

Unitary Questionnaire for Affiliated Entities

A unitary business is one which operates as a single, commonly controlled economic enterprise, whereas each component of the enterprise is sufficiently interdependent, integrated, and interrelated through their activities. A unitary business may consist of a single entity or a group of two or more related entities, including corporations, tax-option corporations, partnerships, limited liability companies, sole proprietorships, estates, and trusts. See sec. [71.255\(1\)\(n\)](#), Wis. Stats. and sec. [Tax 2.62](#), Wis. Adm. Code.

Part A: Business Information

The following questions pertain to the relationship between _____ and its affiliated entities for the following period: _____
(company name)

Affiliated Entities (*list*):

- | | |
|----------|----------|
| 1. _____ | 5. _____ |
| 2. _____ | 6. _____ |
| 3. _____ | 7. _____ |
| 4. _____ | 8. _____ |

Please refer to the number of the affiliated entity in the proper response block for all questions. The word "affiliate" is meant to include the parent company and any entity of which more than fifty percent of the voting stock or control is owned directly or indirectly by the parent entity or another member of the unitary group, any brother-sister corporations, or any pass-through entities (i.e., partnership, limited liability companies, etc.).

Part B: General Questions

- List all types of income you are reporting as non-apportionable income in each year under examination and include a detailed description of why you believe the income is nonapportionable.
- Provide any additional information you'd like the department to consider including a written statement on why you believe the business is non-unitary.

Part C: Questions pertaining to Ownership

- Was the affiliated entity purchased by the company? Yes No
 - If yes, attach statement indicating 1) the date of the purchase, 2) whether the purchase was an asset purchase or purchase of an ownership interest and 3) name of the entity that purchased the affiliated entity.
 - If yes, attach statement explaining whether the purchase was made for the purpose of expansion, diversification, or as a source of supply.
- Was the affiliated entity formed by the company? Yes No
 - If yes, attach statement describing the source of funds used to capitalize the affiliated entity.
- Provide a business organization chart, including all affiliated noncorporate entities, for the period under examination.
- For each affiliated entity owned over 50% directly or indirectly by the company that is involved in the worldwide unitary business please provide the following:
 - A list of all officers and directors (or managers for LLCs and general partners for limited partnerships). This list should provide the name and title of each person and should include each year under audit.
 - A list of all committees of the board of directors for each subsidiary [or "affiliate"] and the names of each person on the committee.
 - The date and country of incorporation/formation. In addition, indicate whether the company was incorporated by a member of the U.S. consolidated group or purchased.
 - The local address of each company's headquarters office.
 - The address of all sales offices, service centers, distribution centers, retail locations, etc.
 - A description of each affiliated entity's activity. This description should include the types of products and/or services provided and the type of customers the product or service is provided to.
- List and explain the purpose of all acquisitions, formations, or divestitures of affiliates for the period under examination.

6. Provide all partnership agreements, LLC membership agreements, corporate bylaws and LLC operating agreements in effect at any time during the period under examination. Also provide corporate meeting minutes related to the original purchase of any affiliate.
7. Provide loan agreements for any qualified nonrecourse or recourse share of liabilities reported on a federal Schedule K-1, either issued to you or by you at any time during the period under examination.

Part D: Questions pertaining to Banking, Loans and Financing

1. Does the affiliated entity require approval from the company when funds are needed from outside sources (whether long or short term debt)? Yes No
If yes, please describe any restrictions the company has placed on the affiliated entity.
2. Does an affiliated entity and company loan or advance money to each other, either by direct loans or inter-company receivable accounts? Yes No
 - a. If yes, are there written agreements regarding these loans or advances and what interest rates are being charged? Yes No
3. Does an affiliated entity and company pledge assets to each other, to obtain loans or advances? Yes No
4. Does an affiliated entity and company guarantee or approve loans for each other? Yes No
5. Does the company pay obligations of the affiliated entity? Yes No
6. Is the company responsible for the investment of surplus funds of the affiliated entity? Yes No
7. Are there cash sweeps of accounts moving funds between affiliated entities? Yes No
8. Does the company perform cash management services for the affiliated entity? Yes No

