

# Instructions for 2003 Form 4I – Wisconsin Insurance Company Franchise Tax Return

## Items to Note

- **Definition of “Internal Revenue Code” updated**  
For taxable years beginning in 2003, “Internal Revenue Code” means the federal Internal Revenue Code as amended to December 31, 2002, with numerous exceptions. See page 2 for a list of the exceptions.
- **Allocation of income from lottery prizes**  
All income realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin is allocated to Wisconsin. See page 3.

## General Instructions

**Purpose of Form** – Insurance companies use Form 4I to report their income, gains, losses, deductions, and credits and to compute their franchise tax and recycling surcharge liability.

### Who Must File

- Domestic insurance companies (those organized under Wisconsin law).
- Cooperative sickness care associations organized under sec. 185.981, Wis. Stats., service insurance corporations organized under ch. 613, Wis. Stats., and nonprofit organizations that derive income from an HMO or LSHO.
- Insurers that derive income from lottery prizes if the winning tickets were originally bought in Wisconsin.

### Who Is Not Required to File

The following insurers aren't required to file unless they derive income from lottery prizes:

- Foreign insurers (those not organized under Wisconsin law).
- Domestic insurers engaged exclusively in life insurance business.
- Domestic insurers transacting mortgage guaranty insurance business as defined in Wisconsin Administrative Code section Insurance 6.75(2)(i).
- Town mutual insurers organized under or subject to ch. 612, Wis. Stats.
- Insurers exempt from federal income taxation under section 501(c)(15) of the Internal Revenue Code (IRC).

**Additional Forms** – If you need forms, you may:

- Download them from the Department's Internet web site at [www.dor.state.wi.us](http://www.dor.state.wi.us)
- Use your fax telephone to call the Department's Fax-A-Form Retrieval System at (608) 261-6229
- Request them online at [www.dor.state.wi.us/html/formsreq.html](http://www.dor.state.wi.us/html/formsreq.html)
- Call (608) 266-1961
- Write to the Forms Request Office, Wisconsin Department of Revenue, Mail Stop 1-151, P.O. Box 8949, Madison, WI 53708-8949

**Additional Information** – For more information, you may:

- E-mail your question to [corp@dor.state.wi.us](mailto:corp@dor.state.wi.us)
- Send a FAX to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906
- Call (608) 266-2772 [TTY (608) 267-1049]

**Accounting Methods** – Compute Wisconsin net income using the method of accounting regularly used in computing federal taxable income under the Internal Revenue Code, provided that method is authorized under the Internal Revenue Code in effect for Wisconsin. In situations where you have an

option under the Internal Revenue Code, you must make the same election for Wisconsin as for federal purposes, except (1) the election to file consolidated returns can't be made, and (2) a deduction may be claimed for expenses allowed as a federal tax credit.

**When to File** – Generally, you must file Form 4I by the 15th day of the 3rd month following the close of your taxable year. Returns for short taxable years (periods of less than 12 months) are due on or before the federal due date. If becoming, or ceasing to be, a member of an affiliated group, the same federal filing requirements and due dates apply for Wisconsin. If a return is filed late, without an extension, you may be subject to penalties and interest.

**Extensions** – Any extension allowed by the Internal Revenue Service for filing the federal return automatically extends the Wisconsin due date to 30 days after the federal extended due date. *You don't need to submit either a copy of the federal extension or an application for a Wisconsin extension to the Department by the original due date of your return.* However, you must attach a copy of the federal extension to the Wisconsin return that you file. If you aren't requesting a federal extension, but you need additional time for Wisconsin, you may request a 30-day extension by submitting Wisconsin Form IC-830 to the Department on or before the original due date of the return.

**When to Pay Franchise Tax and Recycling Surcharge** – The franchise tax and recycling surcharge must be paid by the 15th day of the 3rd month following the close of the taxable period, *regardless of the due date of the return.*

An extension for filing the return doesn't extend the time to pay the franchise tax and recycling surcharge. Interest will be charged on the tax and surcharge not paid by the 15th day of the 3rd month following the close of the taxable year. You can avoid interest charges during the extension period by paying the tax and surcharge due by that date. Submit your payment with Wisconsin Form 4-ES, Corporation Estimated Tax Voucher. If you received a set of vouchers from the Department, use the 5th voucher to make the estimated tax and surcharge extension payment.

