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**VERMONT ECONOMIC PROGRESS COUNCIL**

**and the**

**Vermont Department of Taxes**

**VERMONT EMPLOYMENT GROWTH  
INCENTIVE PROGRAM (VEGI)**

**2019 ANNUAL INCENTIVE CLAIM  
FORM INSTRUCTIONS**

# Vermont Employment Growth Incentive Instructions for Annual Incentive Claim

## GENERAL INFORMATION

The Vermont Employment Growth Incentive (VEGI) Claim Forms must be used to file a claim for incentives earned under the VEGI program. All forms and workbooks listed below must be completed in their entirety, as appropriate for your claim.

### Online forms to complete within the Grant Management System:

- Claim Form - Filing Years 1-5 *or* Claim Form - Filing Years 6-9
- Benefits Form (*For Filing Years 1-5 only*)
- Preparer's Information Form
- Certification Form - Filing Years 1-5 *or* Certification Form - Filing Years 6-9

### Workbooks to complete:

- VEGI Base Employment Data Workbook (Excel Attachment A)
- VEGI NON-Qualifying Employee Workbook (Excel Attachment B)
- VEGI New Qualifying Employee Workbook (Excel Attachment C)
- VEGI Capital Investment Workbook (Excel Attachment D) – *For Filing Years 1-5 Only*

Note that the VEGI Application and the GEARS System will not allow you to submit your claim if Attachments B, C, and D are not uploaded to the claim form. If you do not have data appropriate to enter in one or more of these three workbooks, attach the blank workbook and enter a "0" on the claim form. Completing and uploading Attachment A is dependent on whether the company had full-time employees in Vermont as of the project Activity Commencement Date.

Your claim will not be considered complete and will not be processed by the Department of Taxes unless all required forms and Workbooks are submitted and correctly completed.

In addition, all required payroll reports and forms must be current and should have been filed electronically with the Vermont Department of Taxes by their due date including:

- Form WHT-436: Quarterly Reconciliation of Withholding Tax
- All payments due for Income Tax Withheld
- Form WHT-434: Annual Reconciliation of Withholding Tax Return
- Copies of W-2's/1099's to support Form WHT-434

**CAUTION:** Please save your work and save each form as it is completed. The system will time out due to inactivity and your work will be lost.



**HYPERLINKS:** You will note that hyperlinks are available throughout these instructions. The links can be accessed by placing your cursor on the words highlighted in blue and underlined, holding “Ctrl” and left click your mouse. The links referring to the VEGI Claim Workbooks will link you to the blank workbooks. The other links will take you to the VEGI Claim Definitions which are at the end of these instructions.

**Claims are Due: No later than April 30<sup>th</sup> of each year.**

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## I. Completing Your VEGI Claim Workbooks

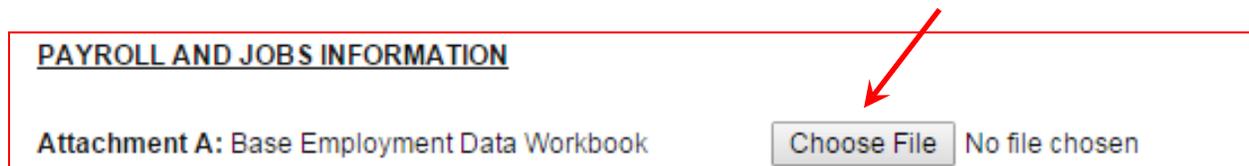
The four workbooks described below must be completed and attached to your claim form. You can download these workbooks to your computer from the links on the VEGI Claim Form in GEARS or by clicking on the Workbook Attachments below. Download them to your computer, complete the workbooks, and re-save them to your computer. You must then upload the workbooks in the cells designated on the Claim Form.

**Note: After Year 1, you do not need to download new workbooks each claim year for the Capital Investment Workbook (Attachment D) and the New Qualifying Employee Workbook (Attachment C). For claim years after Year 1, update and use those same two workbooks you saved to your computer by adding data for claim Years 2 and beyond as they occur. In addition, after Year 1, you do not need to download a new Base Employment Data Workbook (Attachment A) – just update the current claim year column with the appropriate Box 5 Medicare wages. You will need to download a new workbook each year for the NON-Qualifying Employees (Attachment B).**

To download a workbook, move the cursor to the highlighted hyperlinks for Workbook A, B, C, or D below and then hold CTRL + click. That will open the Workbook. Choose the location in your computer to save the file. Choose a new file name or accept the existing name, click save, then click close. You have saved the file to your computer. Then re-open, complete, and re-save the workbook to your computer.

- [VEGI Base Employment Data Workbook](#) (Excel Attachment A)
- [VEGI NON-Qualifying Employee Workbook](#) (Excel Attachment B)
- [VEGI New Qualifying Employee Workbook](#) – 140% Wage Threshold (Excel Attachment C)
- [VEGI New Qualifying Employee Workbook](#) – 160% Wage Threshold (Excel Attachment C)
- [VEGI Capital Investment Workbook](#) (Excel Attachment D)

To upload a completed Workbook to the VEGI Claim Form, go to the browse button on the Claim Form associated with the Workbook that you wish to upload. Click on the Browse button, then navigate within your computer to the Workbook that you wish to upload. Double click the desired file and it will be uploaded into the cell. **Click Save at the upper right of the Claim Form to retain that uploaded file and any data entered on the VEGI Claim Form.**



In the event that you wish to delete a previously uploaded file from the VEGI Claim Form, click the “Delete” box for the uploaded workbook, then click Save at the upper right of the Claim Form.

## 1. Attachment A: VEGI Base Employment Data Workbook

Note: If your Company did NOT have Full-Time employees with payroll in Vermont prior to your [Activity Commencement Date](#), you are *not* required to complete Attachment A: Base Employment Data. Refer to the instructions under your reporting year (1-5 or 6-9) for steps in completing this area on your Claim Form.

PAYROLL AND JOBS INFORMATION

Attachment A: Base Employment Data Workbook

Choose File No file chosen  DELETE

[177982-BaseEmployment-VEGI-2015DataWorkbook.xls](#)



**Tab 1a - Summary Sheet** – Enter your Company Name, Contact Person (the person who completes the VEGI forms), that person’s Telephone Number and e-mail address, and the Date Prepared (mm/dd/yyyy). Enter the Claim Year being submitted by using the drop down box. The Claim year is the year in which the activity occurred. Then at the bottom of the sheet, enter your [Activity Commencement Date](#) (mm/dd/yyyy). The middle section of this sheet (Payroll Dollars and Jobs) will auto-populate when Tab 1b is completed.

**Tab 1b – Full-Time Employment Base Payroll and Jobs Detail** - If your company had VT full-time employees prior to your [Activity Commencement Date](#), you will need to complete this worksheet. Enter the payroll information for all [full-time, non-owner employees](#) (both qualifying and non-qualifying) whose hire date was prior to the [Activity Commencement Date](#). Enter the actual compensation (Medicare Box 5 wages as reported on Federal Tax Form W2 to the extent those wages are Vermont wages, excluding income from non-statutory stock options) for each full-time, non-owner employee for this claim year.

- Do not enter your [New Qualifying Employees](#) from current or prior years on this worksheet.
- Do not include the wages and salaries of owners, part-time, temporary or seasonal employees.
- Do not include the value of benefits.

**Tab 1c – Employment and Payroll Detail Explanations** – enter any comments or information as to unusual employment details.

## 2. Attachment B: VEGI NON-Qualifying Employees Workbook

Note: You must upload Workbook B even if you do not have Non-Qualifying Employees for this claim year. If you do not have data appropriate for this workbook, upload a blank workbook. Refer to the instructions under your reporting year (1-5 or 6-9) for steps in completing this area on your Claim Form.

**Tab 2a – Summary Sheet** - Enter your Company Name, Contact Person (the person who completes the VEGI forms), that person’s Telephone Number and e-mail address, and the Date Prepared (mm/dd/yyyy). Enter the Claim Year being submitted by using the drop down box. Then at the bottom of the sheet, enter your Activity Commencement Date (mm/dd/yyyy). The middle section of this sheet (Payroll dollars and Jobs) will auto-populate when Tabs 2b, 2c, and 2d are completed.

**Tab 2b – All Owner-Employee Payroll and Jobs** – Enter the payroll and other information for all [owner-employees](#). Include owner-employees as of the [Activity Commencement Date](#) and those added during each claim year.

**Tab 2c – All Part-Time/Seasonal Employees Payroll & Jobs** – Enter the payroll and other information for all [part-time and seasonal employees](#).

**Tab 2d – New Non-Qualifying Employees** - Enter the payroll and other information for only full-time [Non-qualifying Employees](#) hired after the Activity Commencement Date.

**Tab 2e - Employment and Payroll Detail Explanations** - Enter any comments or information as to unusual employment details.

