



# WISCONSIN TAX REPORT

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Created Especially for Members of Wisconsin Chapter of NATP

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## **2009 WISCONSIN TAX BENEFITS FOR MEDICAL CARE INSURANCE**

Certain persons may claim a subtraction on their 2009 Wisconsin income tax returns for the amount paid for medical care insurance.

"Medical care insurance" means a medical care insurance policy that covers the person, his or her spouse, and dependents and that provides surgical, medical, hospital, major medical, or other health service coverage. A person who is employed and whose employer does not pay any part of the cost of the employee's medical care insurance may subtract 100% of the amount paid for the insurance.

A person who is employed and whose employer pays any amount toward the cost of the employee's medical care insurance may subtract 10% of the amount that person paid for medical care insurance in 2009. This percentage was scheduled to increase to 25% for 2009. However, the phase-in of the deductible percentage has been delayed. The percentage will increase to 25% for 2011, 45% for 2012, and 100% for 2013 and thereafter. A person who is not self-employed and who has no employer may claim a subtraction for 66.7% of the amount paid for medical care insurance in 2009. The increase to 100% has been delayed until 2011.

Self-employed persons may also claim a Wisconsin subtraction for up to 100% of the amount paid for their medical care insurance. The Wisconsin subtraction for medical care insurance is limited to the net earnings from the trade or business taxable to Wisconsin.

See the Wisconsin income tax form instructions for further information.

## **CURRENT WISCONSIN TAX LAW TREATMENT OF 2010 IRA CONVERSIONS**

As of October 29, 2009, Wisconsin has not adopted the provisions of federal P.L. 109 222 related to converting a regular IRA to a Roth IRA in 2010. Until Wisconsin adopts P.L. 109 222, taxpayers who make the conversion from a regular IRA to a Roth IRA in 2010 will have different tax treatments for federal and state income tax purposes.

For federal income tax purposes, persons who make the conversion in 2010 may elect to postpone payment of tax on the converted amount until they file their 2011 and 2012 income tax returns. Because Wisconsin has not adopted the provisions of P.L. 109 222, the tax on the converted amount will be due with 2010 Wisconsin income tax returns.

Persons who make the conversion and who have modified adjusted gross income over \$100,000 will be subject to certain Wisconsin penalties.

If the person is under age 59 1/2, the person would be subject to an early distribution penalty. The penalty is equal to 3.33% of the amount converted. The person would also be subject to a 2% penalty for an excess contribution to the Roth IRA. This penalty would be applied each year until the excess contribution is withdrawn. Persons age 59 1/2 or over would only be subject to the excess contribution penalty.

The department will publish further guidance on this issue if P.L. 109 222 is adopted in the next legislative session that begins in January 2010.

## **WISCONSIN - MINNESOTA RECIPROcity AGREEMENT ENDS EFFECTIVE JANUARY 1, 2010**

Minnesota officials canceled the reciprocity agreement with Wisconsin that allowed residents of one state to file a single state income tax return if they worked across the border. The cancellation will affect about 33,500 Wisconsin residents and 13,000 Minnesota residents. Reciprocity between Wisconsin and Minnesota was enacted in 1967.



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The information published in Wisconsin Tax Report is believed to be accurate and authoritative. Independent research is encouraged before application.

## FALL 2009 CONFERENCE

The fall educational event was held on November 5 and 6 at the Heidel House Resort and Spa in Green Lake. This was a beautiful location on the shore of Green Lake especially pretty on a beautiful Indian summer day..

Kerstin Lanser of the IRS and Ann Marie Alvarez of the WDOR led a lively round table discussion on Thursday night.

On Friday David and Mary Mellem gave suggestions on ways to audit-proof our business and Schedule E returns. They then continued with the many federal tax changes for the 2009 tax return and their effect on our Wisconsin returns.

## BOARD OF DIRECTORS ELECTION

At the recent annual meeting held at Green Lake in early November, elections were held for vacant and expiring terms of office.

In Region 1 JoAnn Olson from Frederic was elected to a full three-year term. Brad Droste of Reedsburg was elected to fill out the remaining year as an at-large director also in Region 1.

In Region 4, Jan Anderson of Appleton was elected to a full three-year term after serving as an at-large director.

Mark Miller of Sheboygan was reelected to a second three-year term in Region 5.

