

Caution:

This revised version of the Form 2 instructions was placed on the Internet on April 7, 2005. The previous version of the Form 2 instructions contained an error. The note in the instructions for lines 1 through 6 of Schedule 2K-1 has been corrected to reflect the fact that state and municipal interest taxable to Wisconsin should be entered as a subtraction on line 14b, column c, of Schedule 2K-1.

2004 INSTRUCTIONS FOR THE WISCONSIN FIDUCIARY RETURN – FORM 2 AND SCHEDULES WD AND 2K-1

Attach a copy of the federal return (Form 1041) and all attachments to the Wisconsin fiduciary return. Also attach copies of Wisconsin Schedules 2K-1 and WD (Form 2), if required.

A Wisconsin Estate Tax Return, Form W-706, must be filed if the total of the decedent's gross estate plus adjusted taxable gifts exceeds \$675,000.

GENERAL INSTRUCTIONS

Who Must File a Fiduciary Return

Every personal representative or special administrator of the estate of a Wisconsin decedent must file a Wisconsin fiduciary income tax return (Form 2) if the gross income of the estate is \$600 or more. Nonresident estates must file Wisconsin fiduciary returns if they have gross income of \$600 or more from Wisconsin sources. Gross income means all income (before deducting expenses) reportable to Wisconsin which is received in the form of money, property, or services. It does not include items that are exempt from Wisconsin tax.

Every trustee of a Wisconsin trust must file a Wisconsin fiduciary income tax return (Form 2) if the trust has:

1. any taxable income for the tax year, or
2. gross income of \$600 or more regardless of the taxable income.

Nonresident trusts must file a Wisconsin fiduciary income tax return if the trust has:

1. any Wisconsin taxable income for the year, or
2. gross income from Wisconsin sources of \$600 or more regardless of the taxable income.

RESIDENT ESTATE AND TRUST. Use Form 2 to file an income tax return and pay the tax due if the estate or trust is required to file a return for the taxable year. The estate of a decedent is considered resident of the state in which the decedent was domiciled at the time of death. A trust created by a decedent's will (testamentary trust) is resident at the domicile of the decedent at the time of the decedent's death unless transferred by a court having jurisdiction to another court's jurisdiction.

Inter vivos trusts that are made irrevocable and were administered in Wisconsin before October 29, 1999, shall be considered resident at the place where the trust is being administered.

The following inter vivos trusts that become irrevocable on or after October 29, 1999, or that became irrevocable before October 29, 1999, and are first administered in Wisconsin on or after October 29, 1999, are resident of Wisconsin:

1. Trusts, or portions of trusts, the assets of which consist of property placed in the trust by a person who is a resident of

Wisconsin at the time that the property was placed in the trust if, at the time that the assets were placed in the trust, the trust was irrevocable.

2. Trusts, or portions of trusts, the assets of which consist of property placed in the trust by a person who is a resident of Wisconsin at the time that the trust became irrevocable if, at the time that the property was placed in the trust, the trust was revocable.

A trust is revocable if the person whose property constitutes the trust may revest title to the property in that person.

A trust is irrevocable if the power to revest title does not exist.

NONRESIDENT ESTATE OR TRUST. Use Form 2 to file an income tax return and pay the tax due if (1) there is income or gain from Wisconsin sources and (2) a federal fiduciary return is required to be filed with the Internal Revenue Service. Wisconsin source income includes income or gain from:

- a. Real or tangible personal property located within the state.
- b. A business, trade, profession, or occupation carried on within the state, including a corporation taxed under Subchapter S of the Internal Revenue Code.
- c. Personal or professional services performed within the state either as an individual or a member of a partnership.
- d. Income received from the Wisconsin state lottery or a multijurisdictional lottery if the winning lottery ticket or lottery share was purchased from a Wisconsin retailer.

EXEMPT TRUSTS. Trusts that are exempt under the Internal Revenue Code by reason of their purposes or activities are also exempt from Wisconsin income tax. Common law trusts organized or conducted for profit are deemed to be corporations and must file a Wisconsin corporation franchise or income tax return.

NOTE: Trusts that are exempt from federal taxation under section 501(a) of the Internal Revenue Code, including certain pension, profit-sharing, and stock bonus plans described in section 401(a) of the Internal Revenue Code, and individual retirement arrangements (IRAs) are required to report unrelated business taxable income for Wisconsin tax purposes. File a Wisconsin Form 4T if the trust reports unrelated business taxable income for federal purposes on federal Form 990-T and the trust has gross income from an unrelated trade or business of \$1,000 or more. For more information, obtain a copy of Wisconsin Form 4T from any Department of Revenue office.

Trusts that are required to file an informational federal return, such as Form 5227, 1041A, 990, 990EZ, or 990PF, are required to file a Form 2. Fill in the name of the trust, the trustee's name and address, and the federal employer identification number, and on line 1 write "Exempt from tax." Attach a copy of the federal return, and mail to the address on the bottom of Form 2.

Electing small business trusts (ESBTs) may be S corporation shareholders. The portion of an ESBT that consists of stock of

one or more S corporations is treated as a separate trust. The net income for that S portion is determined under federal law as adjusted for the additions and subtractions listed in Schedule A of Form 2. The separate trust is taxed on its Wisconsin taxable income at the highest rate for fiduciaries (6.75%).

Qualified Funeral Trust If a trust elects to be taxed as a qualified funeral trust for federal income tax purposes, that election also applies for Wisconsin. Treat each beneficiary's interest as a separate trust. Attach a copy of the federal Form 1041-QFT to the Form 2. See instructions for lines 1 and 6a.

Individual Returns for Decedents A personal representative or petitioner must file an individual return for the decedent to report income from the beginning of the year to the date of death (Form 1, 1A, 1NPR, or WI-Z). The due date of the 2004 individual return is April 15, 2005. The filing requirements are as follows:

- a. Single persons – gross income of \$9,000 or more.
- b. Married persons filing jointly – joint gross income of \$18,000 or more.
- c. Married persons filing separately – gross income of \$9,000 or more.
- d. Head of household.
 - (1) Under age 65 – gross income of \$10,970 or more.
 - (2) Age 65 or over – gross income of \$11,020 or more.
- e. Part-year resident or nonresident – gross Wisconsin income of \$2,000 or more.

Income Year The first fiduciary income tax return filed by a personal representative or petitioner of an estate covers the period from date of death of decedent to the end of the first year selected by the fiduciary. The taxable year cannot be longer than twelve months, must end on the last day of a month, and must coincide with the year selected for filing the federal return. The first return filed by a trustee of a trust covers the period beginning with the creation of the trust to the end of the calendar year. Returns are to be filed for each subsequent year that the estate or trust is in existence.

All income received by the personal representative, petitioner, or trustee each year must be reported on a fiduciary income tax return. Distributions of income to beneficiaries are reported on federal Schedule K-1. Attach copies to the Wisconsin fiduciary return. If there are differences between federal and Wisconsin distributable income, prepare and attach Wisconsin Schedule 2K-1.

Requests for Closing Certificates The department will issue the Closing Certificate for Fiduciaries only in cases where the court has required it to close a proceeding (sec. 71.13(2), Wis. Stats.). The request for the closing certificate can be made at the time the return is filed for the year prior to the final year.

TRUSTS: Attach copies of the trust instrument and any amendments, a statement as to why the trust is closing, and copies of the annual court accountings for the previous 3 years. If annual accountings have not been filed with the court, provide verification that the court requires the Closing Certificate for Fiduciaries to close a proceeding. Complete the information requested on Schedule E, page 4 of the Form 2. The certificate will be mailed within 120 days.

ESTATES: Attach copies of the inventory and will including any codicils with the request. If these documents were previously submitted with a Wisconsin estate tax return, it is not necessary to submit additional copies. Also provide the information requested on Schedule D, page 3 of the Form 2. The certificate will be mailed or a letter sent in six to eight weeks. The receipt of the closing certificate will not relieve the fiduciary from the responsibility of filing the final fiduciary return.

If the total of the gross estate plus adjusted taxable gifts exceeds \$675,000 or if the estate files a federal estate tax return, Form 706, you must file a Wisconsin Estate Tax Return, Form W-706. The Form W-706 must be filed whether estate tax is due or not. The Closing Certificate for Fiduciaries will not be issued until the Form W-706 is filed.

NOTE: If an estate does not have enough income to require filing a return and needs a Closing Certificate for Fiduciaries, or if the estate will be filing only one fiduciary return when the estate is closed and needs the closing certificate before filing that return, use the following procedure:

1. Complete the top third of Form 2, page 1.
2. Insert the appropriate statement at line 1:
 - a. "Gross income is less than \$600 and no federal Form 1041 is required." or
 - b. "A first and final return will be filed upon closing the estate."
3. Complete the "Information Required" section of Form 2, page 3, Schedule D.
4. Sign and date the Form 2.
5. Attach copies of the inventory and will.

Final Return of Estate or Trust A final fiduciary return reporting all income received from the beginning of the taxable year of closing to the date of closing is required.

The net income computed on the final return must be distributed to the beneficiaries and no income tax is payable by the fiduciary. The beneficiaries of the estate or trust must report income as if it had been received without the intervention of the fiduciary.

Attach a copy of the final account to the final fiduciary return or a letter advising that a final account is not required by the probate court.

Mail All Wisconsin Estate Fiduciary Income Tax Returns and Requests For All Closing Certificates To:

Wisconsin Department of Revenue
Mail Stop 5-144
PO Box 8904
Madison WI 53708-8904

Mail All Other Wisconsin Trust Fiduciary Income Tax Returns To:

Wisconsin Department of Revenue
PO Box 8955
Madison WI 53708-8955

Seven Steps To Filing The Fiduciary Income Tax Return and/or Requesting a Closing Certificate

1. Gather all records.

Make sure that all income and expense records are available, including interest and dividend statements, so the return can be prepared correctly.

2. Complete federal return, Form 1041.

Before completing Wisconsin Form 2, complete the federal return, Form 1041, and its supporting schedules, if required.

3. Complete the Wisconsin return.

- Complete Schedule D, page 3, if you are requesting a closing certificate for an estate.
- Complete Schedule E, page 4, if you are requesting a closing certificate for trusts.

Follow the line instructions as you complete the form.

4. Check over the Wisconsin return.

Check the following items carefully. The Form 2 will be returned or its processing delayed for:

- missing copy of the federal return, Form 1041, or an explanation as to why a federal return is not required,
- missing signature,
- missing trust instrument and amendments (initial return),
- missing inventory, will with codicils, or final account (closing certificate requests),
- missing federal identification number (trusts and estates), decedent's social security number (estates),
- name of county, probate number.