### **3. Attachment C: VEGI New Qualifying Employee Workbook**

**Refer to the specific instructions under your reporting year (1-5 or 6-9) for steps in completing this area on your Claim Form.**

#### **Summary Worksheet (the first Tab)**

Enter your Company Name, Contact Person (the person who completes the VEGI forms), that person’s Telephone Number and e-mail address, and the Date Prepared (mm/dd/yyyy).

In the “Year Award Began” line, enter the first year that you began in the VEGI Program (the [Activity Commencement Date](#) Year) by using the drop down box. Enter the [Current Claim Year](#) being submitted by using the drop down button.

In the “Authorization Period” area, enter your [Authorization Period](#) start and end dates (mm/dd/yyyy) as shown in the Notice of Authorization of Economic Incentives document that had originally been sent to your Company by VEPC.

Enter your [Activity Commencement Date](#) (mm/dd/yyyy).

In the second half of the worksheet on the right hand side, enter each year of the Utilization Period for each of the five years using the drop down buttons. On the left hand side, enter

the [Performance Measures](#) for each of the five years for both [New Qualifying Payroll](#) and [New Qualifying Employees](#).

#### **New Qualifying Jobs & Payroll Data Worksheet**

**You must complete a separate New Qualifying Jobs and Payroll Data worksheet (a tab within the workbook) for each claim year as it occurs.**

Enter the payroll and other information for all [New Qualifying Employees](#) that were hired during that claim year. For claim year 1, include only New Qualifying Employees added **on or after** the [Activity Commencement Date](#). Enter the actual compensation (Medicare Box 5 wages as reported on Federal Tax Form W2 to the extent those wages are Vermont wages, excluding income from non-statutory stock options) for each employee for this claim year. [New Qualifying Employee](#) means a new, full-time (35 hours or more per week), permanent employee receiving Vermont wages, who is not an owner, and who earns wages or a salary that when annualized is **at or above** the wage threshold in place for the year your VEGI application was approved. The data you enter on the New Qualifying Employees Worksheet will automatically populate into the VEGI Claim Maintenance worksheet for that claim year. In each future year, on the Claim Maintenance Form, you will update the actual payroll amount paid to New Qualified Employees added in previous years.

#### ***4. Attachment D: Capital Investment Workbook (Years 1-5 Only)***

**Note:** You must upload Workbook D even if you do not have New Qualifying Capital Investments for this claim year. If you do not have data appropriate for this workbook for a particular claim year, upload the workbook with the worksheet for the particular claim year left blank and enter “0” on Lines 17-20 of the VEGI Claim Form.

**Note:** All amounts listed as Qualifying Capital Investments must be a part of the approved VEGI project and are subject to verification. The Tax Department may request documentation to support amounts posted.

#### **Data Summary Sheet (the first Tab)**

Enter your Company Name, Contact Person (the person who completes the VEGI forms), that person’s Telephone Number and e-mail address, and the Date Prepared (mm/dd/yyyy). By using the drop down box, enter the Claim Year being submitted. Enter your [Activity Commencement Date](#) (mm/dd/yyyy).

In the second half of the worksheet on the left-hand side, enter each year of the five-year [Authorization Period](#), using the dropdown boxes. On the right-hand side, enter the [Performance Measures](#) for each of the five years.

## Capex Year Tabs - Year 1 through Year 5

In addition to the Data Summary Sheet tab, there are five additional tabs labeled Capex (capital investments) Year 1 through Capex Year 5. Each tab must be completed with the capital investments made for each Claim Year. Within each tab are four sections to complete for each year: [Machinery & Equipment Purchased NEW](#), [Machinery & Equipment Purchased USED](#), [Plant & Facility Built NEW](#), and [Plant & Facility RENOVATIONS](#). Enter the data into each worksheet according to the section and column headings for any qualifying capital expenditures during that claim year.

For all Claim Years, include only [Qualifying Capital Investments](#). For Claim Year 1, include only qualifying capital investments made **on or after** the Activity Commencement Date.

## II. Accessing Your VEGI Claim

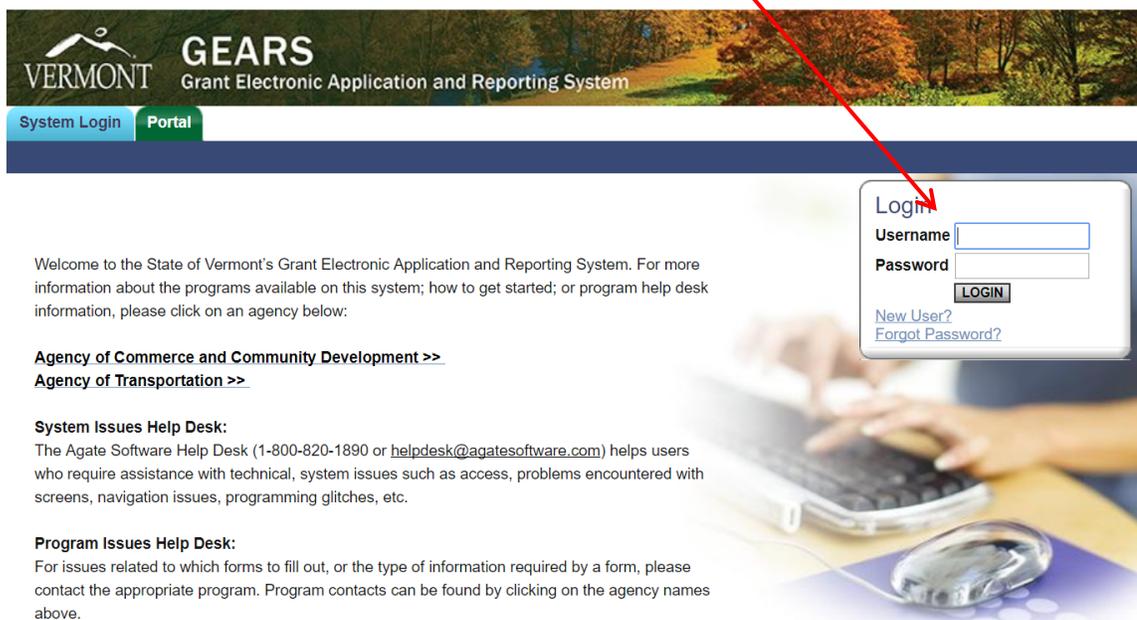
### 1. General Information

- System Users with the Admin, AO, or SAO role can complete claim forms.
- Only Users with the AO or SAO roles can **certify** the claim.
- System Users with the Admin, AO, or SAO role can change the claim status to “Claim Submitted.”
- Each person has their own unique user name and password. Do not share.

### 2. Log in to the GEARS System

To log in, go to: <https://egrants.vermont.gov/login2.aspx>

Enter your Username and Password in the Login box



VERMONT  
GEARS  
Grant Electronic Application and Reporting System

System Login Portal

Welcome to the State of Vermont's Grant Electronic Application and Reporting System. For more information about the programs available on this system; how to get started; or program help desk information, please click on an agency below:

[Agency of Commerce and Community Development >>](#)  
[Agency of Transportation >>](#)

**System Issues Help Desk:**  
The Agate Software Help Desk (1-800-820-1890 or [helpdesk@agatesoftware.com](mailto:helpdesk@agatesoftware.com)) helps users who require assistance with technical, system issues such as access, problems encountered with screens, navigation issues, programming glitches, etc.

**Program Issues Help Desk:**  
For issues related to which forms to fill out, or the type of information required by a form, please contact the appropriate program. Program contacts can be found by clicking on the agency names above.

Login  
Username   
Password   
LOGIN  
[New User?](#)  
[Forgot Password?](#)

### 3. Locate the Incentive Claim:

- Click on the "Requisitions/Claims/Invoices" tab.
- Choose "VEGI Claim 2019: 2019" from the drop down box for "Requisition/Claim/Invoice Type."
- Click "Search."
- Click on the **name** link of the incentive for your company.

The screenshot shows the 'Requisitions/Claims/Invoices' search page. The navigation bar includes 'Home', 'Applications', 'Monitoring/Reporting', 'Requisitions/Claims/Invoices' (highlighted), and 'Archive'. A red arrow labeled 'a' points to the 'Requisitions/Claims/Invoices' tab. Below the navigation bar, there is a 'Back' button and the page title 'Requisitions/Claims/Invoices'. A search instruction reads: 'Use the search functionality below to find a specific Requisition/Claim/Invoice.' The search form includes: 'Requisition/Claim/Invoice Types' (dropdown menu with 'VEGI Claim 2017: 2017' selected, arrow 'b'), 'Requisition/Claim/Invoice Name' (text input), 'Status' (dropdown menu with '-- Select --'), and 'Year' (text input). A red arrow labeled 'c' points to the 'SEARCH' button. Below the search form are 'Export Results to' (dropdown menu with 'Screen'), 'Sort by:' (dropdown menu with '-- Select --'), and a 'GO' button. A red arrow labeled 'd' points to the 'GO' button. Below the search form, it says 'Number of Results 1'. A table displays the search results:

Document Type	Organization	Name	Current Status	Year
VEGI Claim	<a href="#">VEGI DemoA Company</a>	<a href="#">VC-2017-DEMOA-00011</a>	Claim In Progress	2017

### 4. Filing Year Selection

Your Filing Year Selection for your VEGI Claim(s) has already been made by VEPC Staff. An explanation of the filing years is below is A. Years 1-5 vs Years 6-9. If you believe the wrong selection was made, please contact VEPC Staff at (802) 798-2221 or [megan.sullivan@vermont.gov](mailto:megan.sullivan@vermont.gov).