Part E: Questions pertaining to Purchasing and Common Facilities

1. Does an affiliated entity and company use any common suppliers? Yes No
If yes, identify them.
2. Does the company make decisions or approve major purchase contracts for the affiliated entity? Yes No
If yes, detail the dollar level at which approval is required.
3. Does the company purchase raw materials or inventory for the affiliated entity? Yes No
4. Does the company purchase office equipment and supplies for the affiliated entity? Yes No
5. Does the company obtain discounts or other benefits from volume purchases of raw materials or inventory for the affiliate entity? Yes No
6. Does an affiliated entity and the company have any common:
 - a. Office facilities Yes No
 - b. Computer systems Yes No
 - c. Manufacturing facilities Yes No
 - d. Selling facilities Yes No
 - e. Purchasing agents Yes No
 - f. Transportation facilities Yes No
 - g. Communications systems Yes No
 - h. Research and development facilities Yes No
 - i. Banking facilities Yes No
7. If you answered yes to any in Question 6, provide a list of the location of each shared facility, the type of facility and the names of the companies that share the facility.
8. Are there any written lease agreements for any of these common facilities? Yes No
9. Did the company reimburse an affiliated entity for any common facilities? Yes No

Part F: Questions pertaining to Intercompany Transactions

1. Does the affiliated entity engage in one specific function for the company (e.g., development, manufacturing, transportation, retail, marketing)? Yes No
2. Are the business activities of an affiliated entity and company in the same general line of business? Yes No
3. Are there any intercompany sales and/or purchases between an affiliated entity and the company? Yes No
If so, identify the annual dollar volume of such sales and/or purchases for each year of the period under examination.
4. Is there a transfer of raw materials, inventories, equipment, or other assets between an affiliated entity and the company? Yes No
If so, identify the annual dollar volume of such transfers for each year of the period under examination.
5. Are there intercompany rents or other intercompany charges between an affiliated entity and the company? . Yes No
If so, identify the annual dollar volume of such rents or intercompany charges for each year of the period under examination. Also state all entities involved in the intercompany rent or other charges.
6. Does the company charge the affiliated entity a management fee and/or overhead charge for providing any services or facilities? Yes No
If so, please list each affiliated entity involved and the audit period for each charge.
7. Do any licensing agreements exist between an affiliated entity and company? Yes No
If so, provide detail, including annual royalties or other payments.
8. Are there intercompany dividends? Yes No
 - a. Does the board of directors of any affiliated entity control the amount and/or distribution of the dividends by the company? Yes No
 - b. If the company pays dividends to an affiliated entity, are these funds segregated from the general fund of that affiliated entity? Yes No
9. Please list all additional intercompany transactions, by entity, not provided in questions 1-8 above including:
 - a. The name of the seller and purchaser.
 - b. The type of intercompany transaction.
 - c. An explanation of how the intercompany transaction is valued.

Part G: Questions pertaining to Research and Development

1. Does an affiliated entity and the company utilize the same research and development facilities? Yes No
2. Does an affiliated entity and the company utilize common planning, engineering, and research and development data? Yes No
3. Are there common designs, patents, or patterns used by both the affiliated entity and the company? Yes No
4. Does an affiliated entity perform research and development for the company, including but not limited to, planning, developing, testing, and obtaining patent protection for new and/or improved products? Yes No
5. Does the company perform research and development for an affiliated entity, including but not limited to, planning, developing, testing, and obtaining patent protection for new and/or improved products? Yes No

Part H: Questions pertaining to Accounting and Administrative Functions

1. Does the company perform any accounting function(s) for the affiliated entity? Yes No
2. Does the company establish accounting procedures, forms, reports, etc. for the affiliated entity? Yes No