5. Sign the return.

The return must be signed by the personal representative or special administrator of an estate or by the trustee of a trust.

6. Keep a copy of the return.

7. Mail the return and attachments.

Additional Forms or Special Help If you have questions or need additional forms, help is available in our Madison office:

Wisconsin Department of Revenue
2135 Rimrock Road
Madison WI 53702-0001

Telephone: Fiduciary income tax information (608) 266-2772
Forms requests (608) 266-1961

Fax: (608) 267-0834

E-Mail: estate@dor.state.wi.us

Requesting Copies of Prior Tax Returns The Department of Revenue will provide copies of prior year returns. There will be a fee for each return requested. Requests must be made in person or in writing. You must provide a copy of the domiciliary letters

or letters of trust and the trust instrument. Prepayment of the fee is required. If you want certified copies, there is an additional charge for each certification. Send requests with payment to:

Wisconsin Department of Revenue
Mail Stop 232B
PO Box 8903
Madison WI 53708-8903

Call (608) 266-2890 for the amount of fees to include with your request.

Information Publications Available Following is a list of some of the department publications. These publications provide detailed information relating to specific areas of Wisconsin tax law. They are available at any department office.

Number and Title

- 102 Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders
- 103 Reporting Capital Gains and Losses for Wisconsin
- 104 Wisconsin Taxation of Military Personnel
- 106 Wisconsin Tax Information for Retirees
- 109 Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 2004
- 111 How to Get a Private Letter Ruling
- 113 Federal and Wisconsin Income Tax Reporting Under the Marital Property Act
- 114 Wisconsin Taxpayer Bill of Rights
- 117 Guide to Wisconsin Information Returns
- 120 Net Operating Losses for Individuals, Estates, and Trusts
- 121 Reciprocity
- 122 Tax Information for Part-Year Residents and Nonresidents
- 125 Credit for Tax Paid to Another State
- 205 Use Tax Information for Individuals
- 503 Wisconsin Farmland Preservation Credit
- 600 Wisconsin Taxation of Lottery Winnings
- 601 Wisconsin Taxation of Pari-Mutuel Wager Winnings

TTY Equipment Telephone help is available using TTY equipment. Call (608) 267-1049 in Madison or (414) 227-4147 in Milwaukee. These numbers are to be used only when calling with TTY equipment.

Fax You can get forms and publications by fax. Just call (608) 261-6229 from the telephone connected to your fax machine.

Internet Address You can access the department's web site 24 hours a day, seven days a week, at www.dor.state.wi.us. From this web site, you can:

- Download forms, instructions, and publications.
- See answers to frequently asked questions.
- Send us comments or request help by e-mail.

Due Dates of Returns A return for a trust is due on or before April 15, 2005. A return for an estate is due on or before April 15, 2005, for a calendar year filer or 3 1/2 months after the close of the taxable year for a fiscal year filer.

Payment of Tax The tax of an estate or trust must be paid in full by the due date of the return. Enclose a check or money order payable to the Wisconsin Department of Revenue with the return when filed.

Extensions Returns are due the same date the corresponding federal return is due.

The following extension of time to file options are available:

1. If you have an extension for filing your federal return, this automatically gives you a Wisconsin extension provided you:
 - Estimate your 2004 Wisconsin tax and pay the amount you will owe with your return (line 25 of Form 2) by the due date using 2004 Wisconsin Form 1-ES and
 - Attach a copy of your federal extension application to your Form 2 when filed.
2. Extensions available under federal law may be used for Wisconsin purposes, even if you do not need a federal extension because you file your federal return by the due date. To obtain an extension only for Wisconsin, you must:
 - Estimate your 2004 Wisconsin tax and pay the amount you will owe by the due date (see item 1 above) and
 - Attach a statement to your Form 2 indicating which federal extension provision you are using (e.g., automatic 3-month due July 15) or attach a copy of a completed federal extension application form. Estates use IRS Form 2758. Trusts use IRS Form 8736 and IRS Form 8800.

No extension is allowed if your estimate of tax is not reasonable.

NOTE: Even though you may have an extension of time to file your return, you will owe interest on any tax not paid by the original due date. Returns not filed by the extended due date are subject to additional interest and penalties.

2005 Form 1-ES – Wisconsin Estimated Income Tax If the 2005 Wisconsin income tax return of an estate or trust will show a balance due to the department of \$200 or more, you must prepay its 2005 tax in installments beginning April 15, 2005, for calendar year fiduciaries or 3 1/2 months after the close of a fiscal year using Wisconsin Form 1-ES.

EXCEPTION: Estates and grantor trusts which are funded on account of a decedent's death are exempt from making estimated tax payments for tax years ending within two years after the date of death.

Contact any Department of Revenue office to obtain Form 1-ES.

Internal Revenue Service Adjustments and Amended Returns If a federal fiduciary return is adjusted by the Internal Revenue Service and the adjustments affect the amount of Wisconsin income reportable, any credit, or tax payable on Form 2, report the adjustments to the department within 90 days from the date the adjustments become final. If an amended fiduciary return is filed with the Internal Revenue Service or another state and the changes affect the amount of income reportable, any credit, or tax payable on Form 2, file an amended Wisconsin fiduciary return reflecting these changes. The amended Wisconsin return is due within 90 days from the date the amended return is filed with the Internal Revenue Service or another state.

If you are filing an amended return, check the "AMENDED" box at the top right corner of Form 2. Prepare the return using the corrected amounts. Complete line 20 or 22 as appropriate. Include with the amended Wisconsin return a copy of the federal audit report or amended return. You should also explain why the amended return was necessary and what changes were made. If you have already received the Closing Certificate for Fiduciaries, you do not need to request another one unless the court requires it.

Penalties and Interest Any return which is not filed by the due date or within the extension period is subject to a late filing fee of \$2 when the net tax is less than \$10, \$3 when such tax is \$10 or more but less than \$20, or \$5 when such tax is \$20 or more. Returns which are filed 60 or more days late are subject to a \$30 late filing fee. The late fee is assessed even if there is no tax due. Income taxes become delinquent if not paid when due and are subject to interest at the rate of 1.5% per month until paid. Taxes do not become delinquent during an extension period but are subject to interest at the rate of 12% per annum during the extension period.

Other Documents Required to Be Filed By The Fiduciary A copy of the will or trust instrument and subsequent codicils or amendments (if not previously filed) are to be filed with the Wisconsin Form 2.

Accounting Periods and Methods Use the same accounting period and method of accounting that are used for federal income tax purposes. If the federal taxable year or method of accounting is changed, such change also applies for Wisconsin. Separate permission to effect such change for Wisconsin is not required. However, attach a copy of the federal document authorizing the change to the Wisconsin fiduciary return.

Rounding Cents are to be rounded off to the nearest whole dollar on a return and accompanying schedules. Drop amounts under 50¢ and increase amounts from 50¢ to 99¢ to the next dollar.

Definitions Applicable to Fiduciaries Under Wisconsin income tax law, federal taxable income is used as a starting point in the computation of fiduciary income subject to the Wisconsin income tax. Therefore, most terms have the same meaning under the Wisconsin law as in the Internal Revenue Code unless otherwise noted.

SPECIFIC INSTRUCTIONS

Complete the top portion of the return by printing or typing the required information in the boxes provided. Estates use the first line for the name and insert the decedent's social security number. Bankruptcy estates insert the federal employer identification number (EIN). Trusts use the second line for the name and insert the federal EIN. Check the testamentary box if the trust was created by a decedent's will or check the inter vivos box if the trust was created during a grantor's lifetime.

If the trust is an electing small business trust as defined in section 1361(e)(1) of the Internal Revenue Code, check the ESTB box instead of the inter vivos box and see the instructions for line 6b. If the trust is an electing qualified funeral trust, check the QFT box instead of the inter vivos box and see the instructions for lines 1 and 6a.

INCOME

Line 1 Federal taxable income of fiduciary. Enter the amount of taxable income of the fiduciary as reported on the federal Form 1041, line 22. Qualified funeral trusts enter the amount from line 12, Form 1041-QFT. **Caution:** Do not include income from the S portion of an electing small business trust on line 1.

Line 2 Additions. Enter the total of the nondistributable additions from Schedule A, column 2, line 6. See the Schedule A instructions on page 7.

Line 4 Subtractions. Enter the total of the nondistributable subtractions from Schedule A, column 2, line 12. Enter as a positive amount. See the Schedule A instructions on page 7.

TAX COMPUTATION

Line 6a Gross tax. Using the Wisconsin taxable income on line 5 enter the tax from the tax table on pages 15-18.

Exceptions

- Special rules apply when computing tax for an electing small business trust (ESBT). See the instructions and worksheet for line 6b before completing line 6a.
- If this is a composite return for a qualified funeral trust (QFT) and each separate QFT has taxable income of \$8,610 or less, multiply the amount on line 4 by 4.6% (.046) and fill in the result on line 6a. If any of the separate QFTs has taxable income of more than \$8,610, compute the tax separately for each QFT and fill in the total of the tax computed separately for each QFT on line 6a.

Line 6b. Electing small business trusts must separate the income from S corporations treated as a separate trust from other trust income. The net income for that S portion is determined under federal law, as modified by the additions and subtractions listed in Schedule A of Form 2. The tax is computed on the following worksheet:

ESBT Worksheet – Electing Small Business Trust	
1. Separate S-corporation income (also enter on line 6b., Form 2).....	1. \$ _____
2. Tax rate	2. x .0675
3. Tax on S-corporation income (multiply line 1 by line 2)	3. _____
4. Other trust income (from line 5, Form 2) ...	4. _____
5. Tax on line 4 from tax table	5. _____
6. Total tax (add lines 3 and 5) Enter on line 6a., page 1 of Form 2.	6. _____

You must attach to Form 2 a copy of the 5K-1 from the tax-option (S) corporation (or the K-1 from the federal S corporation if the S corporation was not required to file a Wisconsin return) that includes the name and EIN of the corporation.

Line 7 Supplement to federal historic rehabilitation credit. A special tax credit may be available for the preservation or rehabilitation of certain historic structures located in Wisconsin and used for business purposes. 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, write to the Division of Historic Preservation, Wisconsin Historical Society, 816 State St., Madison WI 53706-1488, or call (608) 264-6500.

If you qualify for this credit, complete Part 1 of Wisconsin Schedule HR. Schedule HR is available from any department office.