#### A. Years 1-5 vs Years 6-9

How do I determine what year my claim is for: Years 1-5 vs Years 6-9?

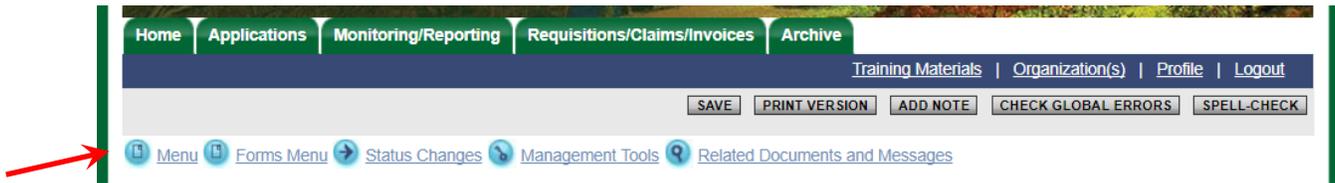
- First, pay attention to the year **for which** you are filing the claim and ignore the year **in which** you are filing the claim. For example, if you are filing a claim in April 2020, the claim is for the activity that occurred in 2019.
- Look at your application or incentive ID number, for example:
  - VAP-2019-Companyname-0019 (Application ID number)
  - VI-2019-Companyname-00073 (Incentive ID number)
- The year included in these ID numbers corresponds to the year the application was given Final Approval, the incentives were authorized, and the year in which the activity commenced. That is Year 1.
- If the claim you are filing is for the year in the ID number (2019 in this example) or any of the subsequent four years (2020-2023), you are filing for Years 1-5.
- If the claim you are filing is for any of the remaining four years (2024-2027 in this example), you are filing for Years 6-9.

**NOTE: Organizations with multiple Applications and Incentives, will need to file separate Claims for each Approved Incentive. Repeat steps 3 and 4 for each Approved Incentive and complete the Claim Form for each.**

### III. Completing the Claim Forms

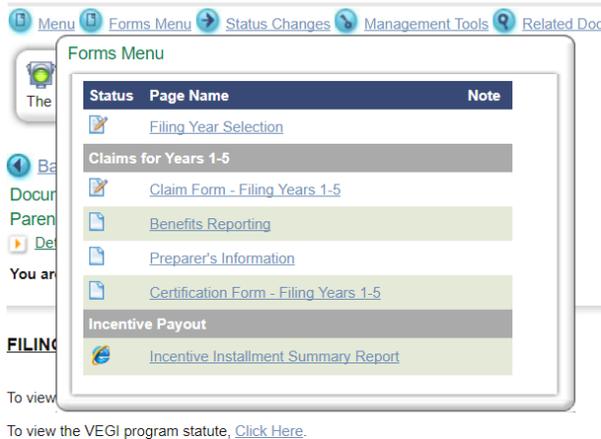
#### 1. Claim Forms

Located at the top of the Claim Form you will find the Navigation Links. Hover on the links and make your selection from the menu that appears.

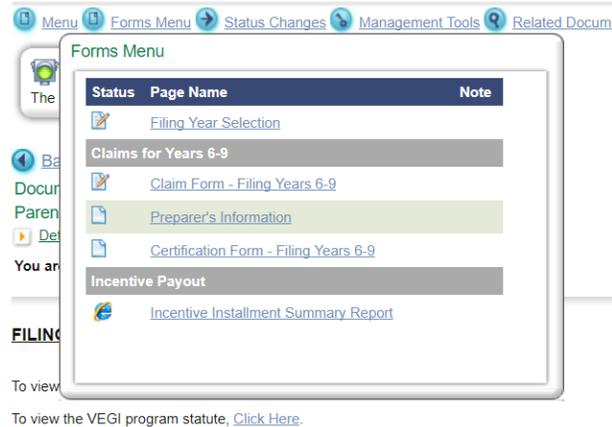


The Forms Menu is different for Years 1-5 and Years 6-9.

#### For Claim Years 1-5:



#### For Claim Years 6-9:



## 2. Claim Form Instructions: **Years 1-5**

At the VEGI Claim Menu, hover on “Forms Menu” and click on “Claim Form - Filing Years 1-5”

**Note: Always click “Save” after data is entered and/or forms are uploaded to retain the data and forms.**

### A. Claim Form – Filing Years 1-5

**Line 1** - Using the drop-down menu, select whether the claim you are filing is for Claim Year 1, 2, 3, 4, or 5. In the second box on line 1, enter the calendar year for which this Claim is being submitted, such as 2019, etc. This is the year the **activity occurred**, not the year during which you are filing the claim. For example, in April 2020 you will file a claim for activity that occurred during calendar 2019. You enter “2019.”

**Line 2** - Using the format MM/DD/YYYY, enter the **date the claim is being submitted**. If you begin to prepare your claim and decide to logoff, click Save at the upper right of the VEGI Claim Form. When you return to finish your claim, change the date to the date the form is actually completed and submitted.

**Line 3** – The [Activity Commencement Date](#) for your Company is automatically filled to this line. If you are entering data for Year 1, none of the jobs can be added nor capital investments made, can occur prior to that date.

**Line 4** – Enter your Company name.

**Line 5** – Click “Yes” or “No” as to whether the Company name entered on Line 4 is different from the name used on the original VEGI application.

**Line 6** - Enter the actual physical street address **of the project** (not necessarily the address of the business) for which your incentives were approved even if it is different from the address contained in your application.

**Line 7** - Enter the Vermont city/town in which the project is occurring.

**Line 8** - Enter a brief description of the project that is occurring because of the VEGI incentives, including the number of total jobs, the total capital investments, and the type of facility investment such as lease, acquisition, and renovation or build new. Do not enter a description of your business and do not cut and paste the project description from your VEGI application. Enter a description of what has actually occurred this reporting year.

**Click Save**

[Menu](#)
[Forms Menu](#)
[Status Changes](#)
[Management Tools](#)
[Related Documents and Messages](#)

[Back](#)  
 Document Information: [VC-2017-DEMOA-00007](#)  
 Parent Information: [VI-2013-DEMOA-00073](#)  
[Details](#)

**You are here:** > [VEGI Claim Menu](#) > [Forms Menu](#) > Claims for Years 1-5

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**CLAIM FORM - FILING YEARS 1-5**

To view line-by-line VEGI Claim instructions, [Click Here](#).

To view and download the VEGI Base Employment Workbook, [Click Here](#).

To view and download the VEGI New Qualifying Employment Workbook, [Click Here](#).

To view and download the VEGI Non Qualifying Employees Workbook, [Click Here](#).

To view and download the VEGI Capital Investment Workbook, [Click Here](#).

To view the VEGI program statute, [Click Here](#).

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**GENERAL CLAIMS INFORMATION**

1. Select the Year of this Claim:  \*

2. Date Prepared:  \*

3. Activity Commencement Date: 04/27/2013

4. Company Name:  \*

5. Is the Company name you entered above different from the Company name used on the original VEGI application?  No \*  Yes

Actual Project Location:

6. Street Address:  \*

7. City:  \*

8. Brief Description of Project:  \*

0 of 2000

## **Payroll and Jobs Information**

### **Attachment A: Base Employment Data Workbook**

**✓Upload a completed Base Employment Data Workbook (if required). If your Company did NOT have Full-Time employees with payroll in Vermont prior to your Activity Commencement Date, you are NOT required to complete the Base Employment Data Workbook. Please enter "0" (zero) on lines 9 and 10 of the VEGI Claim Form.**

**Line 9 – Base Payroll:** Enter the total amount of base payroll paid in the claim year for all [full-time, non-owner employees](#) in Vermont. This payroll number includes both [Qualifying](#) and [Non-Qualifying](#) Employees whose employment date is prior to the Activity Commencement Date. This payroll number must be the same as the calculated total shown in the upper right hand corner of the worksheet in Tab 1b and

on the Summary Sheet in Tab 1a of your Base Employment Data Workbook. If you had no full-time employees as of the [Activity Commencement Date](#), enter “0”.

**Line 10 – Number of Base Jobs:** Enter the total number of base jobs in the claim year for all full-time, non-owner employees in Vermont. This number must match the amount shown in the upper right hand corner of the worksheet in Tab 1b and on the Summary Sheet in Tab 1a of your Base Employment Data Workbook.