3. Are the accounting reports/financial statements for the affiliated entity prepared by the company or by the company's data processing system? Yes No
4. Is the payroll prepared by the company, or the company's data processing system, for the affiliated entity? . . . Yes No
5. Does the company prepare any tax returns for the affiliated entity or use the same third-party tax preparation entity to prepare tax returns? Yes No
6. Does the company prepare or approve the annual budget, and/or forecast for financial results for the affiliated entity? Yes No
7. Does the company have an internal audit department? Yes No
If so, please list the affiliated entities it conducted internal audits on, the type of audit conducted, and the year audited.
8. Does the company distribute a company newsletter which reports the activities of the affiliated entity, its subsidiaries, and/or its employees? Yes No

Part I: Questions pertaining to Advertising and Marketing

1. Does an affiliated entity and company advertise their products under a common brand name, corporate name, logo, symbol, and/or trademark/service mark, regardless of which company produces, sells, services, or fabricates the products? Yes No
2. Does an affiliated entity's name, logo or other trademark/service mark appear in the company's advertising? Yes No
3. Does the company handle the advertising for the affiliated entity, or use the same third-party advertising agency? Yes No
4. Does an affiliated entity pay the advertising bill for the company, or vice versa? Yes No
5. Does the company determine what type of advertising media to use, amounts to spend, where to spend the advertising money, etc. for the affiliate, or vice versa? Yes No
6. Does an affiliated entity and the company service common customers? Yes No
If so, list the common customers.
7. Does the company and affiliated entity have a common sales staff? Yes No
If so, list them.
8. Does an affiliated entity and the company sell common or similar products? Yes No
9. Do any of the sales catalogs or literature cover products from more than one company? Yes No
If so, provide detail.
10. Does an affiliated entity and the company use common terms of sales or sales contracts? Yes No
11. Does an affiliated entity and the company use common shipping or transportation services? Yes No
12. Is there a central 800 number for placing orders for an affiliated entity and the company's products? Yes No
If yes, please explain.
13. Are the products offered by the affiliated entity and the company shown and/or sold on a central website? . . . Yes No
14. Did an affiliated entity and the company's sales staff sell any of the affiliated entity's products? Yes No
15. Did the company's sales staff supervise and/or direct any portion of the affiliated entity's sales staff? Yes No

Part J: Questions pertaining to Insurance and Legal Functions

1. Does the company purchase any type of insurance for the affiliated entity? Yes No
If yes, please list.

2. Is any affiliated entity a self-insurer? Yes No
If yes, please list the other affiliated entities covered under this insurance plan.

3. Are the same group insurance plans offered to employees of both the affiliated entity and company? Yes No

4. Does the company require the affiliated entity to engage a specific insurance company, or vice versa? . . . Yes No

5. Does the company provide legal services for the affiliated entity? Yes No

6. Does the affiliated entity and company use the same law firm? If yes, does the affiliated entity later reimburse the company for the fees? Yes No

7. If your response to Question 6 is yes, does that affiliated entity determines the cost of these fees for the company? Yes No
If yes, how was/is the fair market rate determined?

Part K: Questions pertaining to Personnel

1. Does the affiliated entity and the company have any common officers or directors, or managers? Yes No

2. Do officers, directors, or managers of the company travel to locations of the affiliated entity? Yes No

3. Do any officers, directors, managers, or any other employee of an affiliated entity report directly to any employee of the company? Yes No

4. Does any internal committee, officer, director, or manager of the company monitor any aspect of the affiliated entity's operations? Yes No

5. Are employees transferred from an affiliated entity to the company or from the company to an affiliated entity? Yes No

6. Does an affiliated entity and the company have common hiring policies or pre-employment tests or screening procedures? Yes No

7. Does the company provide training programs for personnel employed by the affiliated entity? Yes No

8. Does an affiliated entity and the company have any common personnel policies and/or employee hand-books? Yes No

9. Does an affiliated entity and the company have any common recruiting programs? Yes No

10. Does an affiliated entity and the company have any common employee benefit programs? Yes No

11. Does the company provide human resources services for the affiliated entity or vice versa? Yes No

12. Does an affiliated entity and the company share or maintain human resources and/or related services through a third party provider, professional employer organization, certified professional employer organization, or similar organization? Yes No

Name of person completing this form	Title of person completing this form
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Attach additional sheets, as necessary.