During the extension period, 12% annual interest generally applies only to 10% of the tax and surcharge shown on the return. Interest of 18% per year applies to the remainder of the unpaid tax and surcharge. See Form 4U, Part II, for more information.

**Payment of Estimated Tax** – If the total of your franchise tax and recycling surcharge due is \$500 or more, you generally must make quarterly estimated tax payments using Wisconsin Form 4-ES. Failure to make required estimated tax payments may result in an interest charge. A corporation that made estimated payments for the current year generally will receive estimated tax vouchers before the first payment of the next year's tax is due.

If you overpaid your estimated tax, you may apply for a refund *before* filing your tax return if the overpayment is (1) at least 10% of the expected Wisconsin tax liability and (2) at least \$500. To apply, file Wisconsin Form 4466W, Corporation Application for Quick Refund of Overpayment of Estimated Tax, after the end of the taxable year and before you file your tax return. **Do not** file Form 4466W at the same time as your tax return. If you have a tax due when filing your tax return as a result of receiving a “quick refund,” you will be charged interest on the amount of unpaid tax.

## Information Returns That May Be Required

- Form 8 – Report of stock transfers.
- Form 9b – Report of rents, royalties, and miscellaneous compensation paid to individuals.

**Final Return** – If the insurer liquidated during the taxable year, check the box on the front of the return marked “Final return – corporation dissolved.” Attach a copy of your plan of liquidation along with a copy of federal Form 966 (even if not required to be filed federally) to the final Wisconsin return. Generally, the final return is due on or before the federal due date. In most cases, this is the 15th day of the 3rd month after the date the corporation dissolved. The tax is payable by the 15th day of the 3rd month after the date of dissolution, regardless of the due date of the final return.

**Internal Revenue Service Adjustments** – If any of your federal tax returns are adjusted by the Internal Revenue Service and the adjustments affect the Wisconsin net tax payable, the amount of a Wisconsin credit, a Wisconsin net business loss carryforward, or a Wisconsin capital loss carryforward, you must report the adjustments to the Department of Revenue within 90 days after they become final.

Send a copy of the final federal audit reports and any associated amended Wisconsin returns to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908. If submitting a federal audit report without an amended return, mail it to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906. Don't attach these items to the tax return for the current year.

**Amended Returns** – File an amended return to correct a tax return as you originally filed it or as it was later adjusted by an amended return, a claim for refund, or an office or field audit.

If you file an amended federal return and the changes affect the Wisconsin net tax payable, the amount of a Wisconsin credit, a Wisconsin net business loss carryforward, or a Wisconsin capital loss carryforward, you must file an amended Wisconsin return with the Department of Revenue within 90 days after filing the amended federal return.

To file an amended Wisconsin return, use Form 4I, and either check the “amended return” box on the front of the return or clearly mark it “AMENDED RETURN” at the top of the form. Attach an explanation of any changes made. If the change involves an item of income, deduction, or credit that you were required to support with a form or schedule on your original return, attach the corrected form or schedule. Also attach a worksheet showing how you figured your refund or additional tax owed.

Send amended returns to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908. Don't attach amended returns to other tax returns that you are filing.

**Consolidated Returns** – Wisconsin law doesn't permit insurers that are members of an affiliated group, as defined in IRC section 1504, to file consolidated returns. In addition, each corporation must make its own estimated tax payments.

**Wisconsin Use Tax** – Insurers that purchase taxable tangible personal property or taxable services for storage, use, or consumption in Wisconsin without payment of a state sales or use tax are subject to a Wisconsin use tax and must file a Wisconsin sales and use tax return. For more information or forms, call (608) 266-2776, write to the Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8902,

Madison, WI 53708-8902, or e-mail sales10@dor.state.wi.us.