Due to a vacancy in Region 6, Jim Glorioso of Oconomowoc transferred from an at-large director to a regular director to fill out the remaining two years.

Congratulations to all newly elected and returning directors. We appreciate the time and effort you spend to keep the Wisconsin chapter a top notch organization. Thank you also to the board members whose term was up for the work you did during your period of service.

If you are interested in helping the board, there are always volunteer opportunities on committees. Please contact any of the directors to offer your help. If you would like to be considered as a board candidate, there will be openings available in Region 1 (the northwest section of the state), Region 3 (the northeast section), Region 4 (the Fox River Valley area), and Region 5 (the mid Lake Michigan area). Being a director involves three board meetings a year with two of them being held in conjunction with the spring and fall conference. Most of the rest of the work involves e-mails rather than travel time. Please consider adding your expertise to the board.

## 2010 WI CHAPTER OFFICERS

At a reorganizational meeting held following the fall seminar, the officers for 2010 were elected.

President -- Jan Anderson  
Vice-President -- Anne Casey  
Secretary -- Marlene Dunn Till  
Treasurer -- Julie Wallock

Congratulations to the new and continuing officers. To those who have left, we thank you for your service on the board. We appreciate the work you have done for the Chapter.

## **NEW FORM AIDS PROCESSING OF MORTGAGE APPLICATIONS, MAKES ORDERING TAX TRANSCRIPTS SIMPLER**

WASHINGTON — The Internal Revenue Service today issued a new form to aid the processing of mortgage applications under the Home Affordable Modification Program (HAMP) as part of the Making Home Affordable Program. The new form will make it simpler for people, especially homeowners trying to modify or refinance their mortgages, to order copies of their tax return transcripts.

Taxpayers often need copies of their tax return information, especially when they are obtaining a new mortgage or when they are refinancing or modifying an existing mortgage. Taxpayers can use Form 4506T-EZ, Short Form Request for Individual Tax Return Transcript, to order a Form 1040 series tax return transcript free of charge. A transcript is a computer print-out that includes most lines on the original return. A transcript often is an acceptable substitute for a copy of the original tax return for purposes of verifying income.

Form 4506T-EZ is a streamlined version of the Form 4506T, Request for Transcript of Tax Return. The Form 4506T-EZ is only for individuals who filed a Form 1040 series. Businesses, partnerships and individuals who need transcript information from other forms must still use the Form 4506T.

Transcripts ordered through the Form 4506T-EZ can be mailed to a third party, such as a financial institution. The IRS cautions taxpayers that they should complete all required fields, especially the requested years, before signing and dating the form.

Taxpayers can obtain Form 4506T-EZ at [IRS.gov](http://IRS.gov). It is a fillable form so people can complete the form online and print a copy. They can mail it or fax it to the addresses and numbers listed in the instructions. It generally takes 10 days to process the request.

The IRS also recommends that people retain copies of their original tax returns in a safe, secure place. Exact copies of tax returns are available by filing Form 4506, Request for Copy of Tax Return, but each copy costs \$57 and can take 60 days to process.

## **2009 TAXATION OF UNEMPLOYMENT COMPENSATION**

For federal income tax purposes, Public Law 111-5, enacted February 17, 2009, provided that for 2009, the first \$2,400 of unemployment compensation is excluded from income. This provision of federal law was not adopted for Wisconsin.

For Wisconsin income tax purposes, the amount of taxable unemployment compensation is the lesser of (1) the total unemployment compensation received in 2009, or (2) one-half of the amount by which federal adjusted gross income less certain adjustments exceeds \$18,000 (\$12,000 if single or married and did not live with your spouse at any time during the year, or -0- if married and lived with your spouse at any time during the year).

A worksheet for determining the amount of unemployment compensation taxable to Wisconsin is provided in the instructions for the income tax forms. When determining taxable unemployment compensation, the taxpayer must enter his or her federal adjusted gross income on the worksheet.

Because of the definition of the Internal Revenue Code provided under Wisconsin law, the amount to enter on the worksheet as federal adjusted gross income cannot be taken directly from the taxpayer's federal income tax return. For example, the Wisconsin definition of the Internal Revenue Code does not include the exclusion for the first \$2,400 of unemployment compensation, the deduction for educator expenses, or the deduction for tuition and fees.