**[Attachment B: Non-Qualifying Employees Workbook](#)**

✓ *Upload a completed Non-Qualifying Employees Workbook. If you DO NOT have Owners, Part-time, or Non-Qualifying Employees for this claim year, upload a blank workbook and enter “0” on Lines 11, 12, and 13.*

**Line 11 – Owner’s Payroll:** Enter the total amount of payroll paid to [owner-employees](#) during this claim year. This amount must match the amount in the upper right hand corner of the worksheet in Tab 2b and the Summary Sheet in Tab 2a of your Non-Qualifying Employee Workbook.

**Line 12 – Part-time Payroll (Temporary/Season):** Enter the total amount of payroll paid to [part-time and seasonal employees](#) during this claim year. This amount must match the amount in the upper right hand corner of the worksheet in Tab 2c and the Summary Sheet in Tab 2a of the Non-Qualifying Employees Workbook.

**Line 13 – Full-time Non-Qualifying Payroll:** Enter the total amount of payroll paid to Full-time [Non-Qualifying Employees](#) during this claim year. This amount must match the amount in the upper right hand corner of the worksheet in Tab 2d and the Summary Sheet in Tab 2a of your Non-Qualifying Employees Workbook.

**[Attachment C: VEGI New Qualifying Employee Workbook](#)**

✓ *Upload a completed New Qualifying Jobs Workbook. If you DO NOT have New Qualifying Employees for this claim year, upload the workbook with the particular claim year worksheet left blank and enter a “0” on Lines 14, 15, and 16.*

**Line 14 – Number of New Qualifying Jobs:** Enter the total number of [New Qualifying Employees](#) hired during this claim year. This number must match the number in your New Qualifying Employee Workbook located in the upper right hand corner of the first page of the worksheet for the Claim year that you are working on. **This is the employment level that will determine if the New Qualifying Employee performance requirement for the claim year is met.**

**Line 15 – Actual Payroll for New Qualifying Jobs:** Enter the total payroll *actually paid* to all [New Qualifying Employees](#) hired in this Claim year. This amount must match the amount in your New Qualifying Employee Workbook located at the bottom of the worksheet for the Claim year that you are working on and labeled “Total Actual Medicare Wages”.

**Line 16 – Annualized Payroll for New Qualifying Jobs:** Enter the *annualized* payroll for all [New Qualifying Employees](#) hired in this Claim year. This amount must match the amount in your New Qualifying Employee Workbook located in the upper right hand corner of the worksheet for the Claim year that you are working on and is labeled Total “Annualized Wages for New Qualifying Jobs” created this period. **This is the payroll level that will determine if the New Qualifying Employee Payroll performance requirement for the claim year is met.**

**Click Save**

SAVE PRINT VERSION ADD NOTE CHECK GLOBAL ERRORS SPELL-CHECK

**PAYROLL AND JOBS INFORMATION**

**Attachment A:** Base Employment Data Workbook Choose File No file chosen 

**NOTE:** If your company did not have payroll in Vermont prior to your Activity Commencement Date, you are not required to complete the Base Employment Data Workbook. Please enter "0" (Zero) on lines 9 & 10 of the VEGI Claim Form.

9. Base Payroll:  \*

(See Base Employment Data Workbook – Tab 1b)

10. Number of Base Jobs:  \*

(See Base Employment Data Workbook – Tab 1b)

**Attachment B:** Non Qualifying Employees Workbook Choose File No file chosen \*

11. Owner's Payroll:  \*

(See Non Qualifying Employees Workbook – Tab 2b)

12. Part-Time Payroll (Temporary/Seasonal):  \*

(See Non Qualifying Employees Workbook – Tab 2c)

13. Full Time Non Qualifying Payroll:  \*

(See Non Qualifying Employees Workbook – Tab 2d)

**Attachment C:** New Qualifying Jobs Workbook Choose File No file chosen \*

14. Number of New Qualifying Jobs:  \*

(See New Qualifying Jobs Workbook – Tab 'b' of claim year)

15. Actual Payroll for New Qualifying Jobs:  \*

(See New Qualifying Jobs Workbook – Tab 'b' of claim year)

16. Annualized Payroll for New Qualifying Jobs:  \*

(See New Qualifying Jobs Workbook – Tab 'b' of claim year)

## **Capital Investment Information**

### **Attachment D: Qualifying Capital Investment Workbook**

**✓Upload a completed Capital Investment Workbook. If you DO NOT have New Qualifying Capital Investments for this claim year, upload the workbook with the worksheet for the particular claim year left blank and enter “0” on Lines 17-20.**

**Note:** All amounts listed as Qualifying Capital Investments must be a part of the approved VEGI project and are subject to verification. The Tax Department may request documentation to support amounts posted.

### **Qualifying Capital Investments**

Include only new, [Qualifying Capital Investments](#) on these lines

**Line 17 - [Machinery & Equipment – Purchased New:](#)** Enter the dollar amount invested in new machinery and equipment during this claim year. This amount must match the amount in your Qualifying Capital Investment Workbook, located at the

bottom of the “Machinery & Equipment – New” section of the worksheet for the Claim year that you are working on.

**Line 18 – [Machinery & Equipment – Purchased Used](#):** Enter the dollar amount invested in used machinery and equipment during this claim year. This amount must match the amount in your Qualifying Capital Investment Workbook, located at the bottom of the “Machinery & Equipment – Used” section of the worksheet for the Claim year that you are working on.

**Line 19 – [Plant & Facilities – Built New](#):** Enter the dollar amount invested to build new plant and facilities during this claim year. This amount must match the amount in your Qualifying Capital Investment Workbook, located at the bottom of the “Plant & Facilities – New” section worksheet for the Claim year that you are working on.

**Line 20 – [Plant & Facilities – Renovations](#):** Enter the dollar amount invested in renovated plant and facilities during this claim year. This amount must match the amount in your Qualifying Capital Investment Workbook, located at bottom of the “Plant & Facilities – Renovations” section of the worksheet for the Claim year that you are working on.

**Line 21 – Total Qualifying Capital Investments:** This line automatically calculates the total of lines 17 through 20. **This is the Capital Investment level that will determine if the New Qualifying Capital Investment performance requirement for the claim year is met.**

#### **Non-Qualifying Capital Investments**

There are no Excel Workbooks to complete for [Non-Qualifying Capital Investments](#). Enter the requested data on lines 22 through 26.

**Line 22 – [Machinery & Equipment - Acquired](#):** Enter the total dollar amount invested to acquire existing machinery and equipment already in place in Vermont during this claim year for the project for which incentives were authorized. Note that acquired is **not** the same as “Machinery & Equipment – Purchased New”, nor is it a total of other categories.

**Line 23 – [Plant and Facilities - Acquired](#):** Enter the total dollar amount invested to acquire an existing Vermont plant or facility during this claim year for the project for which incentives were authorized. Note that acquired is **not** the same as “Plant & facilities–Built New” nor “Plant & Facilities- renovated,” nor is it a total of other categories.

**Line 24 - [Land](#):** Enter the total dollar amount invested to purchase land in Vermont during this claim year for the project for which incentives were authorized.

**Line 25 – Other Non-Qualifying Investments:** Enter the total dollar amount of other non-qualifying capital investments made during this claim year. Non-qualifying can mean capital investments made during the claim year but before the Activity Commencement Date. You should also include expenditures that normally occur each year, such as repairs or maintenance costs of existing capital assets or investments made for other projects in Vermont which are not part of the project for which the incentives were authorized.

**Line 26 – Total Non-Qualifying Capital Investments:** This line automatically calculates the total of lines 22 through 25.

**Click Save**

**CAPITAL INVESTMENT INFORMATION**

**Attachment D:** Capital Investment Workbook  No file chosen \*

**Note:** All amounts listed as Qualifying Capital Investments must be a part of the approved VEGI project and are subject to verification. The Tax Department may request documentation to support amounts posted.

**Qualifying Capital Investments**  
Enter the totals from your Capital Investment Workbook on lines 17-20.

17. Machinery and Equipment – Purchased New:  \*

18. Machinery and Equipment - Purchased Used:  \*

19. Plant and Facilities – Built New:  \*

20. Plant and Facilities – Renovations:  \*

**21. Total Qualifying Capital Investments** \$0

**Non Qualifying Capital Investments**  
There are no worksheets to complete for amounts entered on lines 22 - 25. This data is used as part of our reporting process.

22. Machinery and Equipment – Acquired:  \*

23. Plant and Facilities – Acquired:  \*

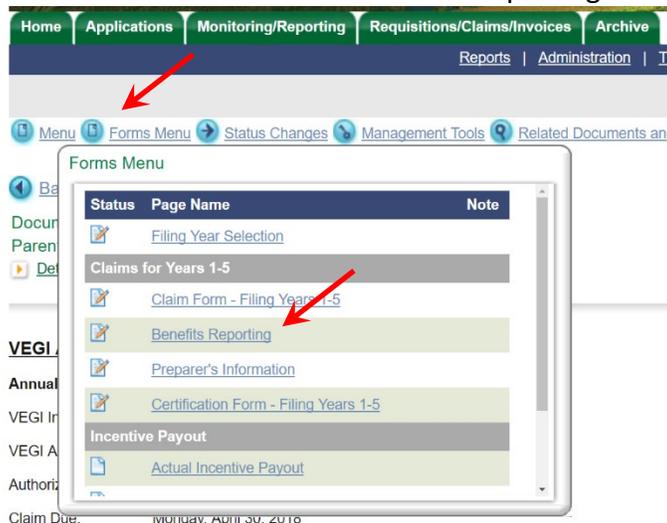
24. Land:  \*

25. Other Non Qualifying Investments:  
(Prior to Activity Commencement Date) \$0 \*

**26. Total Non-Qualifying Capital Investments:** \$0

**B. Benefits Reporting Form**

Hover on “Forms Menu” and click on the “Benefits Reporting” form.