Line 9 Alternative minimum tax. Estates and trusts may be subject to the Wisconsin alternative minimum tax if the total of federal alternative minimum taxable income and certain Wisconsin adjustments is greater than \$22,500.

CAUTION: An estate or trust may be subject to the Wisconsin alternative minimum tax even though it is not subject to the federal alternative minimum tax.

Enter on line 9 of Form 2 the alternative minimum tax from line 20 of Wisconsin Schedule MT.

Line 10. Add lines 8 and 9.

Recapture of investment credit. If there is a recapture of investment credit, add the recapture amount to the amount which would otherwise be reported on line 10, Form 2. Also, write DC and the amount to the left of the total entered on line 10, Form 2 and enclose Schedule DC.

Line 11 Tax credits.

Development zone credit and technology zone credit. Special tax credits may be available for persons doing business in Wisconsin development or technology zones. The Wisconsin Department of Commerce administers the development zone and technology zone programs. Any person conducting business in a development or technology zone who has been certified by the Department of Commerce may be eligible for the credit. Credits attributable to the business operation of a partnership or tax-option (S) corporation pass through to the partners or shareholders on Schedule 3K-1 or 5K-1. Credits may also be allocated to beneficiaries of estates and trusts (see Schedule 2K-1).

If you qualify to claim any of the development zone credits, attach a completed Wisconsin Schedule DC to the Form 2. If you qualify for the technology zone credit, attach a completed Wisconsin Schedule TC to the Form 2. See page 3 for further information on how to get Schedule DC or TC.

Manufacturer’s sales tax credit. The manufacturer’s sales tax credit is available for the amount of sales and use tax paid on fuel and electricity consumed in manufacturing in Wisconsin. If you qualify for this credit, attach a completed Schedule MS to the Form 2.

Dairy investment credit. The dairy investment credit is based on the amount paid for dairy farm modernization or expansion related to the operation of a dairy farm located in Wisconsin. Get Schedule DI for more information on this credit. If you qualify for this credit, attach a completed Schedule DI to the Form 2.

To claim the development zones, technology zone, manufacturer’s sales tax credit, or dairy investment credit: Enter the amount of your credit from Schedule DC, Schedule TC, Schedule MS, or Schedule DI on line 11 of Form 2. If you qualify for more than one of these credits, add them together and put the total on line 11 of Form 2.

Line 13 Recycling surcharge. The recycling surcharge applies to estates and trusts that have trade or business activities in Wisconsin and have \$4,000,000 or more of gross receipts from trade or business activities for federal income tax purposes.

If the estate or trust is subject to the recycling surcharge, complete Wisconsin Schedule RS. Fill in the amount from line 2 or 3 of Schedule RS on line 13 of Form 2. Attach a copy of Schedule RS to Form 2.

Line 15 Wisconsin income tax withheld. Enter on line 15 any Wisconsin income tax withheld. Wisconsin income tax withheld on salary or wage checks received by the personal representative or petitioner on income in respect of the decedent must be supported by a wage statement (Form W-2) from the decedent's employer. Attach a copy of the wage statement to the Form 2.

Line 16 2004 Wisconsin estimated payments and amount applied from 2003 return. Enter the total of (1) any overpayment of 2003 income tax that the estate or trust was allowed as a credit on its 2004 Wisconsin estimated tax, (2) any Wisconsin estimated tax payments made by the estate or trust for 2004, and (3) advance payments or any payments filed with an extension.

Line 17 Farmland preservation credit. A credit may be claimed by certain trusts and estates based on property taxes accrued on Wisconsin farmland which is subject to agricultural use restrictions in the form of a zoning ordinance or a farmland preservation agreement. If claiming farmland preservation credit, include a completed Schedule FC with the Form 2. Fill in on line 17 of Form 2 the amount from line 16 of Schedule FC.

The farmland preservation credit program provides an income tax credit to Wisconsin residents who own at least 35 acres of farmland in Wisconsin. For more information about farmland preservation credit, contact our Farmland Preservation Unit in Madison at (608) 266-2442 or any Department of Revenue office. A copy of the claim form (Wisconsin Schedule FC) is available at any Department of Revenue office.

Line 18 Net income tax paid to other states. Resident estates and trusts may claim a credit against their Wisconsin income tax for income tax paid to another state or the District of Columbia, subject to the following requirements:

- a. The income taxed by the other state must also be included in Wisconsin taxable income.
- b. The credit claimed must be for the net amount of tax due and paid to the other state. (This may be more or less than any estimated tax payments.)
- c. The amount of credit claimed cannot exceed the Wisconsin tax shown on line 12.
- d. Provide a copy of the other state's fiduciary return with the Wisconsin fiduciary return.

Credit may not be claimed for other taxes paid such as a city tax, severance tax, foreign tax, etc. If the estate or trust paid "minimum tax" to another state, that tax may be eligible for credit. For more information get Publication 125, *Credit for Tax Paid to Another State*. See page 3 for information on how to get this publication.

NOTE: If only part of the income taxed by the other state is taxed by Wisconsin (for example, capital gains on assets held

more than one year are taxed at only 40% for Wisconsin), you must limit the credit claimed on line 18. Use the following formula to determine the amount of credit:

$$\frac{\text{Income taxable to both Wisconsin and other state}}{\text{Total income taxable to other state}} \times \frac{\text{Total net income taxes paid to other state}}{\text{Total net income taxes paid to other state}} = \text{Amount of net income tax allowable as a credit against Wisconsin tax}$$



Fill in the 2-digit postal abbreviation for the state to which you paid the tax in the box to the left of the entry line. For example, if you paid tax to California, you would fill in CA in the box. If you paid tax to more than one other state, fill in the number 99 in the box.

Line 19 Farmland tax relief credit. An estate or trust may qualify for the farmland tax relief credit if it meets the following three conditions:

1. At least 35 acres of Wisconsin farmland must have been owned during the 2004 taxable year. The personal representative of an estate and the trustee of a qualifying trust are considered owners of the farmland held by an estate or trust and may claim this credit on the fiduciary return.

The following do not qualify for the credit:

- a. The estate of an individual who is a nonresident on the date of death.
 - b. A trust created by a nonresident.
 - c. A trust which receives Wisconsin real property from a nonresident.
 - d. A trust in which a nonresident settler retains a beneficial interest.
2. The 2003 property taxes for the farmland on which the credit is based must have been paid.
 3. The farmland must be in agricultural use. The farm of which the farmland is a part must have produced at least \$6,000 of gross farm profits during 2004 or a total of \$18,000 in gross farm profits for 2002, 2003, and 2004 combined. However, if at least 35 acres of your farmland was enrolled in the Conservation Reserve Program during all or part of 2004, you do not have to meet this gross farm profits requirement.

Gross farm profits means gross receipts, excluding rent, from the land's agricultural use, less the cost or other basis of livestock or other items purchased for resale which are sold or otherwise disposed of during the income year. Gross farm profits include the fair market value, at the time of disposition, of payments in kind received for placing land in federal programs. If the farmland is rented out, the renter's gross profits are used to satisfy this requirement. Gross farm profits do not include the fair market value of crops grown but not sold during the year, fuel tax credits or refund, or a previous year's farmland preservation or farmland tax relief credit.

Fill in the property taxes on the farmland (exclusive of improvements) in the space provided on line 19, but do not fill in more than \$10,000. The credit is based on property taxes levied on the farmland during the 2004 calendar year. This is your 2004 property tax bill (payable in 2005). You can use up to \$10,000 of property taxes to compute the credit. This includes property taxes on all land which is in agricultural use, less any state aid or credit.

Do not include property taxes on any improvements (e.g., farm building or a residence), special assessments, special charges, or interest.

NOTE: The property tax bill may include property taxes on both the farmland and improvements. Use the following formula to determine the portion of the property taxes attributable only to the land.

$$\frac{\text{Assessed value of farmland}}{\text{Total assessed value of land and improvements}} \times \text{2004 property taxes levied in 2004 before lottery and gaming credit} = \text{Portion of property taxes to be used for the credit}$$

If the farmland is co-owned with someone other than the estate or trust, you may use only those taxes which reflect the ownership percentage of the estate or trust.

If the estate or trust purchased the farmland on which this claim is based during the taxable year, fill in the property taxes on the farmland less any amount allocated to the seller in the closing agreement. If the amount is not set forth in a closing agreement, fill in the total taxes. Do not fill in more than \$10,000.

When property is transferred during the claim year by a method other than a sale, such as through gift, divorce, death, bankruptcy, foreclosure, or repossession, the owner of the property on the tax levy date is the owner who may claim the credit. The tax levy date is the date the property tax roll is delivered to the local treasurer for collection, usually in early December of each year.

If the farmland is owned by a tax-option (S) corporation or by a partnership, fill in the portion of property taxes on the farmland that reflects the ownership percentage of the estate or trust. You may have to contact the tax-option (S) corporation or the partnership to get information on the amount of taxes levied on the farmland during 2004.

Fill in the amount of your credit on line 19 of Form 2. The credit is equal to 15% of the property taxes on the farmland up to a maximum credit of \$1,500.

CAUTION: If you are claiming farmland preservation credit on line 17, the total of your farmland preservation credit and your farmland tax relief credit cannot exceed 95% of the property taxes on the farm. If your credits exceed this amount, you should reduce your farmland tax relief credit accordingly.

Attach a copy of your 2004 property tax bill(s) to your Wisconsin Form 2.

NOTE: If you are also claiming farmland preservation credit on Form 2 and have attached a copy of your 2004 property tax bill(s) to your Schedule FC, you do not have to attach an additional copy of your property tax bill(s). If the farmland on which the credits are based was purchased or sold during the year, only the buyer must attach a copy of the 2004 property tax bill(s); however, both the buyer and seller must attach a copy of the closing agreement.

If any of the 2004 property tax bills show unpaid prior year taxes, attach a statement signed by your county treasurer indicating the date the 2003 property taxes were paid in full.

Line 20 Amended return only. Enter amount paid with original Form 2 plus any additional amount paid after it was filed.

Line 22 Amended return only. Enter the refund from the original Form 2 plus any additional refunds received after it was filed less the amount applied to 2005 estimated tax.

Line 24 Tax refund. An overpayment of tax will be refunded after verification by the Department of Revenue.

Line 25 Balance due. The balance due must be paid in full with the return. Make remittance payable to the Wisconsin Department of Revenue.

Line 26 Amount of line 24 to be applied to your 2005 estimated tax. Enter on line 26 the amount of refund from line 24 that should be applied to your 2005 estimated income tax. The difference between line 26 and line 24 will be refunded to you.