Taxpayer's who file Wisconsin Form 1 or Form 1NPR are required to complete Wisconsin Schedule I, Adjustments to Convert 2009 Federal Adjusted Gross Income and Itemized Deductions to the Amounts Allowable for Wisconsin. This schedule will recompute federal adjusted gross income to account for the differences between federal and Wisconsin law. This recomputed federal adjusted gross income is the amount to enter on the worksheet as federal adjusted gross income.

Taxpayers who file Wisconsin Form 1A do not have to complete Schedule I. However, when completing the unemployment compensation worksheet, they still must recompute federal adjusted gross income to account for the differences in federal and Wisconsin law. Therefore, the amount to enter on the worksheet is the federal adjusted gross income as shown on the federal return plus the amount of unemployment compensation excluded from federal income, the amount of any federal educator expense deduction, and the amount of any federal tuition and fees deduction.

## **SALES AND USE TAX TREATMENT OF FUEL AND ENERGY SURCHARGES**

Rather than increasing the selling price of property or services sold, many businesses choose to pass on their fuel cost as a separate line item on the invoice given to their customers. For example, rather than increasing room rates by a certain percentage, some hotels add an “energy surcharge” to each customer’s lodging bill. Other sellers, rather than increasing the selling price of their merchandise or services, add a “fuel surcharge” to each customer’s bill.

The “energy surcharge” or “fuel surcharge” is included in the selling price of tangible personal property or taxable services sold for purposes of computing Wisconsin sales or use tax. Therefore, if the property or service sold is subject to Wisconsin sales or use tax, the amount of the energy surcharge is subject to Wisconsin sales or use tax (and local exposition taxes, if applicable).

**Example 1:** Hotel A charges \$70 per night of lodging. To recover some of its heating costs, Hotel A also charges an “energy surcharge” equal to 2% of the room rate ( $\$70 \times 2\% = \$1.40$ ). The amount subject to Wisconsin sales or use tax (and local exposition room tax, if applicable) is \$71.40.

**Example 2:** Furnace Repair Company B charges Customer C \$100 for cleaning Customer C’s furnace. Furnace Repair Company B adds a \$50 “fuel surcharge” for its cost of fuel to travel to Customer C’s house. Because the furnace cleaning services sold by Furnace Repair Company B are subject to Wisconsin sales or use tax, the “fuel surcharge” is also subject to Wisconsin sales or use tax.

*Note: The tax treatment would be the same if Furnace Repair Company B listed the fee as “service call,” “mileage charge,” or by any other name.*

## **SALES OF USED MOTOR VEHICLES, BOATS, SNOWMOBILES, RECREATIONAL VEHICLES AS DEFINED IN s. 340.01 (48r), Wis. Stats., TRAILERS, SEMITRAILERS, ALL-TERRAIN VEHICLES, AND AIRCRAFT BY PERSONS WHO ARE NOT DEALERS**

Effective October 1, 2009, any retailer that is registered to collect and remit Wisconsin sales and use taxes must also collect and remit the applicable state, county, and/or stadium sales and use tax on its sales of motor vehicles, boats, snowmobiles, recreational vehicles as defined in s. 340.01 (48r), Wis. Stats., trailers, semitrailers, all-terrain vehicles, and aircraft, even if they are not “dealers” or “registered dealers” of the item sold.

In addition, a person registering or titling one of the above items must present proof that the tax has been paid to the retailer. Therefore, a person who purchases one of the above items from a retailer should obtain a receipt from the retailer at the time of the purchase so they can provide the receipt at the time the item is registered or titled as proof that the tax has been paid. (Section 77.61 (1) (b), Wis. Stats. (2007-08), as amended by 2009 Wisconsin Act 2)

**Example 1:** Company A is engaged in the business of selling computer equipment and is registered to collect and remit Wisconsin sales and use tax. Company A is not a licensed motor vehicle dealer. Company A sells a truck that it had used in its business operations to Company B. Company A is required to collect the applicable Wisconsin state, county, and/or stadium sales tax on its sale of the used truck. Company A should provide a receipt to Company B showing the Wisconsin state, county, and/or stadium sales or use tax that it collected from Company B. At the time Company B registers or titles the truck, Company B should provide a copy of the receipt as proof that they paid the applicable Wisconsin state, county, and/or stadium sales or use tax to Company A.

