



**Part II Reconciliation of Book Income With Net Income**

	1 Wisconsin	2 Outside	3 Total
6 Book income (must agree with Part I, line 5) . . . . .			
7 Addition adjustments to arrive at federal net income (sum of lines 2 through 5 of federal Schedule M-1) . . . . .			
8 Add lines 6 and 7 . . . . .			
9 Subtraction adjustments to arrive at federal net income (federal Schedule M-1, line 9) . . . . .			
10 Subtract line 9 from line 8. This is federal taxable income before net operating loss deduction and special deductions . . . . .			
11 Addition adjustments to arrive at Wisconsin net income			
a Interest income from state and municipal obligations . . . . .			
b State taxes accrued or paid . . . . .			
c Environmental and windfall profit taxes accrued or paid . . . . .			
d Expenses related to nontaxable income . . . . .			
e Percentage depletion . . . . .			
f Federal depreciation/amortization in excess of Wisconsin depreciation/amortization . . . . .			
g Amount by which the federal basis of assets disposed of exceeds the Wisconsin basis . . . . .			
h Manufacturer's sales tax credit (see instructions) . . . . .			
i Research credits computed (from Schedule R, lines 15 or 28 and 32) . . . . .			
j Development zones credit computed (from Schedule DC, line 5) . . . . .			
k Community development finance credit (from Schedule C1, line 5) . . . . .			
l Farmland preservation credit (from prior Schedule FC, line 16) . . . . .			
m Farmland tax relief credit (from prior Schedule FT, line 6) . . . . .			
n Other (1) _____			
(2) _____			
(3) _____			
12 Add lines 11a through 11n. This is total additions (enter amount from column 3 on Form 4, line 2)			
13 Add lines 10 and 12 . . . . .			
14 Subtraction adjustments to arrive at Wisconsin net income			
a Wisconsin dividends received deduction (from Schedule Y, line 4) . . . . .			
b Subpart F income . . . . .			
c Gross-up of foreign dividend income . . . . .			
d Nontaxable income (attach schedule) . . . . .			
e Foreign taxes (do not include deemed taxes) . . . . .			
f Cost depletion . . . . .			
g Wisconsin depreciation/amortization in excess of federal depreciation/amortization . . . . .			
h Amount by which the Wisconsin basis of assets disposed of exceeds the federal basis . . . . .			
i Federal work opportunity credit wages . . . . .			
j Federal research credit expenses . . . . .			
k Other (1) _____			
(2) _____			
(3) _____			
15 Add lines 14a through 14k. This is total subtractions (enter amount from col. 3 on Form 4, line 4)			
16 Subtract line 15 from line 13. This is net income. Enter amount from column 1 on Form 4, line 11 (amount from column 3 must agree with amount on Form 4, page 1, line 5) . . . . .			

17 Were any products or supplies transferred between Wisconsin branches and branches outside Wisconsin?  Yes  No

If yes, enter the approximate amount of transfers into Wisconsin \$ \_\_\_\_\_ and out of Wisconsin \$ \_\_\_\_\_, and attach an explanation of how transfer prices were determined.

18 Explain how income and expenses were allocated in and outside Wisconsin \_\_\_\_\_