SCHEDULE A INSTRUCTIONS – ADDITIONS AND SUBTRACTIONS

Certain additions and subtractions must be made to federal taxable income in order to arrive at Wisconsin taxable income. Federal taxable income is the amount shown on the federal Form 1041, line 22. Additions and subtractions are described in detail below.

Enter in column 1, Distributable Income, the additions or subtractions that relate to items of income or deductions which affect the computation of the distributable net income for the taxable year. Enter in column 2, Nondistributable Income, any of the additions or subtractions that affect nondistributable income taxable to the fiduciary.

ADDITIONS

Line 1 Adjustments to convert 2004 federal taxable income to the amount allowable for Wisconsin (see instructions for Schedule B on page 10).

Line 2 Interest (less related expenses) on state and municipal obligations. Enter in the appropriate column the amount of interest on state and municipal obligations which was excluded from federal taxable income. (If you were required for federal purposes to allocate expenses to this income, reduce the amount to be filled in by such expenses.) **EXCEPTION:** Interest which is by federal or Wisconsin law exempt from Wisconsin taxation should not be entered on line 2. Interest income which is exempt for both federal and Wisconsin tax purposes includes interest from (1) public housing authority or community development authority bonds issued by municipalities located in Wisconsin, (2) Wisconsin Housing Finance Authority bonds, (3) Wisconsin municipal redevelopment authority bonds, (4) Wisconsin higher education bonds, (5) Wisconsin Housing and Economic Development Authority bonds issued on or after December 11, 2003, to fund multifamily affordable housing projects or elderly housing projects, (6) Wisconsin Housing and Economic Development Authority bonds issued before 1/29/87, except business development revenue bonds, economic development revenue bonds, and CHAP housing revenue bonds, (7) public housing agency bonds issued before 1/29/87 by agencies located outside Wisconsin where the interest therefrom qualifies for exemption from federal taxation for a reason other than or in addition to section 103 of the Internal Revenue Code, (8) local exposition district bonds, (9) Wisconsin professional baseball park district bonds,

(10) bonds issued by the Government of Puerto Rico, Guam, or the Virgin Islands or, for bonds issued after October 16, 2004, the Government of American Samoa, (11) local cultural arts district bonds, and (12) Wisconsin professional football stadium bonds. Interest from these sources is exempt from Wisconsin income tax whether received by a direct owner of these securities or by a shareholder in a mutual fund which invests in these securities.

If a charitable deduction is claimed, reduce the amount of interest added back by the amount of the municipal interest which is used or set aside for charitable purposes.

Line 3 Taxes. Enter the amount of taxes deducted from federal taxable income on line 11, Form 1041. This amount must be allocated between distributable and nondistributable income based on tax benefit.

Line 4 Capital gain/loss adjustment. If federal taxable income includes capital gains and/or losses (see line 4, Form 1041), complete Wisconsin Schedule WD (Form 2) to determine if an adjustment must be made to arrive at Wisconsin income. For example, an adjustment may be required because Wisconsin law limits deductions for net capital losses to \$500. You can obtain Schedule WD (Form 2) from any Department of Revenue office. If assets sold during 2004 had a different basis for federal than for Wisconsin purposes, see instructions for Schedule C on page 11 and item b, Adjustment for Ordinary Gain or Loss for Assets Reported on Federal Form 4797 on page 10.

Line 5 Other additions. Enter any other amount subject to Wisconsin taxation that has been excluded or deducted in the computation of federal taxable income or distributable net income. Attach a schedule with a computation or explanation. Examples are:

- a. **Federal net operating loss carryover.**
- b. **Lump-sum distribution.** If you reported lump-sum distribution income on federal Form 4972, you must also include the distribution in Wisconsin income. Fill in on Schedule A, line 5 the amount of lump-sum distribution income which is reported on line 10 of Form 4972 plus any capital gain reported on line 6 of Form 4972. You may reduce this amount by any federal estate tax on line 18 of Form 4972.

NOTE: No portion of a lump-sum distribution may be reported as a capital gain on a Wisconsin Schedule WD (Form 2).

- c. **Transitional adjustments.** These are adjustments required by the Wisconsin Statutes to account for differences between federal basis and Wisconsin basis of changing basis assets (those subject to depreciation or amortization). Attach a schedule showing the computation of each transitional adjustment made.
- d. **Farm losses.** An addition may be required if farm losses were deducted on the federal tax return and the estate or trust was not actively engaged in the farming operation that produced those losses.

TRUSTS: A trust shall be considered to be actively engaged in farming with respect to a farming operation if:

- 1. The entity separately makes a significant contribution to the farming operation of capital, equipment, or land, or a combination of capital, equipment, or land; and

- 2. The income beneficiaries collectively make a significant contribution of active personal labor or active personal management to the farming operation. The combined interest of all the income beneficiaries providing active personal labor or active personal management, or a combination of active personal labor and active personal management must be at least 50 percent; and
- 3. The trust has provided a tax identification number unless the trust is a revocable trust and the grantor is the sole beneficiary; and
- 4. The trust has provided a copy of the trust agreement to the county committee unless the trust is a revocable trust.

ESTATES: For two program years after the program year in which an individual dies the individual's estate shall be considered to be actively engaged in farming if:

- 1. The estate makes a significant contribution of either (a) capital, equipment, or land; or (b) a combination of capital, equipment, or land; and
- 2. The personal representative or heirs of the estate collectively make a significant contribution of either: (a) active personal labor or active personal management; or (b) a combination of active personal labor and active personal management.

After the two years, the deceased individual's estate shall not be considered to be actively engaged in farming unless, on a case by case basis, it is determined that the estate has not been settled primarily for the purpose of obtaining program payments.

Your combined net losses from farming operations in which you are not actively engaged in farming are limited if your non-farm Wisconsin adjusted gross income is more than \$55,000.

To figure your combined net losses from farming operations, add together any losses you have from farming operations in which you were not actively engaged (for example, these could be losses from a farm partnership or tax-option (S) corporation). Do not reduce these losses by any net farm gains. If the total of these losses is more than the maximum allowable loss shown in the following table, include the excess on line 5, Schedule A.

Farm Loss Limits		
Nonfarm Wisconsin Adjusted Gross Income		
More Than	But Not More Than	Maximum Allowable Loss
\$ 0	\$ 55,000	Full Amount
55,000	75,000	\$20,000
75,000	100,000	17,500
100,000	150,000	15,000
150,000	200,000	12,500
200,000	250,000	10,000
250,000	300,000	7,500
300,000	600,000	5,000
600,000		No Loss

Example For 2004, a trust reports a loss of \$25,000 on Schedule E from a farm partnership (the trust is not actively engaged in this farming operation), and a profit of \$5,000 from the rental of farmland. The trust's nonfarm Wisconsin adjusted gross income is \$60,000. Therefore, only \$20,000 of the \$25,000 farm loss may be deducted for 2004. The trust must fill in \$5,000 on line 5 of Schedule A.

- e. **Excess distribution from a passive foreign investment company.** Fill in the amount of excess distribution from a passive foreign investment company which has not been included in federal taxable income (see federal Form 8621).
- f. **Manufacturer's sales tax credit.** Fill in the amount of manufacturer's sales tax credit that you computed for 2004. This is the amount from line 10 (line 11 for beneficiaries of an estate or trust) of Schedule MS. The amount of your credit is income and must be reported on your Wisconsin Form 2, even if you cannot take the full credit this year and must carry part of it forward. (**NOTE:** Manufacturer's sales tax credit that you receive from a partnership or a tax-option (S) corporation will be accounted for when you make the adjustments described in paragraph a under "ADDITIONS TO OR SUBTRACTIONS FROM INCOME" on page 10.)
- g. **Development zones credit and technology zone credit.** Fill in the amount of development zones credit from Wisconsin Schedule DC and technology zone credit from Schedule TC. The amount of the credit is income and must be reported on the Wisconsin Form 2, even if you cannot take the full credit this year and must carry part of it forward. (**NOTE:** Development zones credit and technology zone credit that you receive from a partnership or tax-option (S) corporation will be accounted for when you make the adjustments described in paragraph a under "ADDITIONS TO OR SUBTRACTIONS FROM INCOME" on page 10.)
- h. **Dairy investment credit.** Fill in the amount of dairy investment credit that you computed for 2004. The amount of your credit is income and must be reported on your Wisconsin Form 2, even if you cannot take the full credit this year and must carry part of it forward. (**NOTE:** Dairy investment credit that you receive from a partnership or a tax-option (S) corporation will be accounted for when you make the adjustments described in paragraph a under "ADDITIONS TO OR SUBTRACTIONS FROM INCOME" on page 10.)

SUBTRACTIONS

Line 7 Adjustments to convert 2004 federal taxable income to the amount allowable for Wisconsin (see instructions for Schedule B on page 10).

Line 8 Interest (less related expenses) on obligations of the United States. Enter in the appropriate column the net amount of interest and dividends on obligations and certain securities of the United States, which are by federal law exempt from taxation by states. To arrive at the net amount, you must reduce the total U.S. interest by the proportionate share of deductions claimed on Form 1041.

An ordinary dividend received from a mutual fund which invests in U.S. government securities may be partially or completely non-taxable for Wisconsin tax purposes. If information received from a mutual fund advises that any portion of a distribution is from investments in U.S. government securities, that portion of the distribution may be included as U.S. government interest on line 8.

CAUTION: Do not fill in on line 8 interest from Ginnie Mae (Government National Mortgage Association) securities and other similar securities which are "guaranteed" by the U.S. government.

If a charitable deduction is claimed, reduce the amount of U.S. interest subtracted by the amount of U.S. interest included in the charitable deduction on federal Form 1041.

Line 9 Capital gain/loss adjustment. If federal taxable income includes capital gains and/or losses (see line 4, Form 1041), complete Wisconsin Schedule WD (Form 2) to determine if an adjustment must be made to arrive at Wisconsin taxable income. For example, an adjustment may be required because Wisconsin law allows an exclusion of 60% of capital gain from assets held more than one year. You can obtain Schedule WD (Form 2) from any Department of Revenue office.

Line 10 Refunds of state and local taxes. Enter refunds of state and local income taxes included in line 8 of federal Form 1041.

