



# Manufacturer's Sales Tax Credit

(Attach to Wisconsin Form 3)

Schedule **3Z**

Name

Federal Employer ID Number

Wisconsin Department of Revenue

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	Purchases included in line 3 on which no Wisconsin sales or use taxes were paid . . . . .	4
5	Subtract line 4 from line 3 . . . . .	5
6	Portion of the amount on line 5 on which only Wisconsin state sales or use taxes were paid . . . . . $\div 21.0 =$	6
7	Portion of the amount on line 5 on which both Wisconsin state and baseball stadium sales or use taxes were paid . . . . . $\div 20.608 =$	7
8	Portion of the amount on line 5 on which both Wisconsin state and county sales or use taxes or Wisconsin state and football stadium sales or use taxes were paid . . . . . $\div 19.182 =$	8
9	Portion of the amount on line 5 on which Wisconsin state, county, and baseball stadium sales or use taxes were paid . . . . . $\div 18.857 =$	9
10	Add lines 6 through 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 2003 manufacturer's sales tax credit available. Enter this amount on Form 3, Schedule 3K, line 1, column c, and line 12a, column d . . . . .	12

## General Instructions

### Purpose of Schedule 3Z

Partnerships, including limited liability companies (LLCs) treated as partnerships, use Schedule 3Z to compute the allowable manufacturer's sales tax credit that may be passed through to their partners or members.

### Who May Claim the Credit

Partnerships, including limited liability companies treated as partnerships, that are engaged in manufacturing in Wisconsin may compute a credit for Wisconsin state, county, and baseball and football stadium sales and use taxes paid on fuel and electricity consumed in manufacturing.

Partnerships, including LLCs treated as partnerships, cannot claim the credit. Instead, the credit passes through to their partners or members.

Partners or members may claim the credit, 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.

### Credit Is Income

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

**Specific Instructions**

**Line 1.** Fill in the total cost (including Wisconsin state, county, and baseball and football 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 baseball and football 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 the purchases included on line 3 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.

**Lines 6 through 9.** In the spaces provided on lines 6 through 9, fill in the portion of the amount on line 5 on which the various state, county, and stadium sales or use taxes were paid. Divide the amount on each line by the number shown. Fill in the results on lines 6 through 9, as appropriate.

**Line 10.** Add lines 6 through 9. This is the manufacturer's sales tax credit before credits passed through from other entities.

**Line 11.** Fill in the 2003 manufacturer's sales tax credit passed through from other entities. This is the total from column c of the worksheet below.

**Line 12. Credit is income** – Partnerships must enter the amount from Schedule 3Z, line 12, as an adjustment to income on Schedule 3K, line 1, column c, in the year the credit is computed. This amount must also be included on Form 3, Schedule 3K, line 12a, column d.

**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) .....		