## Benefits for New Qualifying Employees

This form provides data regarding the benefits offered to the New Qualifying Employees hired each claim year.

### ADVISORY:

For a new job to be considered “qualifying” and the payroll of that job to be counted toward the VEGI Incentive Claim, the job must earn a wage **at or above** the VEGI Wage Threshold for the region in which the project will occur and be offered a certain set of benefits. Review the [Qualifying Job and Wage Threshold](#) information for details, especially the benefits requirements.

#### 1. Benefit Type:

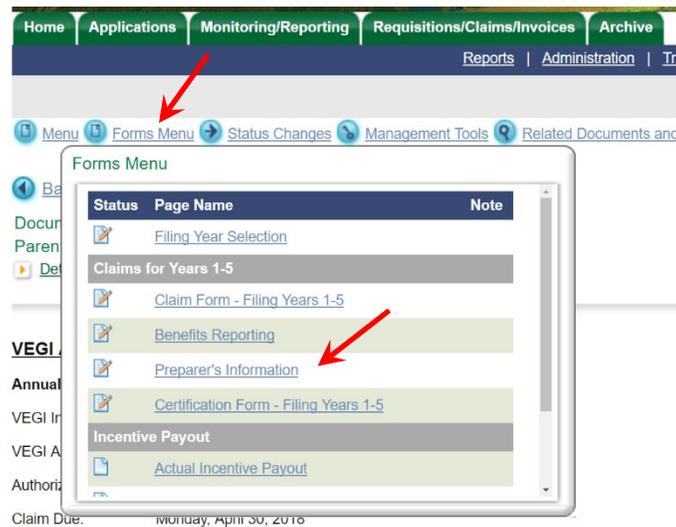
- Review the list of employee benefits on the Benefits Reporting Form and, for each benefit offered by the company:
  - Enter the percentage of the benefit cost paid by the employer;
  - If the benefit is offered, but there is no cost to the employer, enter 0%;
- If you offer an employee benefit that is not listed, enter the benefit in the blank benefit spaces and complete all information for that benefit.
- If the benefit is not currently offered to new, qualifying employees, click the “NA” box.
- If the benefit or portion paid by the employer requires an explanation, enter the explanation in the box provided.
- Include only “fringe” employee benefits offered by the company and be sure to include all benefits offered even if there is no direct cost to the employer.
- Do not include mandatory employee benefits, such as sick leave at the level required by Vermont law or statutory employment-related taxes and fees, such as Worker’s Compensation and Unemployment Insurance.

2. **Estimated Value of Average Benefits Package:** Enter the estimated value of an average employee benefits package for your company. Add together the employer portion of employee benefits costs for all benefits offered such as health insurance, life insurance, pension plans, child care subsidies, ST and LT disability insurance, paid leave and vacation time, and any other benefits provided. The costs included should correspond to the list of benefits you included as offered by the company on this form. If you offer various levels of coverage, such as health insurance premiums with different out-of-pocket costs, use the cost of a median family plan in the total.

**Click Save**

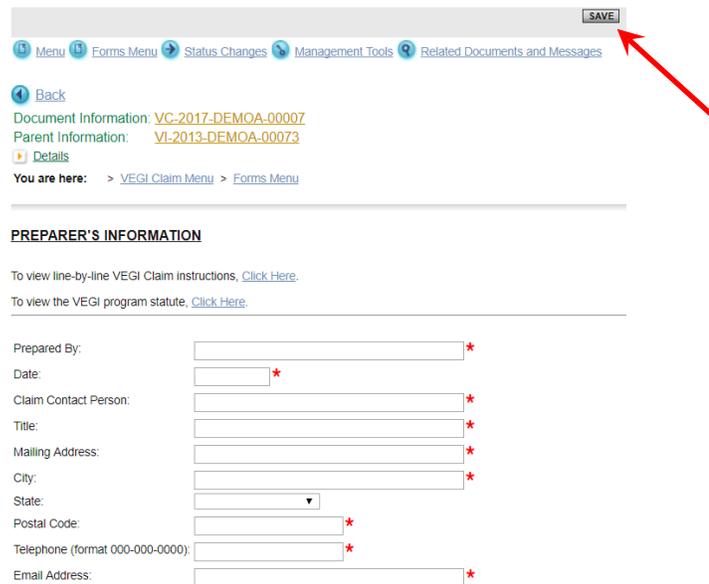
## C. Preparer's Information

Hover on "Forms Menu" and click on the "Preparer's Information" form.



Enter the name of the person that prepared the claim forms and enter the date the form was prepared.

Enter the name and contact information of the person that can be contacted with any questions or follow-up required to process the claim.

A screenshot of the 'PREPARER'S INFORMATION' form. At the top right, there is a 'SAVE' button highlighted with a red arrow. Below the navigation bar, there are links for 'Menu', 'Forms Menu', 'Status Changes', 'Management Tools', and 'Related Documents and Messages'. A 'Back' link is also present. Document and Parent Information are displayed. The form fields include: 'Prepared By:', 'Date:', 'Claim Contact Person:', 'Title:', 'Mailing Address:', 'City:', 'State:', 'Postal Code:', 'Telephone (format 000-000-0000):', and 'Email Address:'. Each field has a red asterisk indicating it is required.

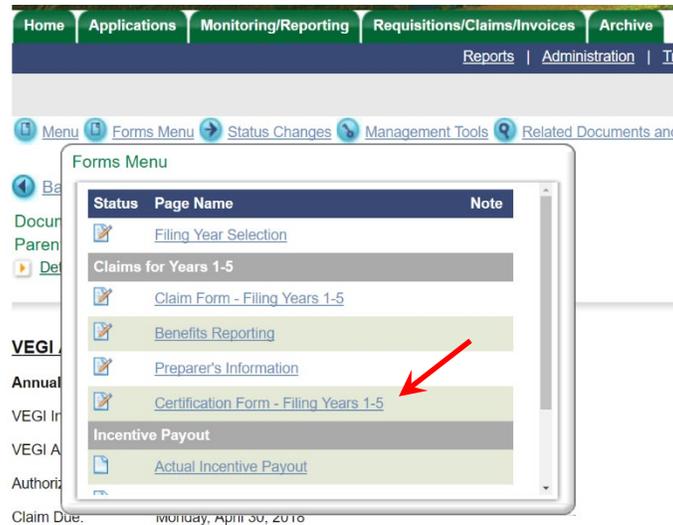
When the Preparer's Information is completed, **click Save.**

## D. Certification Form – Filing Years 1-5

**Only an Authorizing Official (AO) or Senior Authorizing Official (SAO) can complete the certification form.**

**After** the Claim Form is completed and saved, including uploaded workbooks, and the Benefits Form and the Preparer's Information are completed, the AO or the SAO must log onto the system to complete the Certification Form, as follows:

- Hover on “Forms Menu” in the Navigation Links and click on “Certification Form – Filing Years 1-5”.



- Review the claim.
- Read the three (3) certification statements and check the certification boxes regarding the accuracy of the claim information and data to be submitted.
- Choose your name from the choices in the “Certified By” drop down menu.
- Fill in the Date the certification occurred.
- Click Save.

By checking the Certification and choosing your name from the drop-down menu, the Authorizing Official or Senior Authorizing Official is certifying the claim on behalf of the claimant company and certifying that the information on the claim forms and attached workbooks are true, correct, and complete, to the best of the signatory's knowledge.

**Click Save**

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### CERTIFICATION FORM - FILING YEARS 1-5

To view line-by-line VEGI Claim instructions, [Click Here](#).

To view the VEGI program statute, [Click Here](#).