Line 11 Other subtractions. Enter on this line any amount which is deductible or exempt from taxation by Wisconsin law and which has been included in the computation of federal taxable income. Examples are:

- a. **Retirement funds.** You may subtract payments received from certain retirement funds that are exempt from Wisconsin taxation to the extent included in federal income. However, payments received from a tax-sheltered annuity deposit in such retirement systems are taxable. (See Wisconsin Form 1 instructions for further details.)
- b. **Wisconsin NOL.** If you had a Wisconsin net operating loss (NOL) in an earlier year to carry forward to 2004, include the allowable amount on Schedule A. Attach a statement showing how you figured the amount. Get Publication 120, *Net Operating Losses for Individuals, Estates, and Trusts*, from any Department of Revenue office for more details on computing an NOL and the allowable deduction.
- c. **Relocation Assistance.** Relocation assistance payments received subject to the provisions set forth in section 32.19, Wisconsin Statutes.
- d. **Transitional adjustments.** See instruction (c) for line 5, Schedule A. Attach schedule.
- e. **Farm loss carryover.** See Wisconsin Form 1 instructions for further details.
- f. **Nonresident income.** Income of nonresidents not subject to Wisconsin tax.
- g. **Certain military pay.** Military pay that is included on a W-2 for a member of the Reserves or National Guard who served on active duty may be subtracted if the pay was:
 - Received from the federal government,
 - Received after being called into active federal service or into special state service authorized by the federal Department of Defense, and
 - Paid for a period of time during which the member was on active duty.

CAUTION: The subtraction only applies to members of the Reserves or National Guard who are called into active federal service under 10 USC 12302(a) or 10 USC 12304 or into special state service under 32 USC 502(f). However, it does not apply to pay that members of the Reserves and National Guard receive for their weekend or two-week annual training. It also does not apply to a person who is serving on active duty or full-time duty in the active guard reserve (AGR) program.

ADDITIONS TO OR SUBTRACTIONS FROM INCOME

The following items may be either an addition to or a subtraction from federal taxable income, depending on your situation. Fill in any additions on line 5 and any subtractions on line 11, Schedule A.

- a. Distributive share of net modifications of a partnership or tax-option (S) corporation if it increases or reduces the income of the partnership or corporation. If the estate or trust is a shareholder of a federal S corporation that elects not to be treated as a Wisconsin tax-option (S) corporation, all items of S corporation income, loss, or deduction included on the federal return must be reversed.

CAUTION: Do not reverse any item of S corporation income or loss reported on federal Schedule D. These items are removed from Wisconsin income when Wisconsin Schedule WD (Form 2) is completed.

- b. Adjustment for ordinary gain or loss for assets reported on federal Form 4797. If you reported sales (or other dispositions) of assets on federal Form 4797 and there was a difference between the federal basis and the Wisconsin basis, follow the three steps below to figure the adjustment.

STEP 1: Recompute federal Form 4797, Sales of Business Property.

- For assets the estate or trust sold or otherwise disposed of, use the Wisconsin basis instead of the federal basis when recomputing Form 4797.
- For those assets disposed of by a partnership, tax-option (S) corporation, or other estate or trust, from which the estate or trust received a distribution, use the Wisconsin gain or loss instead of the federal gain or loss when recomputing Form 4797.

NOTE: The Wisconsin gain or loss can be found on line 10 of Wisconsin Schedule 3K-1 or line 9 of Wisconsin Schedule 5K-1.

Label this recomputed Form 4797 “Wisconsin.” Attach the “Wisconsin” Form 4797 to Form 2.

STEP 2: If a gain was entered on line 7 or 9 of “Wisconsin” Form 4797, the amounts from the “Wisconsin” Form 4797 must be used to complete line 11 of Wisconsin Schedule WD (Form 2).

STEP 3: Complete the Adjustment Worksheet if Part II was completed on either the federal or “Wisconsin” Form 4797.

- If you have an ordinary gain for both federal and Wisconsin purposes, fill in lines a and b of the following worksheet. Also fill in line c or line d, whichever applies.
- If you have an ordinary loss for both federal and Wisconsin purposes, fill in lines e and f of the following worksheet. Also fill in line g or h, whichever applies.
- If you have an ordinary gain for federal purposes and line 18 on the “Wisconsin” Form 4797 is blank or a loss, fill in lines a, b, e, and f of the following worksheet. Also fill in line d and line g. Add the amounts on lines d and g and fill in the result on line 11 of Schedule A, page 2, Form 2.
- If you have an ordinary loss for federal purposes and line 18 on the “Wisconsin” Form 4797 is blank or a gain, fill in lines a,

b, e, and f of the following worksheet. Also fill in line c and line h. Add the amounts on lines c and h and fill in the result on line 5 of Schedule A, page 2, Form 2.

NOTE: Nonresident estates and trusts should enter the ordinary gain or loss computed on the “Wisconsin” Form 4797 that is **from Wisconsin sources** when completing Step 3.

Adjustment Worksheet

	Distributable	Non-distributable
a Fill in ordinary gain from line 18 of federal Form 4797 (if blank, fill in zero (0))		
b Fill in ordinary gain from line 18 of “Wisconsin” Form 4797 (if blank, fill in zero (0))		
c If line b is more than line a, subtract line a from line b. Fill in the result here and on line 5 of Schedule A, page 2, Form 2		
d If line b is less than line a, subtract line b from line a. Fill in the result here and on line 11 of Schedule A, page 2, Form 2		
e Fill in ordinary loss from line 18 of federal Form 4797 (if blank, fill in zero (0))		
f Fill in ordinary loss from line 18 of “Wisconsin” Form 4797 (if blank, fill in zero (0))		
g If line f is more than line e, subtract line e from line f. Fill in the result here and on line 11 of Schedule A, page 2, Form 2		
h If line f is less than line e, subtract line f from line e. Fill in the result here and on line 5 of Schedule A, page 2, Form 2		

SCHEDULE B INSTRUCTIONS

IMPORTANT: The Wisconsin Statutes generally require that the computation of taxable income on the 2004 Wisconsin fiduciary income tax return is to be based on the Internal Revenue Code enacted as of December 31, 2002. Federal laws enacted after December 31, 2002, do not apply for Wisconsin income tax purposes.

A comprehensive list of the provisions of federal law that may not be used for Wisconsin purposes for 2004 can be found in the instructions for Wisconsin Schedule I. The following is a list of the items that may affect the largest number of trusts and estates:

- Additional first-year 50% bonus depreciation.
- Increase in sec. 179 expensing.
- Provisions of the Military Family Tax Relief Act of 2003 relating to death gratuities, base realignment and closure, dependent care assistance, overnight travel expenses of National Guard and Reserve members, and death benefits to astronauts.
- Deduction for health savings accounts and related provisions.

- The deduction for tuition and fees.
- Exclusion for 50% of the gain from the sale or exchange of qualified small business stock.
- Treatment of extraterritorial income.
- Expensing of environmental remediation costs.
- Thirty percent bonus depreciation.
- Treatment of qualified leasehold improvement property.
- Installment method for accrual basis taxpayers.

If any provision of federal law which does not apply for Wisconsin purposes affects your federal taxable income, attach a schedule to your Form 2. State the nature of the adjustment and a complete explanation. Show a negative amount in parentheses. Enter the total amount on line 1 of Schedule B.

SCHEDULE C INSTRUCTIONS – ADJUSTMENTS TO CAPITAL GAINS / LOSSES

Complete Schedule C to adjust capital gains and losses if capital assets sold or otherwise disposed of in 2004 had a different basis for Wisconsin than for federal income tax purposes. The most common reason for a difference in basis is the use of the alternate value for federal estate tax purposes while date of death value is required to be used for Wisconsin inheritance tax purposes for deaths prior to January 1, 1992. For deaths after December 31, 1991, if the alternate value is used for federal estate tax purposes, the alternate value would also be used for Wisconsin estate tax purposes.

To figure the adjustment, first determine the holding period for each capital asset which had a different basis for federal and Wisconsin purposes. Property acquired by a decedent's estate from the decedent is considered to be held more than one year. (Do not list assets reported on federal Form 4797, such as depreciable property used in a trade or business, on Schedule C. See "Adjustment for ordinary gain or loss for assets reported on federal Form 4797," item b on page 10 of these instructions.)

For capital assets held one year or less, fill in line 1. If the Wisconsin adjusted basis is more than the federal adjusted basis, fill in a negative number in the difference column (column C). Combine the amounts in column C and fill in the result on line 2 of Schedule C and on line 4 of Wisconsin Schedule WD (Form 2). Enter a negative number as a loss.

For capital assets held more than one year, fill in line 3. If the Wisconsin adjusted basis is more than the federal adjusted basis, fill in a negative number in the difference column (column C). Combine the amounts in column C and fill in the result on line 4 of Schedule C and on line 12 of Wisconsin Schedule WD (Form 2). Enter a negative number as a loss.

NOTE: If there is inadequate space on lines 1 and 3 to list each capital asset which had a different basis for Wisconsin than for federal tax purposes, attach a separate page to Form 2 giving the required information.

SCHEDULE D INSTRUCTIONS – INFORMATION REQUIRED WHEN REQUESTING A CLOSING CERTIFICATE FOR ESTATES

If an estate is requesting a Closing Certificate for Fiduciaries, complete Schedule D, lines 1 through 10, and the Summary of Assets and Deductions, lines 1 through 20 on page 3.

NOTE: If line 14 plus any adjusted taxable gifts is more than \$675,000, you are required to file a Wisconsin Estate Tax Return (Form W-706), even though no federal Estate Tax Return (Form 706) is required. Contact the Wisconsin Department of Revenue for additional information.

SCHEDULE E INSTRUCTIONS – INFORMATION REQUIRED WHEN REQUESTING A CLOSING CERTIFICATE FOR TRUSTS

A Closing Certificate for Fiduciaries is issued to a trust only when the trust is under the supervision of the Probate Court. The Probate Court requires the Department of Revenue to verify that a trust under their jurisdiction has filed all tax returns and paid all taxes before releasing the trustee and allowing the trust to close. The Closing Certificate for Fiduciaries is the document that is used by the Department of Revenue to inform the court that all tax returns have been filed and all taxes paid.

The certificate may be issued in the year prior to the final year of the trust to expedite the closing of the trust. This does not relieve the trust of the requirement to file a final return.

If a trust is requesting a Closing Certificate for Fiduciaries, complete Schedule E, lines 1 through 8 and the Summary of Assets, lines 1 through 7 on page 4.

SCHEDULE 2K-1 – BENEFICIARY'S SHARE OF INCOME, DEDUCTIONS, ETC.

Schedule 2K-1 shows each beneficiary's share of income, deductions, etc., distributed by the estate or trust. Schedule 2K-1 requires an entry for the federal amount, adjustment, and Wisconsin amount of each applicable estate or trust item.

