

Name shown on Form 3	Federal Employer ID Number
1. Cost of fuel and electricity purchased for use in Wisconsin (including sales and use taxes paid thereon) . . . . .	1
2. Cost of fuel and electricity included in line 1 above purchased for purposes other than manufacturing (including sales and use taxes paid thereon) . . . . .	2
3. Subtract line 2 from line 1 . . . . .	3
4. County and stadium sales and use taxes included in line 3 . . . . .	4
5. Subtract line 4 from line 3 . . . . .	5
6. Purchases included in line 5 on which no Wisconsin sales or use taxes were paid . . . . .	6
7. Subtract line 6 from line 5 . . . . .	7
8. Divide the amount on line 7 by twenty-one (21). This is the amount of state sales and use tax included in the amount on line 7 . . . . .	8
9. County and stadium sales and use taxes from line 4 . . . . .	9
10. Add lines 8 and 9. This is the manufacturer's sales tax credit before credits passed through from other entities . . . . .	10
11. Enter manufacturer's sales tax credits passed through from other entities (total from the worksheet on page 2) . . . . .	11
12. Add lines 10 and 11. This is the 1998 manufacturer's sales tax credit available. Enter this amount on lines 1, column c and 12b, column d of Form 3, Schedule 3K. . . . .	12

### General Instructions

#### Purpose of Schedule 3Z

Schedule 3Z is used by partnerships and limited liability companies treated as partnerships to compute the allowable manufacturer's sales tax credit which may be passed through to its partners or members.

#### Who May Claim the Credit

If you are a partnership or limited liability company treated as a partnership that is engaged in manufacturing in Wisconsin, you may compute a credit for Wisconsin state, county, and stadium sales and use taxes paid on fuel and electricity consumed in manufacturing which may be passed through to your partners or members.

The credit passed through will then be claimed by the partner or member, subject to certain limitations.

#### What Is Manufacturing?

"Manufacturing" is the production by machinery of a new article with a different form, use, and name from existing materials by a process popularly regarded as manufacturing.

Manufacturing includes the assembly of finished units of tangible personal property and packaging when it is a part of an operation performed by the producer of the product or by another on his or her behalf and the package or container becomes a part of the tangible personal property as such unit is customarily offered for sale by the manufacturer.

It includes the conveyance of raw materials and supplies from plant inventory to the work point of the same plant, conveyance of work in progress directly from one manufacturing operation to another in the same plant, and conveyance of finished products to the point of first storage on the plant premises. It includes the testing or inspection throughout the production cycle.

Manufacturing does not include storage, delivery to or from the plant, repairing or maintaining facilities, or research and development.

#### Credits Are Income

The credits that you compute are income and must be included in your Wisconsin partnership income in the year computed. The credit computed on line 12 of Schedule 3Z must be included in line 1, column c of Form 3, Schedule 3K.

**Specific Instructions**

**Line 1.** Fill in the total cost (including Wisconsin state, county, and stadium sales and use taxes) of all fuel and electricity purchased during the taxable year for use in Wisconsin.

**Line 2.** Fill in the cost of fuel and electricity included on line 1 (including Wisconsin state, county, and stadium sales and use taxes) that wasn't or won't be used for manufacturing. This includes fuel and electricity for heating and lighting office space and warehousing space for raw materials and finished goods and for other nonmanufacturing purposes.

**Line 4.** Fill in any county and stadium sales and use taxes included on line 3. (The county tax rate is 0.5% (.005) in Wisconsin counties that have adopted the county tax. The stadium tax rate is 0.1% (.001) in Wisconsin counties where the stadium tax applies.)

**Line 6.** Fill in the purchases included on line 5 on which no Wisconsin sales or use taxes were paid. An example is the portion of coke purchased without tax by a foundry that becomes an ingredient or component part of a manufactured article.

**Line 10.** Add lines 8 and 9. This is the manufacturer's sales tax credit before credits passed through from other entities.

**Line 11.** Fill in 1998 manufacturer's sales tax credits passed through from other entities. This is the total from column c of the worksheet below.

**Line 12. Credits are Income** – Partnerships must fill in the amount from line 12 of Schedule 3Z as an adjustment to income (line 1, column c of Schedule 3K) in the year the credit is computed. This amount must also be included on line 12b, column d of Form 3, Schedule 3K.

**Worksheet – Manufacturer's Sales Tax Credits Passed Through From Other Entities**

<b>(A)</b> Entity's Name	<b>(B)</b> Entity's Federal Employer ID Number	<b>(C)</b> Amount of Sales Tax Credit Received From Other Entity
Total (Enter here and on Schedule 3Z, line 11) .....		