Under prior law, a person who was not a “dealer” or “licensed dealer” was not required to collect and remit the applicable Wisconsin state, county, and/or stadium sales and/or use tax on their sales of used motor vehicles, boats, snowmobiles, recreational vehicles as defined in s. 340.01 (48r), Wis. Stats., trailers, semitrailers, all-terrain vehicles, and aircraft.

**Example 2:** Individual A operates a hardware store as a sole proprietor and is registered to collect and remit Wisconsin sales or use tax. Individual A sells his car to Individual B. Individual A did not use the car in his business. Since Individual A did not use the car in his business, Individual A is not required to collect Wisconsin state, county, and/or stadium sales or use tax on his sale of the motor vehicle. Individual B would report the applicable Wisconsin state, county, and/or stadium sales or use tax at the time Individual B registers or titles the motor vehicle.

## **EFFECT OF COBRA ASSISTANCE ON THE WISCONSIN SUBTRACTION FOR MEDICAL CARE INSURANCE**

**Federal Law** - The American Recovery and Reinvestment Act of 2009, enacted February 17, 2009, provides for a 65% reduction in the premium otherwise payable by certain involuntarily terminated individuals and their families who elect COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) continuation health coverage.

An assistance eligible individual is generally an individual who was involuntarily terminated during the period from September 1, 2008, through December 31, 2009. The premium reduction applies for up to nine months.

The amount of any premium reduction is excluded from an individual's gross income. If the premium reduction is provided and the individual's modified adjusted gross income for the tax year exceeds \$145,000 (\$290,000 for married filing jointly), the amount of the premium reduction is recaptured as an increase in the individual's federal income tax liability. The recapture is phased in for individuals with modified adjusted gross income in excess of \$125,000 (\$250,000 for married filing jointly).

The employer is reimbursed for the remaining 65% of the premium through a credit against its federal payroll taxes.

**Wisconsin Law** - A subtraction from income is generally allowed to self employed individuals, individuals who are employed, and individuals who have no employer and are not self employed, for all or a portion of the amount paid for medical care insurance for the individual, his or her spouse, and the individual's dependents.

For taxable years beginning in 2009, an individual who is neither employed nor self employed may subtract 66.7% of the amount paid for medical care insurance. An individual whose employer paid a portion of the cost of the insurance may subtract 10% of the amount paid for medical care insurance.

### *Effect of Cobra Assistance on the Wisconsin Subtraction for Medical Care Insurance*

An individual who has elected COBRA continuation health coverage and who is eligible for the 65% premium reduction pays 35% of the cost of the insurance. The 35% amount actually paid by the individual is the amount that the individual may use in the computation of the subtraction for medical care insurance.

An individual who has elected COBRA continuation health coverage and is eligible for the 65% premium reduction may claim 66.7% of the amount paid for medical care insurance by a person who is neither employed nor self-employed. The reason the individual is eligible for the premium reduction is due to involuntary termination. An individual who is involuntarily terminated does not have an employer. As such the individual is eligible for the subtraction for 66.7% of the amount paid for the insurance, rather than 10% which is allowable to a person whose employer paid a portion of the cost of the insurance.

When an individual is required to recapture the premium reduction, the amount of the recapture is considered an amount paid for medical care insurance and may be claimed as a subtraction for the year of the recapture.

**Example 1:** An individual was involuntarily terminated in July of 2009. The person elected COBRA insurance coverage and qualified for the COBRA premium reduction. The cost of the insurance was \$1,000 a month. For three months, the individual paid \$350 a month for the insurance and the COBRA premium reduction was \$650 a month. The individual was then employed by another company.

For the period during which the individual was unemployed, the amount paid by the individual for medical care insurance was \$1,050 (\$350 x 3). Assuming all qualifications are met, the individual may claim a subtraction for \$700.35 ( $\$1,050 \times .667 = \$700.35$ ) as an individual who was neither employed nor self employed.

**Example 2:** The facts are the same as in Example 1. However, as a result of the new employment, the individual had an increase in income to the extent that the entire premium reduction had to be recaptured. The individual added \$1,950 ( $\$650 \times 3$ ) to his/her 2009 federal tax liability. The recapture amount was paid with the 2009 federal income tax return due April 15, 2010.

The recapture amount is considered an amount paid for medical care insurance. The \$1,950 may be used in computing the subtraction for medical care insurance on the 2010 Wisconsin income tax return.