\* I hereby certify that the New Qualifying Employees added this year are receiving at least three of the following employer-provided benefits as required by Vermont Statute 32 VSA §5930(a)(20):

- A. Health care: employer pays at least 50% of an employee's health care costs or at least 50% of the employee's health care insurance premium;
- B. Dental assistance: employer pays a portion of an employee's dental care costs or a portion of the employee's dental care insurance premium;
- C. Paid vacation: employer provides wages or salary for vacation days taken by employee;
- D. Paid holidays: employer provides wages or salary for scheduled holidays taken by the employee;
- E. Child care: employer provides free on-site child care or pays for some portion of employee child care expenses directly, as a reimbursement, or through a contribution to an employee assistance program.
- F. Other extraordinary employee benefits: employer pays some portion of some other employee benefit. "Extraordinary" means a benefit that substantially impacts an employee. Examples of extraordinary benefits include: tuition assistance or reimbursement, adoption assistance, short and long term disability insurance with premium paid by employer, accidental death and dismemberment insurance with premium paid by employer, life insurance with premium paid by employer, vision care costs or insurance premium paid by employer, bonus pay, profit sharing, transportation subsidies, or substantial recreation benefits such as a season ski pass, year-long gym membership or equivalent. Benefits that will not be considered extraordinary are things such as flex time, work related shoes or clothing, on site services such as credit unions, gyms or massages, employee assistance programs, parties, products or product discounts.
- G. Retirement benefits: employer makes a contribution to some type of employee retirement account each pay period;
- H. Other paid time off, including paid sick days: employer provides wages or salary for any number of sick days taken by employee or some other time off such as maternity, paternity, adoption, bereavement, family emergency, jury duty, military service, community volunteering.

\* I hereby certify that to the best of my knowledge, the claimant company:

- A. is not a named party to an administrative order, consent decree, or judicial order issued by the State of a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree; and
- B. he claimant company complies with applicable State laws and regulations.

\* I hereby certify that the information on this VEGI Claim Form and accompanying schedules and statements are true, correct, and complete to the best of my knowledge and belief.

(To agree to this statement, check the box – this constitutes your signature).

Certified By:  \*

Date:  \*

[VC-2016-DEM0D-00002](#)

## GO TO SECTION [IV. FILING THE CLAIM](#)

### 3. Claim Form Instructions: Years 6-9

For filing Years 6-9, use the same workbooks you saved to your computer for the previous year you filed a claim. However, you are not required to complete a Capital Investment Workbook for Years 6-9.

**Note: Always click “Save” or forms are uploaded to retain the data and forms.**

#### A. Claim Form – Filing Years 6-9

**Line 1** - Using the drop-down menu, select whether the claim you are filing is for Claim Year 6, 7, 8, or 9. In the second box on line 1, enter the calendar year for which this Claim is being submitted, such as 2019, etc. This is the year the activity occurred, not the year during which you are filing the claim. For example, in April 2020 you will file a claim for activity that occurred during calendar 2019. You enter “2019.”

**Line 2** - Using the format MM/DD/YYYY, enter the date the claim is being submitted. If you begin to prepare your claim and decide to logoff, click Save at the upper right of the VEGI Claim Form. When you return to finish your claim, change the date to the date the form is actually completed and submitted.

**Line 3** – The [Activity Commencement Date](#) for your Company will automatically fill to this line.

**Line 4** – Enter your Company name.

**Line 5** – Click Yes or No as to whether the Company name entered on Line 4 is different from the name used on the original VEGI application. **Click Save.**

SAVE PRINT VERSION ADD NOTE

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**CLAIM FORM - FILING YEARS 6-9**

To view line-by-line VEGI Claim Instructions, [Click Here](#).  
To view the VEGI program statute, [Click Here](#).

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**GENERAL CLAIMS INFORMATION**

1. Select the Year of this Claim:  \*  \*

2. Date Prepared:  \*

3. Activity Commencement Date: 04/27/2013

4. Company Name:  \*

5. Is the Company name you entered above different from the Company name used on the original VEGI application?  No \*  Yes

## **Payroll and Employment Information**

### **Attachment A: Base Employment Data Workbook**

**✓Upload a completed Base Employment Data Workbook (if required). If your company DID NOT have Full-Time employees with payroll in Vermont prior to your Activity Commencement Date, you are NOT required to complete the Base Employment Data Workbook. Please enter "0" (zero) on lines 6 and 7.**

**Line 6 – Base Payroll:** Enter the total amount of base payroll paid in the claim year for all [full-time, non-owner employees](#) in Vermont. This payroll number includes both [Qualifying](#) and [Non-Qualifying](#) Employees whose employment date is prior to the Activity Commencement Date. This payroll number must be the same as the calculated total shown in the upper right hand corner of the worksheet in Tab 1b and on the Summary Sheet in Tab 1a of your Base Employment Data Workbook. If you had no full-time employees as of the [Activity Commencement Date](#), enter "0".

**Line 7 – Number of Base Jobs:** Enter the total number of base jobs in the claim year for all full-time, non-owner employees in Vermont. This number must match the amount shown in the upper right hand corner of the worksheet in Tab 1b and on the Summary Sheet in Tab 1a of your Base Employment Data Workbook.

### **Attachment B: Non-Qualifying Employees Workbook**

**✓Upload a completed Non-Qualifying Employees Workbook. For Claim Years 6-9, only list those Full-Time NON-Qualifying Employees whose hire date is during your Authorization Period. Do NOT list Owners or Part-Time Employees. If you do not have Full-Time Non-Qualifying Employees for this claim year, upload a blank workbook and enter "0" on Line 8.**

**Line 8 – Full-time Non-Qualifying Payroll:** Enter the total amount of payroll paid to Full-time [Non-Qualifying Employees](#) during this claim year. This amount must match the amount in the upper right hand corner of the worksheet in Tab 2d and the Summary Sheet in Tab 2a of your Non-Qualifying Employees Workbook.

### **Attachment C: VEGI New Qualifying Employee Workbook**

**✓Upload a completed New Qualifying Jobs Workbook. Complete each Maintenance Worksheet by posting the Box 5 Wages for those New Qualifying Employees hired during each of the five Award Periods of your Authorization Period. This Workbook and its Worksheets apply only to those New Qualifying Employees hired during your Authorization Period. Do NOT list any employees hired after your Authorization Period.**

Click Save

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**PAYROLL AND JOBS INFORMATION**

**Attachment A:** Base Employment Data Workbook  No file chosen

**NOTE:** If your company did not have payroll in Vermont prior to your Activity Commencement Date, you are not required to complete the Base Employment Data Workbook. Please enter "0" (Zero) on lines 6 & 7 of the VEGI Claim Form.

6. Base Payroll: (See Base Employment Data Workbook – Tab 1b)  \*

7. Number of Base Jobs: (See Base Employment Data Workbook – Tab 1b)  \*

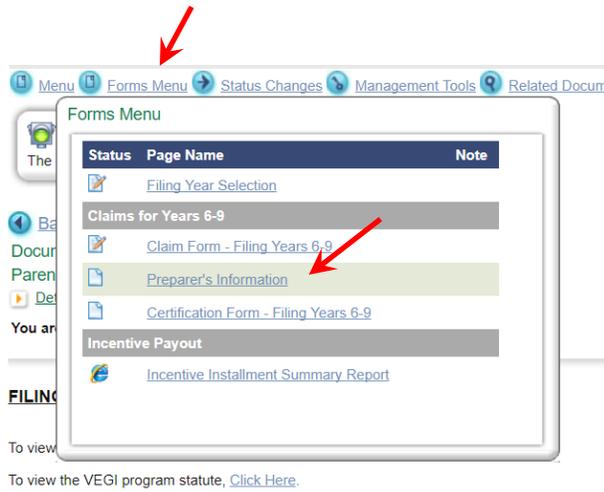
**Attachment B:** Non Qualifying Employees Workbook  No file chosen \*

8. Full Time Non Qualifying Payroll: (See Non Qualifying Employees Workbook – Tab 2d)  \*

**Attachment C:** New Qualifying Jobs Workbook  No file chosen \*

## B. Preparer's Information

Hover on "Forms Menu" and click on the "Preparer's Information" form.



Enter the name of the person that prepared the claim forms and enter the date the form was prepared.

Enter the name and contact information of the person that can be contacted with any questions or follow-up required to process the claim.

**Click Save**

**SAVE**

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**PREPARER'S INFORMATION**

To view line-by-line VEGI Claim Instructions, [Click Here](#).  
 To view the VEGI program statute, [Click Here](#).

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Prepared By: \*

Date: \*

Claim Contact Person: \*

Title: \*

Mailing Address: \*

City: \*

State:

Postal Code: \*

Telephone (format 000-000-0000): \*

Email Address: \*

### C. Certification Form – Filing Years 6-9

Only an Authorizing Official (AO) or Senior Authorizing Official (SAO) can complete the certification form.

**After** the Claim Form is completed and saved, including uploaded workbooks and the Preparer's Information are completed, the AO or the SAO must log onto the system to complete the Certification Form, as follows:

- Review the claim.
- Read the two (2) certification statements and check the certification boxes regarding the accuracy of the claim information and data to be submitted.
- Choose your name from the choices in the "Certified By" drop down menu.
- Fill in the Date the certification occurred.
- **Click Save**

By checking the Certification and choosing your name from the drop-down menu, the Authorizing Official or Senior Authorizing Official is certifying the claim on behalf of the claimant company and certifying that the information on the claim forms and attached workbooks are true, correct, and complete, to the best of the signatory's knowledge.

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**CERTIFICATION FORM - FILING YEARS 6-9**

To view line-by-line VEGI Claim instructions, [Click Here](#).

To view the VEGI program statute, [Click Here](#).