**Penalties for Not Filing or Filing Incorrect Returns** – If you don't file a franchise tax return that you are required to file, or if you file an incorrect return due to negligence or fraud, interest and penalties may be assessed against you. The interest rate on delinquent taxes is 18% per year. Civil penalties may be as much as 100% of the amount of tax not reported on the return. Criminal penalties for filing a false return include a fine of up to \$10,000 and imprisonment.

### Line-by-Line Instructions

(The numbering corresponds with the line numbers on Form 4I, page 1, unless otherwise indicated.)

■ **Period Covered** – File the 2003 return for calendar year 2003 and fiscal years that begin in 2003. For a fiscal year or a short-period return, fill in the taxable year beginning and ending dates in the taxable year space at the top of the form.

■ **Name and Address** – If you received a mailing label with the corporation's name and address, place it in this area. Make any necessary corrections. Otherwise, print or type the corporation's name and address. Indicate a change in the corporation's name or address from that shown on last year's Wisconsin return filed by checking the appropriate box.

■ **A. Federal Employer Identification Number** – Enter the corporation's federal employer identification number (EIN). If you haven't yet applied for a federal EIN, you may do so by filing federal Form SS-4 with the Internal Revenue Service, calling (800) 829-4933, or applying online at [www.irs.gov](http://www.irs.gov).

■ **B. Seller's Permit or Use Tax Number** – Enter the corporation's Wisconsin seller's permit, use tax, or consumer's use tax number.

■ **C. Wisconsin Employer Identification Number** – Enter the corporation's Wisconsin employer identification (withholding) number.

■ **D. Wisconsin Business Activity Code** – Enter the corporation's business activity code from the list below which reflects the activity that accounts for the largest percentage of total receipts:

6310	Life Insurers
6320	Accident and Health Insurers
6330	Fire, Marine, and Casualty Insurers
6390	Insurers Other Than Above

■ **E. First Return, Final Return, Short Period Return** – If this is the first year that you are filing a Wisconsin return because the corporation wasn't in existence in prior years, check the "First return" box. If the corporation ceased to exist during the year, check the "Final return" box. Indicate that a short period return is being filed due to a change in the corporation's accounting period or a stock purchase or sale by checking the appropriate box.

■ **F. State and Year of Incorporation** – Enter the state under whose laws the corporation is organized and the year of incorporation.

■ **G. Amended Return** – If this is an amended return, check the box. Circle the number in front of the line(s) that you are changing. Attach a detailed explanation of the changes made, including any supporting form or schedule.

■ **Line 1. Adjusted Federal Taxable Income** – Complete Schedule A, page 2, and enter the amount from line 6.

### Schedule A

**Line 1.** Enter federal taxable income as determined under the Internal Revenue Code as amended to December 31, 2002, with the exceptions listed below. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes.

**Exceptions:** The following federal law changes *do not apply* for Wisconsin franchise and income tax purposes:

- Public Law 106-519, FSC Repeal and Extraterritorial Income Exclusion Act of 2000, enacted November 15, 2000, relating to the repeal of the foreign sales corporation treatment and the allowance of an exclusion for extraterritorial income.
- Section 162 of Public Law 106-554, Community Renewal Tax Relief Act of 2000, enacted December 21, 2000, relating to the expensing of environmental remediation costs and the extension of the termination date.
- Section 165 of Public Law 106-554, Community Renewal Tax Relief Act of 2000, enacted December 21, 2000, relating to the enhanced deduction for corporate donations of computer technology and the extension of the termination date.
- Public Law 106-573, Installment Tax Correction Act of 2000, enacted December 28, 2000, relating to the restoration of the installment method of accounting for accrual basis taxpayers. For Wisconsin purposes, accrual basis taxpayers cannot use the installment method for reporting sales and other dispositions occurring on or after December 17, 1999. Instead, gain from the sale of property must be recognized in the year of the sale, rather than when the payments are received.
- Section 101 of Public Law 107-147, Job Creation and Worker Assistance Act of 2002, enacted March 9, 2002, relating to the 30% bonus depreciation allowance for qualified property acquired after September 10, 2001.