## **CAR ALLOWANCE REBATE SYSTEM - "CASH FOR CLUNKERS"**

For purposes of Wisconsin's sales and use tax laws, the amount of the electronic voucher applied by the car dealer under the "CARS" program as a partial payment or down payment towards a person's purchase of a new fuel efficient vehicle is NOT subject to Wisconsin sales or use tax. Additional information is available at

<http://www.revenue.wi.gov/taxpro/news/090723.html>.

## **TIPS FOR SUCCESSFUL PREPARATION OF FORM 1NPR**

The following tips are offered to help you avoid the significant processing delays that can be created by the most common errors in preparing Form 1NPR:

1. Include all required enclosures. Copy of the federal return, withholding statements, Legal Residence (Domicile) Questionnaire, etc.
2. Verify your client's current mailing address. Do not use the former Wisconsin address if your client has moved out of state, as their account will be updated with the address on the return and a refund check or bill will be sent to that address.
3. Only claim the credit for net tax paid to another state when it is allowed. The credit is not allowed when the income taxed by the other state is not included in Wisconsin income or when the income was received while a nonresident of Wisconsin. If claiming the credit, include copies of the other state(s) income tax return(s) and Form(s) W-2.
4. Verify the accuracy of state wage information provided on Form(s) W-2. A taxpayer may not provide timely notification to their employer of a change in residency to or from Wisconsin, which may result in incorrect state wage information on Form W-2.
5. Only claim Wisconsin withholding on line 68. Check the state abbreviation on each wage statement to ensure that withholding paid to other states is not included in the Wisconsin withholding claimed.
6. Enter withholding and estimated tax payments on the correct lines. This is a common error, as the estimated tax payments line is directly below the withholding line.
7. If each spouse has a different residency status, check two resident status spaces on the return. Some software does not allow more than one space to be selected. This is an error that should be reported to the software developer.
8. Do not claim a change of resident status for a temporary absence. Taxpayers who live outside Wisconsin for the winter months or have relocated from Wisconsin to another state temporarily for work are generally considered full-year Wisconsin residents.
9. Do not claim a subtraction on line 15 for income not reportable to Wisconsin. This income should not be included in the Wisconsin column on lines 1 through 14, so it should not be subtracted.
10. Avoid common mistakes in preparing returns for members of the military:
  - Report to Wisconsin all of the income of a military member who was stationed in another state but was still a Wisconsin resident.
  - If claiming an exemption for the military pay of a National Guard or Reserve member, include an explanation with the return as to why the wages are not included in Wisconsin income.
  - If excluding the wages of a nonresident military member from federal adjusted gross income for Wisconsin tax purposes, include a copy of the federal return and Form W-2 to verify the amount of nonresident wages.

## **SECTION 179 EXPENSE FOR FARMERS FOR 2009**

The section 179 expense deduction allows persons to elect to deduct the cost of certain property used in a trade or business instead of claiming depreciation. For federal tax purposes, for tax years beginning in 2009, the maximum section 179 expense deduction is generally \$250,000. This limit is reduced by the amount by which the cost of section 179 property placed in service during the tax year exceeds \$800,000.

For Wisconsin tax purposes, the amount that may be expensed under section 179 is limited to \$25,000, and the phase out threshold is \$200,000. However, an exception is provided for farmers for 2009.

Persons who are actively engaged in farming may claim an increased section 179 expense deduction. The amount that may be expensed for tax years beginning in 2009 under section 179 is limited to \$120,000. The phase-out threshold is \$480,000.

Individuals who claim the section 179 expense deduction must file Wisconsin Schedule I to account for the difference in the amount allowable for federal and Wisconsin tax purposes.

## **MY TAX ACCOUNT: THIRD PARTY UPDATE**

My Tax Account has simplified the process for third party access for persons with no internet access nor an email address. Practitioners now have two options to access their clients' accounts. Option A is the process currently in place where the practitioner can add up to 10 clients at a time who are already registered in My Tax Account. The practitioner needs to know the Taxpayer ID Type, Taxpayer ID and the Customer's Last or Business Name. Option B allows clients without access to the internet nor an email address to give their practitioner permission to access their business tax accounts on My Tax Account by signing the Authorization Form A-777a. The practitioner needs the same information required in Option A but also needs the Business Tax Type and an Authorization Amount.