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**\* I hereby certify that to the best of my knowledge, the claimant company:**

A. is not a named party to an administrative order, consent decree, or judicial order issued by the State of a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree; and

B. the claimant company complies with applicable State laws and regulations.

**\* I hereby certify that the information on this VEGI Claim Form and accompanying schedules and statements are true, correct, and complete to the best of my knowledge and belief.**  
(To agree to this statement, check the box – this constitutes your signature).

Certified By: \*

Date: \*

**GO TO SECTION [IV. FILING THE CLAIM](#)**

## IV. Filing the Claim

***When all forms are completed and saved and the claim form is certified by the Authorizing Official or the Senior Authorizing Official:***

The claim preparer, the Authorizing Official, or the Senior Authorizing Official must file the claim.

1. Check that the “Date Prepared” on the Claim Form – Filing Years 1-5 or 6-9 is the current date. Hover on the “Forms Menu” and select “Claim Form – Filing Years 1-5” or “Claim Form – Filing Years 6-9.” Make sure Line 2, “Date Prepared” is the current date.

### **GENERAL CLAIMS INFORMATION**

1. Select the Year of this Claim:

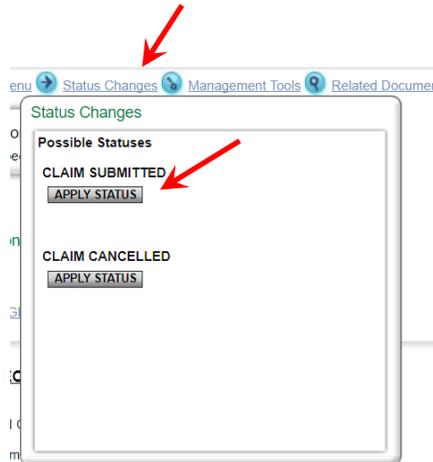
 \* \*

2. **Date Prepared:**

 \*

**Click Save**

2. On the VEGI Claim Menu, hover on “Status Changes.” Under “Claim Submitted” click “Apply Status” to officially file your VEGI Claim.



**Your Claim has been submitted. Be sure to watch your email for status updates.**

## VEGI Claim Definitions

### Activity Commencement Date:

The Activity Commencement Date (ACD) is determined by the applicant at the time of application and is the date when the project for which incentives were sought will commence. It is the date **on which** the economic activity for which the incentives are sought will begin. By setting this date, the applicant stated that the economic activity (new jobs, new payroll, and capital investments) which will occur **because of the VEGI incentive** will occur **on or after** this date. Activity that occurred prior to the Activity Commencement Date was not considered in the incentive calculation and cannot be included as qualifying activity on your VEGI claims. Your Activity Commencement date can be found on your application and on the “Notification of Economic Incentive Authorization” which is sent to the company after the incentives are authorized.

- Include all full-time employees (both Qualifying and Non-Qualifying) employed **up to** the ACD on the VEGI Base Employment Data Workbook (Attachment A) and put the total base full-time payroll on Line 9 and base full-time jobs on Line 10 of the Claim Form.
- Include all Owner-employees employed **up to** the ACD and added **after** the ACD on the Non-Qualifying Employee Workbook (Attachment B) and put the total Owner-employee payroll on Line 11 of the Claim Form.
- Include all part-time/seasonal employees employed **up to** the ACD and added **after** the ACD on the Non-Qualifying Employee Workbook (Attachment B) and put the total Part-time/Seasonal payroll on Line 12 of the Claim Form.
- Include full-time Non-Qualifying employees hired **on or after** the ACD on the Non-Qualifying Employee Workbook (Attachment B) and put the total New Non-Qualifying payroll on Line 13 of the Claim form.
- Include full-time Qualifying Employees hired **on or after** the ACD on the New Qualifying Jobs Workbook (Attachment C) and put the total number of New Qualifying Jobs added on Line 14, put the total actual payroll for these New Qualifying Jobs on Line 15, and the total annualized payroll for these New Qualifying Jobs on Line 16 of the Claim Form.
- Include all Qualifying Capital Investments made **on or after** the ACD on the Qualifying Capital Investment Workbook (Attachment D) and put the total for each qualifying category on Lines 17-20 of the Claim form.
- There is no workbook for “Non-qualifying” capital investments. Include the total investments made **on or after** the ACD for the “M&E-Acquired” category on Line 22, for “P&E - Acquired” on Line 23, for the “land” category on Line 24 of the Claim form.
- Include the total “Other Non-qualifying Capital Investments, which includes investments made **before** the ACD during Year 1, on Line 25 of the Claim Form.

### Employment Categories:

**Owner-employee:** Is an owner of the company who is also paid as an employee.

This means:

- a) They are paid Medicare wages or salaries that are reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this claim; and

- b) They have a **10% or more** ownership interest in the company that is the subject of this application, including attribution of ownership interests of the employee’s spouse, parents, spouse’s parents, siblings, and children.
- If an owner’s interest, including attribution of ownership interest is **less than** 10%, and they receive Medicare wages or salaries for employment in Vermont by the company that is the subject of this claim, include them in another category (part-time, qualifying, or non-qualifying depending on their status or wage level).
- **Do not** include owners who do not receive Medicare wages or salaries in any claim data. For example, owners who receive shares or stock only as payment should not have been included on the application or in the claim.

**Qualifying Employee:** Is an employee that:

- a. Is paid Medicare wages or salaries as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application;
  - b. Is permanent in the sense that they are not temporary, contract, or agency employees;
  - c. Is not an owner (see definition above);
  - d. Works full-time, defined as 35 hours **or more** each week;
  - e. Earns a wage (or a salary) that when annualized is **at or above** the [VEGI Wage Threshold](#) for the year in which Final Application was approved for the claimant company (same year as year in which Activity Commencement Date occurred); and
  - f. Receives at least three employer-provided benefits as required by 32 VSA §3331(9)(c).
- A “New” Qualified employee is an employee that meets the definition above and is hired on or after the Activity Commencement Date.

**Non-Qualifying Employee** Is an employee that:

- a. Is paid Medicare wages or salaries as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this claim;
  - b. Is permanent in the sense that they are not temporary, contract, or agency employees;
  - c. Is not an owner (see definition above);
  - d. Works full-time, defined as 35 hours or more each week; and
  - e. Earns a wage (or a salary) that when annualized is **less than** the [VEGI Wage Threshold](#) for the year in which Final Application was approved for the claimant company (same year as year in which Activity Commencement Date occurred), and/or does not qualify for at least three qualifying employer-provided benefits.
- A “New” Non-Qualified employee is an employee that meets the definition above and is hired on or after the Activity Commencement Date.

**NOTE:** That “Non-qualifying” has **no other** meaning except to differentiate from “Qualifying” because the wage/salary is below the VEGI Wage Threshold or the employee is not eligible for at least three employer-provided benefits. Employees that work outside Vermont, are temporary, agency, or contract employees **do not** fit the definition of “Full-time, non-qualifying” for this program. Data regarding temporary, agency, or contract or similar employees are not included in any category on a VEGI application or claim.

**Part-time:** Is an employee that is paid Medicare wages or salaries as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application, but **works 34 hours or less per week (Part-time).**

- **Do not include temporary, agency, contract employees or any other type of employees who are not directly employed by the applicant company in any data on the application or claim.**

**“Full-time, Non-Owner employees (both Qualifying and Non-Qualifying):”** Refers to “Qualifying Employees” and “Non-Qualifying” employees, as defined above.

**“New Qualifying Payroll:”** The payroll paid to New Qualifying Employees that are hired each year during the Authorization Period. You will report both the actual payroll and annualized payroll in the New Qualifying Employee Workbook and report the total for each on Lines 15 and 16 of the Claim Form.

### **Capital Investment Terms:**

#### **Capital Investments: General Definitions:**

- “Capital investments” are generally defined as expenditures, by the applicant business(es), for fixed assets with a useful life of one year or more and amounts paid or incurred to add to the value, or to substantially extend the useful life, of property owned by the applicant.
- “Machinery and equipment investments” mean expenditures for any tangible personal property, capital in nature, with a useful life of one year or more, including the costs to get the machinery or equipment to, and installed in, the subject property in Vermont. Machinery and equipment does include office equipment and furnishings and computer software and hardware. Machinery and equipment does not include real property or supplies.
- “New” machinery and equipment means that the machinery and equipment has never been utilized or been included on a depreciation schedule.
- “Used” machinery and equipment has been utilized and/or depreciated by a previous owner. Machinery and equipment that will be transferred from one division or subsidiary of a business to another division or subsidiary that is the applicant business must not be included in the application unless the applicant business will show an expenditure for the asset. Asset transfers among divisions or subsidiaries must not be included.
- “Plant and facility investments” mean expenditures for real property including buildings, structures, and any permanent fixtures or machinery considered real property. Plants and facilities do not include land.
- “Land” investments are defined as any expenditures for only real estate, whether the land is acquired with an existing facility or the land alone is purchased.
- “Acquired” plants and facilities and machinery and equipment mean those that exist **in Vermont** already and will be acquired by the applicant business as part of the project for which incentives are sought.
- “New” plants and facilities mean those that require new construction after the date of application and should include all construction costs, any site preparation costs, and access to utility services costs.
- “Renovation Investments” mean major improvements to an existing plant or facility, whether

the facility is owned by the applicant prior to application or will be acquired by the applicant and then improved, including “fit-up” costs. Fit-up costs may include costs that are paid directly to a contractor or those that are included in a lease payment. Renovations are differentiated from normal repair and maintenance by the degree of improvement, the level of investment and the requirement of an incentive for the improvements to occur as part of the project that is the subject of the application.