In addition, IRC section 847, relating to an additional deduction for insurers required to discount unpaid losses, doesn't apply for Wisconsin purposes.

Federal law changes enacted after December 31, 2002, won't apply for Wisconsin purposes unless subsequently adopted by the Wisconsin Legislature. For example, Public Law 108-27, Jobs and Growth Tax Relief Reconciliation Act of 2003, enacted May 28, 2003, *does not apply* for Wisconsin purposes. As a result, the increase in the section 179 deduction from \$25,000 to \$100,000 and the increase in the additional first year depreciation deduction to 50% of the cost of qualified property may not be claimed on your Wisconsin return.

**Note:** If the corporation is a small company as defined in IRC section 831(b)(2), you may elect to be taxed on taxable investment income as provided in IRC section 831(b), rather than on net income.

**Caution:** All income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in **Wisconsin** shall be allocated to Wisconsin. Exclude this income from line 1 and add it to the amount on line 15. This income is nonapportionable and must be allocated to Wisconsin.

**Line 2a.** Enter any loss carryforward, including any capital loss carryforward previously deducted for Wisconsin, that is being deducted in the calculation of federal taxable income.

**Line 2c.** Enter interest income received on state and municipal obligations and any other interest income that is exempt from federal income tax and isn't included in federal taxable income.

**Line 2d.** Enter taxes imposed by Wisconsin, any other state, and the District of Columbia that are value-added taxes, single business taxes, or taxes on or measured by net income, gross income, gross receipts, or capital stock and were deducted in computing federal taxable income.

**Line 2e.** Enter environmental tax (imposed under IRC section 59A) deducted in computing federal taxable income.

**Line 2f.** Enter the amount by which the federal deduction for depreciation or amortization exceeds the Wisconsin deduction. For property placed in service in taxable years beginning on or after January 1, 2001, you must compute depreciation or amortization under the Internal Revenue Code as amended to December 31, 2000. For qualified property acquired after September 10, 2001, you may not claim the federal 30% bonus depreciation. The 50% additional first year depreciation deduction may not be claimed for 50% bonus property acquired after May 5, 2003. An asset placed in service before 2003 must continue to be depreciated or amortized under the method allowable for Wisconsin purposes for the year in which it was placed in service. In addition, many differences in Wisconsin and federal depreciation and amortization existed before January 1, 1987, including the following:

a. IRC section 168(f)(8), relating to a special rule for leases (safe harbor), didn't apply for Wisconsin purposes. See *Wisconsin Tax Bulletin* 84 (October 1993, page 22) for further details about Wisconsin's treatment of safe harbor leases.

b. The federal accelerated cost recovery system (ACRS) wasn't allowable for Wisconsin purposes for property located outside Wisconsin and first placed in service from January 1, 1983, through December 31, 1986. Instead, depreciation was to be computed under a method permitted by the Internal Revenue Code as of December 31, 1980, or, in the alternative, the Internal Revenue Code applicable to the calendar year 1972.

**Note:** Since the Wisconsin Tax Appeals Commission declared this provision unconstitutional in *Beatrice Cheese, Inc. vs. Wisconsin Department of Revenue* (February 24, 1993), corporations may either (1) claim the same depreciation deduction as for federal purposes, or (2) continue using their present method of depreciation. Basis differences resulting from the use of different federal and state depreciation methods are accounted for when the assets are disposed of in a taxable transaction. For more information, see the tax release in *Wisconsin Tax Bulletin* 84 (October 1993, page 18).

c. Wisconsin and federal depreciation may have been different in the case of investment credit property. A corporation electing to claim an investment tax credit for federal income tax purposes could either (1) claim the credit and reduce the depreciable basis of the property by one-half of such credit, or (2) in the case of regular investment tax credit property, claim a reduced investment credit and not reduce the depreciable basis of the property.