## **WISCONSIN EMPLOYER'S WITHHOLDING TAX GUIDE REVISED**

The Wisconsin Employer's Withholding Tax Guide (Publication W-166) has been updated. The withholding tables and alternate methods of withholding (A and B) have been revised due to the new top individual income tax rate of 7.75 percent and bracket adjustment resulting from inflation.

The top individual income tax rate is increased from 6.75 percent to 7.75 percent (effective for taxable years beginning on or after January 1, 2009). Interest on underpayment of estimated tax will not be charged when the estimated tax was underpaid due to the change in brackets. This applies only to the taxable year to which the bracket changes apply. See page 1 of the employer's guide for other important changes.

The revised withholding tables or alternate methods should be implemented no later than October 1, 2009.

### **ARE YOUR SALES SUBJECT TO THE POLICE AND FIRE PROTECTION FEE?**

The new police and fire protection fee (effective September 1, 2009) is imposed on the following two types of transactions:

1. Each retail transaction, such as a prepaid phone card, for a prepaid wireless telecommunications plan; and
2. Each voice communications connection with an assigned telephone number.

Every communications provider and retailer required to impose the police and fire protection fee must register with the Department of Revenue to report and remit the fees.

**IMPORTANT:** A retailer who sells phone cards for prepaid wireless telecommunications plans is required to register to collect and remit the police and fire protection fee, even if the retailer is not the provider of the telecommunications service. These fees do not apply to the sale of prepaid long-distance phone cards.

For additional information, please see the Department of Revenue's Police and Fire Protection Fee web page at <http://www.revenue.wi.gov/html/pfprofec.html>.

### **DOMESTIC PRODUCTION ACTIVITIES DEDUCTION DOES NOT APPLY FOR WISCONSIN FOR 2009**

For taxable years beginning after December 31, 2004, for federal tax purposes taxpayers may claim a deduction against gross income equal to a percentage of its qualified production activities income or its taxable income without regard to the deduction. For taxable years beginning after December 31, 2004, and before January 1, 2009, the federal domestic production activities deduction also applied for Wisconsin income and franchise tax purposes.

Effective for taxable years beginning on or after January 1, 2009, the domestic production activities deduction will no longer apply for Wisconsin. Certain adjustments will have to be made for Wisconsin when the domestic production activities deduction is claimed on the federal tax return.

**Individuals--** Individuals who file their Wisconsin income tax return on Form 1 or Form 1NPR must also file Schedule I, Adjustments to Convert 2009 Federal Adjusted Gross Income and Itemized Deductions to the Amounts Allowable for Wisconsin. This is required to add the domestic production activities deduction to federal adjusted gross income. The federal adjusted gross income as determined on Schedule I is then entered on line 1 of Form 1 or line 33 of Form 1NPR

**Estates and Trusts--** Estates and trusts who file their Wisconsin income tax return on Form 2 must complete Schedule B to add the federal domestic production activities deduction to federal taxable income.

**Corporations--** Corporations who file their Wisconsin franchise or income tax return on Form 4 must add the federal domestic production activities deduction to federal taxable income on Schedule V.

**Partners of Partnerships and Shareholders of Tax-Option (S)Corporations--** Individuals, estates and trusts, and corporations that are partners or tax-option (S) corporation shareholders must add the federal domestic production activities deduction attributable to activities of the partnership or tax-option (S) corporation to income in the manner described above. Since the domestic production activities deduction is determined at the partner or shareholder level, and not the entity level, the effective date of this law change is determined based on the partner's or shareholder's taxable year.

**Example --** Individual X, a calendar year filer, is a shareholder of a tax-option (S)corporation that is on a fiscal year ending June 30. Under section 1366(a)(1) of the Internal Revenue Code, which applies for Wisconsin purposes, X must include the pass-through items for the S corporation's taxable year ending June 30, 2009 on his 2009 calendar year return. Assume that X claims the domestic production activities deduction on his 2009 federal return, and the deduction is attributable to qualified production activities income (QPAI) that passed through the S corporation, including QPAI that the S corporation earned during its fiscal year but before January 1, 2009. For Wisconsin purposes, X must add the entire amount of domestic production activities deduction on his 2009 Wisconsin return by completing Wisconsin Schedule I.