**Qualifying Capital Investments: The only capital investments that must be detailed in the Qualifying Capital Investment Workbook with totals included on Lines 17-20 of the Claim Form are capital investments:**

- Made during the claim year and on or after the Activity Commencement Date;
- That will be made as part of the project for which incentives were authorized; not expenditures that would occur anyway such as annual repair or maintenance costs of existing capital assets;
- Made only by the business(es) that were the subject of the application and claim and only for the project in Vermont that is the subject of the application and claim.;
- Made only *for* a project in Vermont for which incentives were approved (although expenditures may be made outside of Vermont, they must be for a project in Vermont that has been approved for incentives); and
- Made in only the following categories:
  - Machinery & Equipment – Purchased New (Line 17)
  - Machinery & Equipment – Purchased Used (Line 18)
  - Plant & Facilities – Built New (Line 19)
  - Plant and Facilities – Renovations (Line 20)

**Non-Qualifying Capital Investments: The following capital investments are important to the project authorized for incentives but are not “qualifying” in the sense that they do not necessarily generate incremental tax revenue to the State. The Capital Investment Performance Requirement does not include investments projected or made in these categories, but they must be reported for tracking purposes.**

- Capital Investments in Vermont, by the claimant company, related to the project authorized for incentives in the following categories:
  - Machinery & Equipment - Acquired
  - Plant & Facilities – Acquired
  - Land
- Other non-qualifying capital investments made during the claim year such as expenditures for repair or maintenance of a capital asset or investments made prior to the Activity Commencement Date.

**Miscellaneous terms:**

**“Claim Year” or “Current Claim Year:”** Refers to the calendar year in which the economic activity (new payroll and jobs added; new capital investments) occurred and for which a claim is being filed. Does **not** refer to the year in which you are completing the claim form. For example, by April 30, 2019, the claim form for Claim Year 2019 is due. The Claim Year is 2019. This can be Claim Year 1, 2, 3, 4, or 5, depending on when your incentives were authorized. Year 1 is the

same as the year in which the Activity Commencement date occurs and Years 2-5 are the subsequent calendar years. A claim must be filed for any calendar year in which you have Performance Requirements and then for four more years (for Claim Maintenance purposes).

**“Authorization Period:”** Refers to the period, up to five consecutive years, for which incentives were authorized and for which there are Performance Requirements.

**“Utilization Period:”** Is the Authorization Period (up to five years), plus four years after the last year for which incentives are authorized, during which claims must be filed for Claim Maintenance purposes.

### **Performance Requirements:**

The VEGI program is performance-based. No incentive is paid when the incentives are authorized. The authorization determines eligibility and sets the level of incentive based on the economic activity that is projected to occur. The applicant sets its own annual performance measures when a Final Application is submitted.

### **DEFINITION:**

If the Final Application is approved and incentives are authorized, the VEGI incentive can only be earned for each year authorized if:

1. Base payroll is maintained or increased; **and**
2. The New Qualifying Payroll Performance Measure is met; **and**
3. **either** the New Qualifying Employment **or** the New Qualifying Capital Investment Performance Measure is met.

### **FURTHER PERFORMANCE MEASURE STIPULATIONS:**

- No incentive is earned unless Performance Measures, as defined above, are met **in full** each year. There is no prorated payment based on partially met performance measures.
- Performance Measures are defined by the applicant company in their Final Application and are absolute. Performance Measures will not be deemed to have been met even if missed by only the smallest of margins (e.g. missing a Jobs Target by 1 job or missing a Payroll Target by \$1.) Applicants are advised to take this into account when completing their Final applications.
- In addition to the Annual Performance Measures that must be met to earn the incentive, statute also requires a reconciliation when the last claim is filed to determine if all capital investments were made. As you can see from the information above, incentives can be earned each year by meeting Payroll and Employment Performance Measures only. But the tax revenues generated by the projected capital investments have a substantial impact on the incentive percentage authorized for the company. Therefore, statute requires that if the total of all annual Qualifying Capital Investment Performance Measures are not met by the end of the project, there must be an adjustment to reduce the remaining incentives to be earned and/or incentive installments remaining to be paid by the same percentage as the capital investment shortfall. For example, if the company projects a total of \$3,000,000 in capital investments over a five-year authorization period, but by the end of the authorization period has only made \$2,500,000 in capital investments, which is a 16.67% reduction in

capital investments, the total incentives to be paid out will be reduced by 16.67% by either reducing the final incentive earned, reducing the remaining incentive installments, or by recapturing incentives previously paid.

## **WHAT IFS?**

### **What if the company fails to meet Performance Measures?**

Statute allows a company to miss Performance Measures, but still earn the incentive, but no incentive is earned until the measures are met. This allows for delays such as an inability to find qualified employees or permitting delays. For Year 1 through Year 3, the company has a grace period of 24 months from the annual Performance Measure deadline (December 31 of each year) to meet the Performance Measures and still earn the incentive. For Year 4, the grace period is 12 months. Year 5 has no grace period.

Incentive claims are filed annually, so if Performance Measures are met sometime within the next year, the incentive would be earned when the next claim is filed. If by the end of each grace period the Performance Measures are not met, the incentive can never be earned, and any further incentives are terminated. Installments would continue for any incentive that had previously been earned as long as the Performance Measures are maintained.

Examples using the VEGI Incentive Calculation [available on our website](#):

Company has the following Performance Measures for Year 1 (2010):

- New Qualifying Payroll: \$439,000
- New Qualifying Employment: 9
- New Qualifying Capital Investments: \$8,000,000

When the first claim is filed in 2011, it shows that by December 31 of 2010 (Year 1), the company had accomplished the following:

- New Qualifying Payroll: \$400,000
- New Qualifying Employment: 8
- New Qualifying Capital Investments: \$8,000,000

The company did not meet Performance Measures and the claim would be put in “delayed” status. But in January of 2011, the company hired another qualifying employee at \$39,000 and by the end of 2011 hired another 9 new qualifying employees and added another \$491,000 in new qualifying payroll, for a total of \$530,000 in new qualifying payroll and 10 new qualifying employees in 2011. When the claim for 2011 is filed in 2012, the company will earn both the 2010 and 2011 incentives, totaling \$293,258 and the installments will pay out simultaneously between 2012 and 2016.

If, when the company files the claim for 2011 in 2012, only 5 new qualifying jobs were added and a total of \$450,000 in new qualifying payroll was added in 2011, then only the 2010

performance measures would be met. The 2010 incentive installment would begin and the 2011 claim would be put in “delayed” status.

If the company had met the Performance measures for 2010, and then when the company files the claim for 2011 in 2012, no new jobs or payroll were added during 2011 and payroll or employment dropped below the base (i.e. some of the new payroll or employment added in 2010 was lost) then the 2011 claim and the remaining 2010 installment would be put in delayed status.

**What if the company exceeds Performance Measures?**

If a company exceeds performance Measures in any given year, the incentive is calculated using the Performance Measure for that year and any excess is counted toward the Performance Measures for the next year.

Examples using the VEGI Incentive Calculation [available on our website](#):

Company has the following Performance Measures for Year 1 (2010):

- New Qualifying Payroll: \$439,000
- New Qualifying Employment: 9
- New Qualifying Capital Investments: \$8,000,000

If our example company creates \$450,000 in new qualifying payroll and creates 12 new qualifying jobs in Year 1 (2010), the incentive earned remains \$137,755, but 3 jobs and \$11,000 in new qualifying payroll are already created toward 2011.

If the company created \$930,000 in new qualifying payroll and 18 new qualifying jobs in Year 1 (2010), the Year 1 incentive of \$137,755 would pay out from 2011-2015 and the incentive for Year 2 would be earned but the installments would pay out from 2012-2016 as scheduled.

## Questions?

Questions regarding the completion of your claim forms should be directed to:

Vermont Department of Taxes  
Brian Poulin, Taxpayer Services  
133 State Street  
Montpelier, VT 05633-1401  
802-828-6804  
[brian.poulin@vermont.gov](mailto:brian.poulin@vermont.gov)

Questions regarding the VEGI program or the incentives authorized for your company should be directed to:

Vermont Economic Progress Council

Megan Sullivan, Executive Director  
802-798-2221  
[megan.sullivan@vermont.gov](mailto:megan.sullivan@vermont.gov)

Abbie Sherman, Grants Program Manager  
802-793-0721  
[abbie.sherman@vermont.gov](mailto:abbie.sherman@vermont.gov)