Corporations that claimed an investment tax credit on their federal return (and reduced the federal basis of the assets) weren't required to reduce the basis of the investment credit property for Wisconsin purposes and could either (1) claim the same depreciation for Wisconsin as that claimed for federal purposes (except for item b above) and receive

a deduction for the basis difference in the year the property is disposed of, or (2) claim depreciation on the asset's full (unreduced) basis for Wisconsin. (The second method required separate depreciation records for Wisconsin purposes.)

d. For the following property acquired in the 1986 taxable year, depreciation must be computed under the December 31, 1980, Internal Revenue Code: (1) residential real property, and (2) property used in farming, as defined in IRC section 464(e)(1), if the corporation's Wisconsin gross farm receipts or sales exceeded \$155,000 for the 1986 taxable year.

*Line 2g.* Enter the amount by which the federal basis of any assets disposed of in a taxable transaction exceeds the Wisconsin basis.

*Line 2h.* Enter any IRC section 847 deduction that was claimed in computing federal taxable income.

*Line 2i.* Enter any other additions to federal income. These could include manufacturer's sales tax credit computed, research credits computed, development zones credit computed to the extent not included in federal income, community development finance credit computed, technology zone credit computed, and farmland preservation and farmland tax relief credits received during the taxable year that aren't included in federal income.

*Line 4a.* Enter dividends received which are included in the amount on line 3 and qualify for deduction for Wisconsin. Dividends are deductible for Wisconsin if received during the year from payer corporations that meet the following requirements:

- The dividend must be paid on common stock, and
- The corporation receiving the dividend must have owned at least 70% of the combined voting stock of the payer corporation for the entire taxable year.

**Note:** "Dividends received" means gross dividends minus any taxes paid to a foreign nation on those dividends and claimed as a deduction for Wisconsin purposes.

*Line 4b.* Enter the amount by which the Wisconsin deduction for depreciation or amortization exceeds the federal deduction. Refer to the instructions for Schedule A, line 2f, for a detailed discussion of depreciation and amortization.

*Line 4c.* Enter the amount by which the Wisconsin basis of any assets disposed of in a taxable transaction exceeds the federal basis.

■ **Line 2. Net Gain From Operations, Other Than Life Insurance** – Include net income, after dividends to policyholders and before federal and foreign income taxes, from property and casualty insurance; net gain from operations, after dividends to policyholders and before federal income taxes, from accident and health insurance; and net realized capital gains or losses on investments from accident and health insurance operations. Apportion net realized capital gains or losses among life insurance lines and accident and health insurance lines in the same manner as net investment income is required to be apportioned by the Commissioner of Insurance.

■ **Line 3. Total Net Gain From Operations** – Include net income, after dividends to policyholders and before federal and foreign income taxes, from property and casualty insurance; net gain from operations, after dividends to policyholders and before federal income taxes, from accident and health and life insurance; and net realized capital gains or losses on investments from accident and health and life insurance operations.

**Note for lines 2 and 3:** See the Annual Statement adopted by the National Association of Insurance Commissioners for the year 2003, as filed with the Commissioner of Insurance of the State of Wisconsin, which shows the amounts for net income after dividends to policyholders, net realized capital gains, etc. For life and accident and health companies, refer to the Summary of Operations, Analysis of Operations by Lines of Business. For property and casualty companies, refer to the Underwriting and Investment Exhibit, Statement of Income. Net realized capital gains or losses are allocated after the Interest Maintenance Reserve (IMR) adjustment and before capital gains tax.

■ **Line 4. Percentage** – In determining the income or loss from nonlife lines of insurance, the percentage will be one of the following:

- Zero, if the numerator (line 2) is negative and adjusted federal taxable income (line 1) is positive.
- Zero, if the numerator (line 2) is positive and adjusted federal taxable income (line 1) is negative.
- Zero, if the numerator (line 2) is zero.
- Greater than zero but not more than one, if the numerator (line 2) is positive, the denominator (line 3) is positive, and adjusted federal taxable income (line 1) is positive.
- Greater than zero but not more than one, if the numerator (line 2) is negative, the denominator (line 3) is negative, and adjusted federal taxable income (line 1) is negative.
- One, if the numerator (line 2) is positive, the denominator (line 3) is zero or negative, and adjusted federal taxable income (line 1) is positive.
- One, if the numerator (line 2) is negative, the denominator (line 3) is zero or positive, and adjusted federal taxable income (line 1) is negative.