Prepare a Schedule 2K-1 for each individual or entity that was a beneficiary during the estate's or trust's taxable year. Attach a copy of each beneficiary's Schedule 2K-1 to the Form 2 filed with the department. Keep a copy as part of the estate's or trust's records and give each beneficiary his or her own separate copy.

EXCEPTIONS: A Schedule 2K-1 need not be prepared for a Wisconsin resident beneficiary if there are no differences between federal and Wisconsin income, deductions, gains or losses. Schedule 2K-1 need not be prepared for nonresident beneficiaries if the income, deductions, etc., distributed are not from Wisconsin sources. Income from Wisconsin sources includes:

- Wages, salaries, commissions, and other income for personal services performed in Wisconsin.

- Rents and royalties from tangible property located in Wisconsin, such as land, buildings, and machinery.
- Gains or losses from sales or other dispositions of tangible property located in Wisconsin, such as land, buildings, and machinery.
- Profits or losses from businesses, professions, and farm operations conducted in Wisconsin, including sole proprietorships, partnerships, limited liability companies (LLCs), and tax-option (S) corporations.
- Income from the Wisconsin state lottery, a multijurisdictional lottery if the winning lottery ticket or lottery share was purchased from a Wisconsin retailer, or pari-mutuel wager winnings and purses.
- Winnings from a casino or bingo hall located in Wisconsin and operated by a Native American tribe or band.

On each Schedule 2K-1, enter the name and federal identification number of the trust or estate. Also enter the beneficiary's identifying number (social security number for individuals), name, and address and the fiduciary's name and address in the appropriate spaces.

Column b. Federal Amount – Enter the applicable amount from federal Schedule K-1.

EXCEPTION: If the federal amount was computed using a provision of federal law that Wisconsin doesn't follow, you must first complete Schedule B on Form 2, page 2. See the instructions for lines 1 through 6 of Schedule 2K-1 for more information.

Column c. Adjustment – Enter the amount of any additions or subtractions from federal income (modifications and any other adjustments) made to arrive at the amount of any item of estate or trust income, deduction, etc., reportable under Wisconsin law.

Column d. Wisconsin Amount – Enter the amount of each estate or trust item which is reportable by the beneficiary under Wisconsin law (column b plus or minus column c).

SPECIFIC INSTRUCTIONS

Lines 1 through 6. Enter in column b the amount from federal Schedule K-1 unless the item is computed under a provision of federal law that Wisconsin doesn't follow. Enter total federal long-term capital gains on line 4, column b.

If an item is computed under a provision of federal law that cannot be used for Wisconsin purposes, enter in column b the amount from the federal Schedule K-1 plus or minus, as appropriate, the beneficiary's share of the amount from Schedule B, column 1 of Form 2. On line 14c, identify the beneficiary's share of the amount from Schedule B, column 1 as a "Schedule I Adjustment" if the beneficiary is an individual or a "Schedule B Adjustment" if the beneficiary is a trust or estate. Each beneficiary must account for this federal – Wisconsin difference on Wisconsin Schedule I (or Schedule B).

Enter the amount of the beneficiary's share of modifications from lines 3, 5, 8, 10, and 11 of Schedule A, Form 2 on the appropriate lines of Schedule 2K-1, column c. Show addition modifications as a positive number. Show subtraction modifications with the number in parentheses.

Example 1: If the federal amount on line 1, column b of Schedule 2K-1 includes any U.S. government interest, show the beneficiary's share of the amount of U.S. government interest as a subtraction modification in column c.

Example 2: If the federal amount on line 6a, column b of Schedule 2K-1 includes a deduction for state and local income taxes, show the beneficiary's share of the amount of taxes as an addition modification in column c.

NOTE: Do not adjust for state and municipal interest on line 1, column c. Enter state and municipal interest taxable to Wisconsin on line 14b, column c, of Schedule 2K-1 as a subtraction.

For lines 3 and 4, enter in column d the beneficiary's share of the amounts from lines 6c and 14c of Wisconsin Schedule WD (Form 2). Enter in column b, the amounts from lines 3 and 4c of the federal K-1. The difference between column d and column b is entered as the adjustment in column c.

Lines 7 through 9. Enter the beneficiary's share of distributable net alternative minimum taxable income from federal Schedule K-1 on line 7, column b. If any adjustment on lines 5 and 6 in column c of Schedule 2K-1 relates to an item that generates an "adjustment" amount for minimum tax purposes, any resulting increase or decrease in the amount of the "adjustment" for Wisconsin purposes should be entered as an adjustment in column c.

Line 10. If the beneficiary is an individual, the Wisconsin amount in column d is zero. If the beneficiary is another estate or a trust, the amount in column d will be the same as column b.

Lines 12a through 12c. Enter the beneficiary's share of distributable tax preference items from federal Schedule K-1. If any adjustment on lines 5 and 6 in column c of Schedule 2K-1 relates to an item that generates a tax preference amount for minimum tax purposes, any resulting increase or decrease in the amount of tax preference for Wisconsin purposes should be entered as an adjustment in column c.

For example, for Wisconsin purposes an adjustment is reported on line 5b in column c of Schedule 2K-1, to increase by \$10,000 the amount of depreciation on an asset which has a larger basis for Wisconsin than for federal purposes. This depreciation is computed under an accelerated method and \$4,000 of the \$10,000 represents a tax preference. Therefore, \$4,000 would be entered on line 12a, column c.

Line 12d. Not applicable for Wisconsin.

Line 13a. If the beneficiary is an individual, the Wisconsin amount in column d is zero and the amount in column c is the negative of the amount in column b. If the beneficiary is another estate or trust, the column c amount is arrived at as explained above the Specific Instructions. Column d is then column b plus or minus column c as appropriate.

Line 13f. In the space provided, or on an attached schedule, show any items and amounts that are not included on lines 1 through 13e and that are required to be reported separately by beneficiaries. Include the federal amount, any adjustment, and the Wisconsin amount of each item.

Line 14a. Not applicable for Wisconsin.

Line 14b. Income reported on line 14b that is exempt for federal purposes but taxable by Wisconsin, such as state and municipal government bond interest, is shown as a subtraction in column c. If more income is nontaxable for Wisconsin purposes than for federal purposes, show the additional amount of exempt income as an addition. The Wisconsin amount in column d is the amount of tax-exempt income for Wisconsin purposes.

Line 14c through 14f. In the space provided, or on an attached schedule, show any items and amounts that are not included on lines 1 through 14b and that are required to be reported separately by beneficiaries. Include the federal amount, any adjustment, and the Wisconsin amount of each item.

Lines 15a through 15e. Enter on these lines any credits from Wisconsin Schedules HR, DC, MS, TC, and DI that are allocable to the beneficiary.

INSTRUCTIONS FOR 2004 WISCONSIN SCHEDULE WD (FORM 2)

Schedule WD (Form 2) is used to determine the amount of capital gain or loss which you must include in Wisconsin income. Generally, all amounts reported on your federal Schedule D must be reported on Schedule WD. However, for Wisconsin tax purposes, you may exclude 60% of the net capital gain from assets held more than one year or acquired from a decedent.

The amount of net capital loss that can be applied against other income after offsetting capital gains is limited to \$500.

Unused capital losses are carried over to later years until fully used.

Distributable or nondistributable capital gains: Capital losses are not distributable except on the final return. Capital gains are reportable by the estate or trust on Schedule WD and not distributable to the beneficiaries on Schedule 2K-1 unless either:

1. the will or trust instrument specifically requires that capital gains are distributed to the beneficiaries, or
2. it is the final return of the estate or trust.

Attach Schedule WD to your Wisconsin Form 2.

Part I and Part II, Capital Gains and Losses

If you are not affected by any of the items listed in the next column under "Items Which Require Adjustment," fill in the net short-term gain or (loss) from line 5 of your federal Schedule D on line 6a of Schedule WD. Fill in the net long-term gain or (loss) from line 12 of your federal Schedule D on line 14a of Schedule WD. Complete lines 6b, 6c, 14b, and 14c. Write "Same as federal" in the space by line 1 of Schedule WD, and go on to Part III on page 2 of Schedule WD.

If you are affected by any of the items listed in the next column under "Items Which Require Adjustment," fill in each separate amount from lines 1 through 4 and lines 6 through 11 of your federal Schedule D on the appropriate lines on Schedule WD. However, for those items which require adjustment, fill in the amount indicated in these instructions instead of the amount reported on your federal Schedule D.

Items Which Require Adjustment

The following items require adjustments to the amounts reported on your federal Schedule D or as to whether an amount is reported as a short-term or long-term capital gain or loss:

Capital loss carryovers: Fill in your capital loss carryover from assets held one year or less from line 25 of your 2003 Schedule WD on line 5 of Schedule WD. Fill in your capital loss carryover from assets held more than one year from line 30 of your 2003 Schedule WD on line 13 of Schedule WD.

You may have to reduce your capital loss carryover to 2004 if you excluded income from discharge of indebtedness from your 2004 taxable income. Contact any Department of Revenue office for further information.

Net capital gain on the sale of small business stock: Do not include on Schedule WD any net capital gain from the sale of qualified small business stock which you acquired on or after January 1, 1986, and held for at least 5 years, and which was not acquired by gift. To be qualified small business stock, the corporation must have met certain requirements at the time you acquired the stock from the corporation. You must attach to your Form 2 a copy of the certification you received from the corporation which indicates the requirements were met.

Nonresident estates and trusts: Nonresident estates and trusts should include only gain or loss from Wisconsin sources on Schedule WD.

Gain or loss from Wisconsin sources includes gain or loss from the sale of land, buildings, and machinery located in Wisconsin, and your share of gain or loss from a trust, partnership, LLCs, or tax-option (S) corporation which has been reported to you on Schedule 2K-1, 3K-1, or 5K-1. It doesn't include losses from nonbusiness bad debts and worthless securities, and gains or losses from sales of stocks.

Gain from installment sales:

- Taxable gain from installment sales reported on lines 2 and 7 of federal Schedule D must be reported on lines 2 and 8 of Schedule WD, as appropriate. Gain from an installment sale is reported on line 2 of Schedule WD if at the time of sale or other disposition you held the property for one year or less, unless the property was acquired from a decedent. If at the time of sale or other disposition you held the property for more than one year or acquired the property from a decedent, the gain is reported on line 8 of Schedule WD.
- Taxable gain from installment sales which is from Form 4797 and included on line 10 of federal Schedule D is included on line 11 of Schedule WD. For property not acquired from a decedent and held one year or less, report the installment sale gain on line 1 of Schedule WD. The remaining portion of the amount on line 10 of federal Schedule D should be reported on line 11 of Schedule WD.
- If you have a federal gain on an installment sale of property located outside Wisconsin and the sale occurred while you were a nonresident of Wisconsin, do not include this installment gain on Schedule WD. For Wisconsin purposes, it is assumed that a nonresident person who sells property located outside Wisconsin elects to report the entire gain in the year

of sale, when none of the gain would have been taxable by Wisconsin. Subsequently, any portion of such installment gain which is taxable for federal purposes is not taxable for Wisconsin.

