7) Homestead (https://tax.vermont.gov/content/regulation-15401).

Questions

For situations not included in this fact sheet, please call (802) 828-2865 or 1-866-828-2865 (toll-free in Vermont) or email tax.individualincome@vermont.gov.