■ **Line 6. Premiums Written on Property and Risks, Other Than Life Insurance, Located Outside Wisconsin** – Enter the direct premiums written on all property and risks other than life insurance, where the subject of insurance was resident, located, or to be performed outside Wisconsin.

■ **Line 7. Premiums Written on Property and Risks, Other Than Life Insurance, Wherever Located** – Enter the total direct premiums written on all property and risks, other than life insurance, wherever located during the taxable year.

■ **Line 8. Payroll, Exclusive of Life Insurance Payroll, Paid Outside Wisconsin** – Compensation is paid outside Wisconsin if (a) the individual's service is performed entirely outside Wisconsin; (b) the individual's service is performed both in and outside Wisconsin, but the service performed in Wisconsin is incidental to the individual's service outside Wisconsin; or (c) some service is performed outside Wisconsin and the base of operations is outside Wisconsin (or if there is no base of operations, the place from which the service is directed or controlled is outside Wisconsin, or the base of operations or the place from which the service is directed or controlled isn't in any state in which some part of the service is performed, but the individual's residence is outside Wisconsin).

■ **Line 9. Payroll, Exclusive of Life Insurance Payroll, Paid Everywhere** – Enter the total payroll, excluding life insurance payroll, paid everywhere in the taxable year.

■ **Line 13. Average of Premium and Payroll Percentages** – Divide line 12 by 2.

■ **Line 15. Wisconsin Net Income Before Net Business Loss Offset** – Also enter on line 15 all income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin.

■ **Line 16. Wisconsin Net Business Loss Carryforward** – Enter any Wisconsin net business loss sustained in any of the taxable years 1988 through 2002 to the extent not offset by other items of Wisconsin income in the loss year and by Wisconsin net business income of any year between the loss year and the current taxable year.

The Wisconsin net business loss is computed under sec. 71.45(4), Wis. Stats., which provides that the net business loss is the Wisconsin net loss sustained in a preceding taxable year, except that adjustments for deductible dividends, excess federal capital losses, and net business losses from prior years must be reversed. Attach to the return a schedule similar to Form 4BL showing the computation of the loss carryforward.

■ **Line 18. Gross Tax** – Enter the lesser of (a) 7.9% of the Wisconsin net income reported on line 17 or (b) 2% of gross Wisconsin premiums.

The franchise tax imposed on each domestic insurer measured by net income attributable to all lines of insurance in Wisconsin may not exceed 2% of the gross Wisconsin premiums as defined in sec. 76.62, Wis. Stats. For property and casualty companies, "gross premiums" is the amount from the Underwriting and Investment Exhibit, Part 2B – Recapitulation of All Premiums, column 1, line 32, or from Schedule T – Exhibit of Premiums Written, column 2, line 50, of the Annual Statement.

**Exception:** Income derived from the purchase, sale, or redemption of lottery prizes is taxed at 7.9%. Add the tax on any income derived from lottery prizes to either the 2% maximum tax or the 7.9% tax applied to net income.

■ **Line 19. Nonrefundable Credits** – Complete Schedule C1, page 2, and enter the available credit.

#### Schedule C1

*Line 1.* Enter the manufacturer's sales tax credit from Form 4, Schedule Z, line 13. Corporations that are engaged in manufacturing in Wisconsin may claim a credit. In addition, a corporation that owns an interest in a pass-through entity, such as a partnership, which is engaged in manufacturing in Wisconsin may claim its share of the entity's manufacturer's sales tax credit computed for the entity's taxable years beginning on or after January 1, 1998.

*Line 2.* Enter the research expense credit from Schedule R, line 30. Corporations that increase qualified research expenses in Wisconsin may claim a credit.