NOTE: Payments received after death from an installment sale made prior to death are “income in respect of a decedent” and the profit is reported in the estate’s income just as it was reported prior to death. If the debt is transferred to the buyer or cancelled, the total unreported gain is taxable to the estate.

Gain or loss from partnerships, S corporations, and other estates or trusts: Fill in on line 3 or 9 the amount of capital gain or loss from partnerships, tax-option (S) corporations, estates, and trusts.

- If the partnership, S corporation, estate, or trust has informed you of any adjustment to be made to the capital gain or loss for Wisconsin, be sure to use the gain or loss as adjusted.
- If you are a shareholder in a federal S corporation that elects not to be treated as a Wisconsin tax-option (S) corporation, do not include on Schedule WD any capital gain or loss distributed to you by that federal S corporation. See “Additions to or Subtractions from Income” on page 10 of these instructions for additions and subtractions you must make to adjust for tax-option (S) corporation income.

Adjustment for differences between Wisconsin and federal basis of assets: Gain or loss from the sale of assets may be different for Wisconsin and federal purposes because of a difference in the federal and Wisconsin basis of your property.

- If you have a difference between the Wisconsin and federal basis of property and that property is a capital asset (sale or other disposition is reported on federal Schedule D), fill in the federal gain or loss in Part I or Part II of Schedule WD, as appropriate. You must also complete Schedule C on Form 2 to compute the amount to fill in on line 4 or 12 of Schedule WD.
- If you have a difference between the Wisconsin and federal basis of property and the sale or other disposition of such property is reported on federal Form 4797, see the instruction for Form 2 under “Additions to or Subtractions from Income.” If you entered a gain on line 7 or 9 of your “Wisconsin” Form 4797, you must use the amount from the “Wisconsin” Form 4797 to complete line 11 of Schedule WD.

Part III, Summary of Parts I and II

Complete lines 15 through 19 to compute the amount of capital gain or loss that must be included in Wisconsin taxable income. On line 15, it is necessary that capital gains and losses distributed to beneficiaries be separated from those of the fiduciary.

NOTE: If capital gain income is used or set aside for charitable purposes, the amount on line 17 must be adjusted for 60% of the capital gain income included in the charitable deduction.

EXAMPLE: An estate is required to set aside 25% of its income for a charity named in the decedent’s will.

Net capital gain	\$10,000
60% of net capital gain	\$ 6,000
Less 25% included in charitable deduction	<u>(1,500)</u>
Adjusted amount to enter on line 17	\$ 4,500

Wisconsin ordinary income is all taxable income for Wisconsin (not capital gains or losses) less all Wisconsin deductions.

When computing the Wisconsin capital loss limitation, “Wisconsin ordinary income” means income less deductions. Do not include capital gains or losses.

Part IV, Computation of Wisconsin Adjustment to Income

Complete Part IV to figure the amount you must report as a capital gain/loss adjustment on Schedule A, Form 2.

Compare the net gain or loss on Schedule WD (line 18 for a net gain or line 19 for a net loss) to the amount of capital gain or loss on line 4 of federal Form 1041. On lines 20a and 20e, it is necessary that gains and losses distributed to beneficiaries be separated from those of the fiduciary. (When completing Part IV, enter all amounts as positive numbers.)

- If the net gain or loss on Schedule WD (line 18 for a net gain or line 19 for a net loss) is the same as the amount of capital gain or loss on line 4 of federal Form 1041, do not complete Part IV. No adjustment to the capital gain or loss is necessary for Wisconsin purposes. Go on to Part V.
- If the estate or trust has a net gain for both federal and Wisconsin purposes, fill in lines 20a and 20b. Also, fill in either line 20c or line 20d, whichever applies.
- If the estate or trust has a net loss for both federal and Wisconsin purposes, fill in lines 20e and 20f. Also fill in either line 20g or line 20h, whichever applies.
- If the estate or trust has a net gain for federal purposes and a net loss for Wisconsin, fill in your federal gain on line 20a and your Wisconsin loss on line 20f. Also complete lines 20d and 20g and fill in the result on line 9, Schedule A of Form 2.
- If the estate or trust has a net loss for federal purposes and a net gain for Wisconsin, fill in your federal loss on line 20e and your Wisconsin gain on line 20b. Fill in zero (0) on lines 20a and 20f. Also complete lines 20c and 20h. Add the amounts on lines 20c and 20h and fill in the result on line 4, Schedule A of Form 2.

Part V, Computation of Capital Loss Carryovers From 2004 to 2005

If the net loss on line 15, column b is more than the loss on line 19, complete Part V to compute the amount of your capital loss carryover. Complete lines 21 through 25 to figure the short-term capital loss carryover. Complete lines 26 through 30 to figure the long-term capital loss carryover.

2004 TAX TABLE

If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is
			4,000	4,100	186	9,500	9,600	454	15,000	15,100	792	20,500	20,600	1,142
			4,100	4,200	191	9,600	9,700	460	15,100	15,200	798	20,600	20,700	1,149
			4,200	4,300	196	9,700	9,800	466	15,200	15,300	804	20,700	20,800	1,155
			4,300	4,400	200	9,800	9,900	472	15,300	15,400	811	20,800	20,900	1,162
			4,400	4,500	205	9,900	10,000	478	15,400	15,500	817	20,900	21,000	1,168
			4,500	4,600	209	10,000	10,100	485	15,500	15,600	823	21,000	21,100	1,175
			4,600	4,700	214	10,100	10,200	491	15,600	15,700	829	21,100	21,200	1,181
			4,700	4,800	219	10,200	10,300	497	15,700	15,800	835	21,200	21,300	1,188
			4,800	4,900	223	10,300	10,400	503	15,800	15,900	841	21,300	21,400	1,194
			4,900	5,000	228	10,400	10,500	509	15,900	16,000	847	21,400	21,500	1,201
			5,000	5,100	232	10,500	10,600	515	16,000	16,100	854	21,500	21,600	1,207
			5,100	5,200	237	10,600	10,700	522	16,100	16,200	860	21,600	21,700	1,214
			5,200	5,300	242	10,700	10,800	528	16,200	16,300	866	21,700	21,800	1,220
0	20	0	5,300	5,400	246	10,800	10,900	534	16,300	16,400	872	21,800	21,900	1,227
20	40	1	5,400	5,500	251	10,900	11,000	540	16,400	16,500	878	21,900	22,000	1,233
40	100	3	5,500	5,600	255	11,000	11,100	546	16,500	16,600	884	22,000	22,100	1,240
100	200	7	5,600	5,700	260	11,100	11,200	552	16,600	16,700	891	22,100	22,200	1,246
200	300	12	5,700	5,800	265	11,200	11,300	558	16,700	16,800	897	22,200	22,300	1,253
300	400	16	5,800	5,900	269	11,300	11,400	565	16,800	16,900	903	22,300	22,400	1,259
400	500	21	5,900	6,000	274	11,400	11,500	571	16,900	17,000	909	22,400	22,500	1,266
500	600	25	6,000	6,100	278	11,500	11,600	577	17,000	17,100	915	22,500	22,600	1,272
600	700	30	6,100	6,200	283	11,600	11,700	583	17,100	17,200	921	22,600	22,700	1,279
700	800	35	6,200	6,300	288	11,700	11,800	589	17,200	17,300	928	22,700	22,800	1,285
800	900	39	6,300	6,400	292	11,800	11,900	595	17,300	17,400	934	22,800	22,900	1,292
900	1,000	44	6,400	6,500	297	11,900	12,000	601	17,400	17,500	941	22,900	23,000	1,298
1,000	1,100	48	6,500	6,600	301	12,000	12,100	608	17,500	17,600	947	23,000	23,100	1,305
1,100	1,200	53	6,600	6,700	306	12,100	12,200	614	17,600	17,700	954	23,100	23,200	1,311
1,200	1,300	58	6,700	6,800	311	12,200	12,300	620	17,700	17,800	960	23,200	23,300	1,318
1,300	1,400	62	6,800	6,900	315	12,300	12,400	626	17,800	17,900	967	23,300	23,400	1,324
1,400	1,500	67	6,900	7,000	320	12,400	12,500	632	17,900	18,000	973	23,400	23,500	1,331
1,500	1,600	71	7,000	7,100	324	12,500	12,600	638	18,000	18,100	980	23,500	23,600	1,337
1,600	1,700	76	7,100	7,200	329	12,600	12,700	645	18,100	18,200	986	23,600	23,700	1,344
1,700	1,800	81	7,200	7,300	334	12,700	12,800	651	18,200	18,300	993	23,700	23,800	1,350
1,800	1,900	85	7,300	7,400	338	12,800	12,900	657	18,300	18,400	999	23,800	23,900	1,357
1,900	2,000	90	7,400	7,500	343	12,900	13,000	663	18,400	18,500	1,006	23,900	24,000	1,363
2,000	2,100	94	7,500	7,600	347	13,000	13,100	669	18,500	18,600	1,012	24,000	24,100	1,370
2,100	2,200	99	7,600	7,700	352	13,100	13,200	675	18,600	18,700	1,019	24,100	24,200	1,376
2,200	2,300	104	7,700	7,800	357	13,200	13,300	681	18,700	18,800	1,025	24,200	24,300	1,383
2,300	2,400	108	7,800	7,900	361	13,300	13,400	688	18,800	18,900	1,032	24,300	24,400	1,389
2,400	2,500	113	7,900	8,000	366	13,400	13,500	694	18,900	19,000	1,038	24,400	24,500	1,396
2,500	2,600	117	8,000	8,100	370	13,500	13,600	700	19,000	19,100	1,045	24,500	24,600	1,402
2,600	2,700	122	8,100	8,200	375	13,600	13,700	706	19,100	19,200	1,051	24,600	24,700	1,409
2,700	2,800	127	8,200	8,300	380	13,700	13,800	712	19,200	19,300	1,058	24,700	24,800	1,415
2,800	2,900	131	8,300	8,400	384	13,800	13,900	718	19,300	19,400	1,064	24,800	24,900	1,422
2,900	3,000	136	8,400	8,500	389	13,900	14,000	724	19,400	19,500	1,071	24,900	25,000	1,428
3,000	3,100	140	8,500	8,600	393	14,000	14,100	731	19,500	19,600	1,077	25,000	25,100	1,435
3,100	3,200	145	8,600	8,700	399	14,100	14,200	737	19,600	19,700	1,084	25,100	25,200	1,441
3,200	3,300	150	8,700	8,800	405	14,200	14,300	743	19,700	19,800	1,090	25,200	25,300	1,448
3,300	3,400	154	8,800	8,900	411	14,300	14,400	749	19,800	19,900	1,097	25,300	25,400	1,454
3,400	3,500	159	8,900	9,000	417	14,400	14,500	755	19,900	20,000	1,103	25,400	25,500	1,461
3,500	3,600	163	9,000	9,100	423	14,500	14,600	761	20,000	20,100	1,110	25,500	25,600	1,467
3,600	3,700	168	9,100	9,200	429	14,600	14,700	768	20,100	20,200	1,116	25,600	25,700	1,474
3,700	3,800	173	9,200	9,300	435	14,700	14,800	774	20,200	20,300	1,123	25,700	25,800	1,480
3,800	3,900	177	9,300	9,400	442	14,800	14,900	780	20,300	20,400	1,129	25,800	25,900	1,487
3,900	4,000	182	9,400	9,500	448	14,900	15,000	786	20,400	20,500	1,136	25,900	26,000	1,493

