

<b>VERMONT</b>	<b><i>Foreign Dividend Factor Increments</i></b> <b>(FOR UNITARY - COMBINED ONLY)</b>	<b>FORM</b> <b>CO-420</b>
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For the taxable period beginning \_\_\_\_\_, 20\_\_\_\_ and ending \_\_\_\_\_, 20\_\_\_\_  
Month Month

Name of Principal Vermont Corporation (PVC) \_\_\_\_\_

PVC's Federal ID Number \_\_\_\_\_

(A) Name of Entity and Federal ID # (if assigned)	(B) Dividend	(C) Taxable Income	(D) Percentage (B ÷ C)
1.			
(FID #)			
2.			
(FID #)			
3.			
(FID #)			
4.			
(FID #)			
5.			
(FID #)			
6.			
(FID #)			

(E) Sales and Receipts	(F) Salaries & Wages	(G) Beginning Property	(H) Ending Property	(I) Average Property (G + H) ÷ 2
1.				
2.				
3.				
4.				
5.				
6.				

(J) Rents x 8	(K) Total Property (I + J)	(L) Modified Sales (D x E)	(M) Modified Salaries & Wages (D x F)	(N) Modified Property (D x K)
1.				
2.				
3.				
4.				
5.				
6.				
<b>Totals</b> (Carry total modified factor amounts to Form CO-419, Lines 2, 7, and 11)				

Vermont Department of Taxes

**FOREIGN DIVIDEND FACTOR INCREMENTS, FORM CO-420**

**INSTRUCTIONS – Unitary Filing Only (VT Form CO-411U)**

Please print clearly in BLUE or BLACK ink only.

Prepare a VT Form CO-420 to support each CO-419 that is included with the unitary return.

Vermont provides factor relief for the dividends received from overseas business organizations as defined in 1.5862(d). In order to obtain factor relief, a separate apportionment percentage for foreign dividends must be calculated.

**Column A** List in Column A the unitary foreign dividend payors whose dividends qualify for factor relief, including those from:

Vermont overseas business organization as defined in Vermont Reg. §1.5862(d)-5 is an entity whose income is included in a consolidated US income tax return but whose activities are primarily outside the US because 80 percent or more of the average of **payroll** and **property** is outside the 50 states and the District of Columbia.

Controlled foreign corporations (CFC) that meet the **payroll** and **property** requirements of an overseas business organization as defined in Vermont Reg. §1.5862(d)-5.

IRC Section 936 Sales Companies that meet the **payroll** and **property** requirements of an overseas business organization.

Foreign sales corporation (FSC) that meet the **payroll** and **property** requirements of an overseas business organization.

Business organizations meeting the **payroll** and **property** requirements of an overseas business organization which made deemed dividends to a member of the unitary group.

**Column F** Enter the total Salaries and Wages. Refer to Vermont Reg. §1.5833.

**Columns** Enter the beginning and ending property valued at original cost. Refer to Vermont Reg. §1.5833.

**G & H**

**Column I** Enter the results of the sum of Column G and Column H divided by 2.

**Column J** Enter the valuation of rented real and personal property valued at 8 times the gross annual rental rate.

**Column K** Enter the total of Columns I and J.

**Columns L, M, and N** Enter the product of Column D multiplied by Columns E, F, and K, respectively. The total of Columns L, M, and N will be used on Form CO-419, Lines 2, 7, and 11 to modify the apportionment percentage used to determine the amount of foreign dividends from unitary sources subject to Vermont Corporate Income Tax.

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**USE ADDITIONAL SHEETS IF NECESSARY**

**NOTE:** A printed copy containing all information required on CO-420 may be substituted.

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**FOR EACH UNITARY DIVIDEND PAYOR LISTED ABOVE, PROVIDE THE FOLLOWING INFORMATION IN US DOLLARS:**

**Column B** Enter the amount of the dividend paid or deemed paid.

**Column C** Enter the taxable income computed using US tax standards.

**Column D** Enter the result of Column B divided by Column C, expressed as a decimal to 6 places. If this amount is greater than 1, enter "1.000000". If this amount is less than zero, enter "0".

**Column E** Enter the Sales and Receipts less returns and allowances. Refer to Vermont Reg. §1.5833.

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**CONTACTING THE DEPARTMENT**

**Mailing address:**

Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401

**Taxpayer Services:** (802) 828-5723

**Email Address:** [tax-corporincome@state.vt.us](mailto:tax-corporincome@state.vt.us)

**Web site Address:** <http://tax.vermont.gov>

**Fax:** (802) 828-5787

**Forms:** (802) 828-2515