*Line 3.* Enter the development zones research credit carryover from Schedule DC, line 99.

*Line 4.* Enter the research facilities credit from Schedule R, line 34. Corporations that incur expenses to construct and equip new research facilities, or to expand existing facilities, in Wisconsin may claim a credit.

*Line 5.* Enter the available community development finance credit.

Corporations that make contributions to the Wisconsin Housing and Economic Development

Authority and, in the same year, purchase common stock in the Wisconsin Community Development Finance Company may claim a credit. The credit is nonrefundable and is equal to 75% of the purchase price of the stock, but may not exceed 75% of the amount that was contributed to the Wisconsin Community Development Finance Authority. Any unused credit may be offset against tax liabilities of the subsequent years, up to 15 years.

*Line 6.* Enter the development zones jobs credit carryover from Schedule DC, line 121.

*Line 7.* Enter the development zones sales tax credit carryover from Schedule DC, line 124.

*Line 8.* Enter the total of the development opportunity zone investment credit and any development zones investment credit carryover from Schedule DC, line 136.

*Line 9.* Enter the development zones location credit carryover from Schedule DC, line 138.

*Line 10.* Enter the development opportunity zone or agricultural development zone capital investment credit from Schedule DC, line 147.

*Line 11.* Enter the development zones day care credit carryover from Schedule DC, line 149.

*Line 12.* Enter the development zones environmental remediation credit carryover from Schedule DC, line 152.

*Line 13.* Enter the development zones credit from Schedule DC, line 166.

Corporations doing business in Wisconsin development, development opportunity, enterprise development, or agricultural development zones may be eligible for tax credits based on expenditures for environmental remediation and job creation or retention. The Wisconsin Department of Commerce administers the Wisconsin development zones programs. For more information about the programs, visit the Department of Commerce web site at [www.commerce.state.wi.us/CD/CD-bed.html](http://www.commerce.state.wi.us/CD/CD-bed.html), write to the Division of Community Development, Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970, or call (608) 266-3751.

*Line 14.* Enter the technology zone credit from Schedule TC, line 8.

Corporations doing business in Wisconsin technology zones may be eligible for a tax credit based on the property taxes paid, capital investments made, and jobs created. The Department of Commerce administers the Wisconsin technology zone program. For more information about the program, visit the Department of Commerce web site at [www.commerce.state.wi.us/CD/CD-bed-tz-general.html](http://www.commerce.state.wi.us/CD/CD-bed-tz-general.html), write to the Division of Community Development, Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970, or call (608) 266-2688.

**Note:** The above credits (items 1 through 14) must be included as income in the year computed.

*Line 15.* Enter the supplement to the federal historic rehabilitation tax credit from Schedule HR, line 7.

Corporations that rehabilitate certified historic structures located in Wisconsin and used for business purposes may claim a credit. The Wisconsin Historical Society administers the historic preservation program. For more information about this program, visit the Historical Society's web site at [www.wisconsinhistory.org/histbuild/index.html](http://www.wisconsinhistory.org/histbuild/index.html),

write to the Division of Historic Preservation, Wisconsin Historical Society, 816 State Street, Madison, WI 53706-1488, or call (608) 264-6500.

*Line 16.* Add lines 1 through 15. This is the total available nonrefundable credits.

■ **Line 21. Recycling Surcharge** – Enter the greater of \$25 or 3% of the gross tax on line 18, but not more than \$9,800.

**Note:** If the corporation has no business activities in Wisconsin or has less than \$4 million of gross receipts from all activities, enter zero on line 21. "Gross receipts from all activities" means gross receipts, gross sales, gross premiums earned, gross dividends, gross interest income, gross rents, gross royalties, the gross sales price from the disposition of capital assets and business assets, gross receipts passed through from other entities, and all other receipts that are included in gross income for Wisconsin franchise tax purposes.

