



## Wisconsin Dairy Manufacturing Facility Investment Credit –

**EXPIRES DECEMBER 31, 2013**

Fact Sheet 1101

revenue.wi.gov

Businesses engaged in processing milk into dairy products or processing dairy products for sale commercially may be eligible to claim a refundable credit equal to ten percent of the amount paid for modernization or expansion of a dairy manufacturing facility in the taxable year. The credit is available for taxable years beginning after December 31, 2006, and before January 1, 2014; *however*, dairy cooperatives may claim the credit in taxable years beginning after December 31, 2008, and **before January 1, 2014**.

This fact sheet provides a general overview of the Wisconsin dairy manufacturing facility investment credit. For further information, refer to the instructions for the credit located at [revenue.wi.gov/html/formpub.html](http://revenue.wi.gov/html/formpub.html).

### CLAIMING THE CREDIT

An individual, estate, trust, partnership, limited liability company (LLC), corporation, or tax exempt corporation that is certified by the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) may claim the credit.

A member of a dairy cooperative may claim the credit in the year following the year in which the dairy manufacturing modernization or expansion occurs.

The credit must be claimed within four years of the unextended due date of your tax return.

### WHO MAY NOT CLAIM THE CREDIT

Partnerships, LLCs treated as partnerships, tax-option (S) corporations, and dairy cooperatives cannot claim the credit; however, the credit computed by those business entities can pass through to the partners, members or shareholders. Members of a dairy cooperative may claim the credit in proportion to the amount of milk that each member delivers to the dairy cooperative.

### QUALIFICATIONS

You must apply to the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP), who will then notify you of the amount of credit you may claim. Application materials are available at

[datcp.wi.gov/Business/Tax\\_Credits/Dairy\\_Manufacturing\\_Facility\\_Investment\\_Credit/index.aspx](http://datcp.wi.gov/Business/Tax_Credits/Dairy_Manufacturing_Facility_Investment_Credit/index.aspx).

Each application must be completed and either postmarked or delivered to DATCP after the end of the applicant's taxable year in which the eligible capital investments occurred, and no later than February 15 of the subsequent taxable year.

The maximum credit that DATCP may allocate to all claimants other than dairy cooperatives for fiscal year 2008-09 and thereafter is \$700,000.

The maximum credit that DATCP may allocate to all claimants who are members of dairy cooperatives for fiscal year 2010-11 and thereafter is \$700,000.

The total maximum credit that a claimant may claim is \$200,000. However, for tax-option (S) corporations, partnerships, LLCs treated as partnerships, and dairy cooperatives, each shareholder, partner, or member may claim a credit in proportion to his or her ownership interest, except that the aggregate amount of credits claimed by all persons who own and operate the facility may not exceed \$200,000.

### CREDIT COMPUTATION

You claim the credit on the Wisconsin Schedule DM, *Dairy Manufacturing Facility Investment Credit*, available at [revenue.wi.gov/html/formpub.html](http://revenue.wi.gov/html/formpub.html). The schedule, as well as a copy of the certification received from DATCP, must be included with your Wisconsin franchise or income tax return.

## **CREDIT IS INCOME**

The credit computed on Schedule DM is income and must be reported on your Wisconsin franchise or income tax return in the year computed.

An *exception* applies for members of dairy cooperatives, who may claim the amount of dairy manufacturing investment credit passed through to them from the dairy cooperative in the year after the year in which the modernization or expansion occurs. The amount of the credit is added to the member's income in the year in which the cooperative member is allowed to claim the credit. This provision is effective April 20, 2012.

## **UNUSED CREDITS**

The credit is refundable. If the allowable credit that you claim exceeds the tax due, the amount not used to offset the tax is paid to you.

You can use the credit to offset the alternative minimum tax and to offset the economic development surcharge.

## **COMBINED GROUP MEMBERS**

The credit cannot be shared with other members of the combined group.

*Nothing in this fact sheet replaces or changes any provisions of Wisconsin tax law, administrative rules, or court decisions.*

*Last updated: July 15, 2013*