2010

Massachusetts Department of Revenue

Schedule VP
Vanpool Credit

Name | Federal Identification number

Eligible costs. Briefly describe purchased or leased qualifying shuttle vans. Include make, model and registration number. Additional details must be available upon request. Use additional sheet if necessary.	**Costs** a. Purchased	**Costs** b. Leased
1		
2 Totals. Add all costs for each column **2**		
3 Total costs. Add line 2, col's. a and b. **3**		
4 Vanpool Credit allowable from current year. **4**		
5 Credit carried over from prior years due to 50% limitation **5**		
6 Total Vanpool Credit available. Combine lines 4 and 5 . . . . . **6**		
7 Vanpool credit being used this year. **7**		

General Information

What Is the Vanpool Credit?

The Vanpool Credit is a tax credit equal to 30% of the total purchase or lease costs for shuttle vans used in an employer-sponsored ridesharing program. The credit is available for tax years ending on or after December 31, 1988.

Who Is Eligible to Take the Vanpool Credit?

Any foreign or domestic corporation which purchases or leases shuttle vans as part of a ridesharing program in Massachusetts is eligible for the Vanpool Credit. The credit does not apply to the purchase or lease costs of vehicles which would be required even if a ridesharing program did not exist. Qualifying shuttle vans must be used for transporting employees or students from their homes or public transportation facilities to a place of employment or to a campus in the Commonwealth. To qualify, a shuttle van must be used by the corporation in Massachusetts and situated in the Commonwealth on the last day of the corporation's taxable year.

Who Is an Employee?

For purposes of the Vanpool Credit, an employee is an individual who:

- Works more than 8 paid hours per week for an employer; or
- Is a full-time student at a college, university or other post-secondary educational institution and who commutes between home and campus on a regular basis.

What Is a Shuttle Van?

A shuttle van is a highway vehicle which meets all of the following requirements:

- It has a seating capacity of **at least** seven adults, including the driver;
- At least 80% of its mileage can be reasonably expected to be from the transportation of students and employees; and
- At least half of its adult seating capacity is occupied on average.

Are All Costs Eligible for the Credit?

No. Only the costs of purchasing or leasing shuttle vans are eligible. The credit **does not** apply to the cost of insurance, maintenance, fuel, drivers' salaries or other operating expenses.

Is Depreciation Allowed on Shuttle Vans?

Yes. A depreciation deduction may be taken on any qualifying vehicle. However, the basis upon which the depreciation is taken must be reduced by the amount of the allowable credit.

When Must a Corporation Take the Vanpool Credit?

For purchased vehicles, the Vanpool Credit may only be taken in the taxable year in which the qualifying vehicles were acquired and placed in service. For qualifying leased vehicles, the credit may be taken in those taxable years in which a lease or contract payment is incurred.

Line Instructions

Line 1

Enter in line 1 the make, model and registration number of the qualifying shuttle van(s). For purchased vans, enter in col. a the total purchase cost. For leased vans, enter in col. b the taxable year's lease or contract payment costs.

Line 2

Total all taxable year qualifying costs for each column.

Line 3

Total all qualifying costs for the taxable year.

Line 5

Corporations may offset up to 50% of their tax due with the credit. Any credits not used as a result of the 50% limitation may be carried over for an unlimited number of years. Enter the amounts carried over from prior years.

Line 7

Enter the amount of Vanpool Credit being used in current year. Enter this amount on Schedule CR, line 4 or Schedule 355U-IC, line 9. Corporations cannot use the credit to lower their excise below the minimum tax or 50% of the excise due under MGL Ch. 63, sec. 39.