■ **Line 22. Endangered Resources Donation** – Your donation supports the preservation and management of more than 200 endangered and threatened Wisconsin plants and animals. It helps ensure a future for trumpeter swans, timber wolves, calypso orchids, and Karner blue butterflies, to name a few. It also helps protect Wisconsin's finest remaining examples of prairies, forests, and wetlands.

Support endangered resources in Wisconsin. Fill in line 22 with the amount you wish to donate. Your gift will either reduce your refund or be added to tax due. Or, send a check directly to the Endangered Resources Fund, Department of Natural Resources, P.O. Box 7921, Madison WI 53707-7921.

■ **Line 24. Estimated Tax Payments** – Enter estimated tax payments made, including EFT payments, or overpayments applied from prior years' returns, minus any "quick refund" applied for on Form 4466W. You can't claim estimated tax payments made by a related corporation.

**Amended Return:** If this is an amended return, enter the tax previously paid. Attach a worksheet to your return showing your computations. (See the instructions for Form 4 or 5 for a sample worksheet.)

■ **Line 25. Refundable Credits** – Complete Schedule C2, page 2, and enter the total available credit.

### Schedule C2

*Line 1.* Enter the farmland preservation credit from Schedule FC, line 16.

*Line 2.* Enter the farmland tax relief credit from Schedule FT, line 6.

**Note:** The farmland credits must be included in income in the year of receipt.

*Line 3.* Add lines 1 and 2. This is the total available refundable credits.

■ **Line 27. Interest, Penalty, and Late Fee Due** – Enter any interest, penalty, and late fee due from Form 4U, line 17 or 26.

**Amended Return – Refund Claimed:** If you previously were assessed interest for underpayment of estimated taxes, complete an amended Form 4U, Part I, based on the total of the amounts shown on lines 20 and 21. Enter the difference between the under-

payment interest from the amended Form 4U, line 17, and the amount you previously paid on line 27. Show an overpayment in parentheses. Attach Form 4U to your amended return. Otherwise, leave line 27 blank. The Department will compute interest on the amount of refund approved.

**Amended Return – Additional Amount Owed:** Use the worksheet included in the Form 4 or 5 instructions to calculate the interest owed. Otherwise, the Department will compute interest on the tax owed.

■ **Line 28. Tax Due** – If the total of lines 23 and 27 is larger than line 26, enter the amount owed. Attach your check to the front of Form 41.

■ **Line 29. Overpayment** – If line 26 is larger than the total of lines 23 and 27, enter the overpayment.

■ **Line 30. 2004 Estimated Tax** – Enter the amount of any overpayment on line 29 that is to be credited to the corporation's 2004 estimated tax. The balance of any overpayment will be refunded.

**Amended Return:** If you have already filed your 2004 return, enter the overpayment you claimed as a credit on your 2004 return from your previously filed original or amended 2003 return. Otherwise, you may allocate the overpayment from line 29 between line 30 and line 31 as you choose.

■ **Line 32. Total Company Gross Receipts** – Enter total company gross receipts, gross sales, gross premiums earned, gross dividends, gross interest income, gross rents, gross royalties, the gross sales price from the disposition of capital assets and business assets, gross receipts passed through from other entities, and all other receipts that are included in gross income, other than life insurance income, before apportionment for Wisconsin franchise tax purposes.

■ **Additional Information Required** – Answer questions 1 through 8 on back of Form 41. If applicable, attach the information requested.

■ **Signatures** – An officer of the corporation must sign the form at the bottom of page 2. If the return is prepared by someone other than an employee of the corporation, the individual who prepared the return must sign the return, by hand, in the space provided for the preparer's signature and furnish the preparer's federal employer identification number.

■ **Attachments** – Attach a copy of the federal return with all supporting schedules. In addition, attach a copy of the Annual Statement filed with the Commissioner of Insurance of the State of Wisconsin and any other required forms, schedules, or statements. **Also attach any extension of time to file your return.**

**Amended Return:** If this is an amended return, attach an explanation of the changes made and any supporting forms or schedules. Also attach a worksheet showing how you figured your additional refund or additional amount owed. Send the amended return to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908.