



## **COMMUNITY REHABILITATION PROGRAM CREDIT**

**Fact Sheet 1119**

[revenue.wi.gov](http://revenue.wi.gov)

This fact sheet provides a general overview of the community rehabilitation program credit.

### **WHO MAY CLAIM THE CREDIT**

Any individual, estate or trust, partnership, limited liability company (LLC), corporation, tax-option (S) corporation, or tax exempt organization that enters into a contract with a community rehabilitation program to have the program perform work for the entity may be eligible for the credit.

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credit; however, the credit computed by those entities can pass through to the partners, members, or shareholders and be claimed on their respective tax returns.

### **DEFINITIONS**

"Community rehabilitation program" means a nonprofit entity, county, municipality, or state or federal agency that directly provides, or facilitates the provision of, vocational rehabilitation services to individuals who have disabilities to maximize the employment opportunities, including career advancement, of such individuals.

"Vocational rehabilitation services" include education, training, employment, counseling, therapy, placement, and case management.

"Work" includes production, packaging, assembly, food service, custodial service, clerical service, and other commercial activities that improve employment opportunities for individuals who have disabilities.

### **CREDIT COMPUTATION**

The credit is claimed on Wisconsin Schedule CM, *Community Rehabilitation Program Credit*, which is available at [revenue.wi.gov/Pages/Form/2017-TaxIndividual.aspx](http://revenue.wi.gov/Pages/Form/2017-TaxIndividual.aspx). A copy of the schedule must be included with your Wisconsin franchise or income tax return.

The credit is equal to 5% of the amount paid (up to \$500,000) in the taxable year to a community rehabilitation program to perform work for your business. The maximum credit that any claimant may claim in a taxable year is \$25,000 for each community rehabilitation program for which the claimant enters into a contract to have the community rehabilitation program perform work for the claimant's business.

Part I of Schedule CM is to be completed by the claimant and Part II is to be completed by the community rehabilitation program.

### **UNUSED CREDITS**

The credit is nonrefundable. If you do not use the entire credit against Wisconsin franchise or income taxes due for the current taxable year, you can carry any unused balance forward for up to 15 years.

### **COMBINED GROUP MEMBERS**

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

## **CREDIT IS INCOME**

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

For further information, you may email us at [DORFranchise@wisconsin.gov](mailto:DORFranchise@wisconsin.gov) or call us at (608) 266-2772.

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