2004 TAX TABLE (Continued)

If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is
26,000	26,100	1,500	31,500	31,600	1,857	37,000	37,100	2,215	42,500	42,600	2,572	48,000	48,100	2,930
26,100	26,200	1,506	31,600	31,700	1,864	37,100	37,200	2,221	42,600	42,700	2,579	48,100	48,200	2,936
26,200	26,300	1,513	31,700	31,800	1,870	37,200	37,300	2,228	42,700	42,800	2,585	48,200	48,300	2,943
26,300	26,400	1,519	31,800	31,900	1,877	37,300	37,400	2,234	42,800	42,900	2,592	48,300	48,400	2,949
26,400	26,500	1,526	31,900	32,000	1,883	37,400	37,500	2,241	42,900	43,000	2,598	48,400	48,500	2,956
26,500	26,600	1,532	32,000	32,100	1,890	37,500	37,600	2,247	43,000	43,100	2,605	48,500	48,600	2,962
26,600	26,700	1,539	32,100	32,200	1,896	37,600	37,700	2,254	43,100	43,200	2,611	48,600	48,700	2,969
26,700	26,800	1,545	32,200	32,300	1,903	37,700	37,800	2,260	43,200	43,300	2,618	48,700	48,800	2,975
26,800	26,900	1,552	32,300	32,400	1,909	37,800	37,900	2,267	43,300	43,400	2,624	48,800	48,900	2,982
26,900	27,000	1,558	32,400	32,500	1,916	37,900	38,000	2,273	43,400	43,500	2,631	48,900	49,000	2,988
27,000	27,100	1,565	32,500	32,600	1,922	38,000	38,100	2,280	43,500	43,600	2,637	49,000	49,100	2,995
27,100	27,200	1,571	32,600	32,700	1,929	38,100	38,200	2,286	43,600	43,700	2,644	49,100	49,200	3,001
27,200	27,300	1,578	32,700	32,800	1,935	38,200	38,300	2,293	43,700	43,800	2,650	49,200	49,300	3,008
27,300	27,400	1,584	32,800	32,900	1,942	38,300	38,400	2,299	43,800	43,900	2,657	49,300	49,400	3,014
27,400	27,500	1,591	32,900	33,000	1,948	38,400	38,500	2,306	43,900	44,000	2,663	49,400	49,500	3,021
27,500	27,600	1,597	33,000	33,100	1,955	38,500	38,600	2,312	44,000	44,100	2,670	49,500	49,600	3,027
27,600	27,700	1,604	33,100	33,200	1,961	38,600	38,700	2,319	44,100	44,200	2,676	49,600	49,700	3,034
27,700	27,800	1,610	33,200	33,300	1,968	38,700	38,800	2,325	44,200	44,300	2,683	49,700	49,800	3,040
27,800	27,900	1,617	33,300	33,400	1,974	38,800	38,900	2,332	44,300	44,400	2,689	49,800	49,900	3,047
27,900	28,000	1,623	33,400	33,500	1,981	38,900	39,000	2,338	44,400	44,500	2,696	49,900	50,000	3,053
28,000	28,100	1,630	33,500	33,600	1,987	39,000	39,100	2,345	44,500	44,600	2,702	50,000	50,100	3,060
28,100	28,200	1,636	33,600	33,700	1,994	39,100	39,200	2,351	44,600	44,700	2,709	50,100	50,200	3,066
28,200	28,300	1,643	33,700	33,800	2,000	39,200	39,300	2,358	44,700	44,800	2,715	50,200	50,300	3,073
28,300	28,400	1,649	33,800	33,900	2,007	39,300	39,400	2,364	44,800	44,900	2,722	50,300	50,400	3,079
28,400	28,500	1,656	33,900	34,000	2,013	39,400	39,500	2,371	44,900	45,000	2,728	50,400	50,500	3,086
28,500	28,600	1,662	34,000	34,100	2,020	39,500	39,600	2,377	45,000	45,100	2,735	50,500	50,600	3,092
28,600	28,700	1,669	34,100	34,200	2,026	39,600	39,700	2,384	45,100	45,200	2,741	50,600	50,700	3,099
28,700	28,800	1,675	34,200	34,300	2,033	39,700	39,800	2,390	45,200	45,300	2,748	50,700	50,800	3,105
28,800	28,900	1,682	34,300	34,400	2,039	39,800	39,900	2,397	45,300	45,400	2,754	50,800	50,900	3,112
28,900	29,000	1,688	34,400	34,500	2,046	39,900	40,000	2,403	45,400	45,500	2,761	50,900	51,000	3,118
29,000	29,100	1,695	34,500	34,600	2,052	40,000	40,100	2,410	45,500	45,600	2,767	51,000	51,100	3,125
29,100	29,200	1,701	34,600	34,700	2,059	40,100	40,200	2,416	45,600	45,700	2,774	51,100	51,200	3,131
29,200	29,300	1,708	34,700	34,800	2,065	40,200	40,300	2,423	45,700	45,800	2,780	51,200	51,300	3,138
29,300	29,400	1,714	34,800	34,900	2,072	40,300	40,400	2,429	45,800	45,900	2,787	51,300	51,400	3,144
29,400	29,500	1,721	34,900	35,000	2,078	40,400	40,500	2,436	45,900	46,000	2,793	51,400	51,500	3,151
29,500	29,600	1,727	35,000	35,100	2,085	40,500	40,600	2,442	46,000	46,100	2,800	51,500	51,600	3,157
29,600	29,700	1,734	35,100	35,200	2,091	40,600	40,700	2,449	46,100	46,200	2,806	51,600	51,700	3,164
29,700	29,800	1,740	35,200	35,300	2,098	40,700	40,800	2,455	46,200	46,300	2,813	51,700	51,800	3,170
29,800	29,900	1,747	35,300	35,400	2,104	40,800	40,900	2,462	46,300	46,400	2,819	51,800	51,900	3,177
29,900	30,000	1,753	35,400	35,500	2,111	40,900	41,000	2,468	46,400	46,500	2,826	51,900	52,000	3,183
30,000	30,100	1,760	35,500	35,600	2,117	41,000	41,100	2,475	46,500	46,600	2,832	52,000	52,100	3,190
30,100	30,200	1,766	35,600	35,700	2,124	41,100	41,200	2,481	46,600	46,700	2,839	52,100	52,200	3,196
30,200	30,300	1,773	35,700	35,800	2,130	41,200	41,300	2,488	46,700	46,800	2,845	52,200	52,300	3,203
30,300	30,400	1,779	35,800	35,900	2,137	41,300	41,400	2,494	46,800	46,900	2,852	52,300	52,400	3,209
30,400	30,500	1,786	35,900	36,000	2,143	41,400	41,500	2,501	46,900	47,000	2,858	52,400	52,500	3,216
30,500	30,600	1,792	36,000	36,100	2,150	41,500	41,600	2,507	47,000	47,100	2,865	52,500	52,600	3,222
30,600	30,700	1,799	36,100	36,200	2,156	41,600	41,700	2,514	47,100	47,200	2,871	52,600	52,700	3,229
30,700	30,800	1,805	36,200	36,300	2,163	41,700	41,800	2,520	47,200	47,300	2,878	52,700	52,800	3,235
30,800	30,900	1,812	36,300	36,400	2,169	41,800	41,900	2,527	47,300	47,400	2,884	52,800	52,900	3,242
30,900	31,000	1,818	36,400	36,500	2,176	41,900	42,000	2,533	47,400	47,500	2,891	52,900	53,000	3,248
31,000	31,100	1,825	36,500	36,600	2,182	42,000	42,100	2,540	47,500	47,600	2,897	53,000	53,100	3,255
31,100	31,200	1,831	36,600	36,700	2,189	42,100	42,200	2,546	47,600	47,700	2,904	53,100	53,200	3,261
31,200	31,300	1,838	36,700	36,800	2,195	42,200	42,300	2,553	47,700	47,800	2,910	53,200	53,300	3,268
31,300	31,400	1,844	36,800	36,900	2,202	42,300	42,400	2,559	47,800	47,900	2,917	53,300	53,400	3,274
31,400	31,500	1,851	36,900	37,000	2,208	42,400	42,500	2,566	47,900	48,000	2,923	53,400	53,500	3,281

2004 TAX TABLE (Continued)

If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is
53,500	53,600	3,287	59,000	59,100	3,645	64,500	64,600	4,002	70,000	70,100	4,360	75,500	75,600	4,717
53,600	53,700	3,294	59,100	59,200	3,651	64,600	64,700	4,009	70,100	70,200	4,366	75,600	75,700	4,724
53,700	53,800	3,300	59,200	59,300	3,658	64,700	64,800	4,015	70,200	70,300	4,373	75,700	75,800	4,730
53,800	53,900	3,307	59,300	59,400	3,664	64,800	64,900	4,022	70,300	70,400	4,379	75,800	75,900	4,737
53,900	54,000	3,313	59,400	59,500	3,671	64,900	65,000	4,028	70,400	70,500	4,386	75,900	76,000	4,743
54,000	54,100	3,320	59,500	59,600	3,677	65,000	65,100	4,035	70,500	70,600	4,392	76,000	76,100	4,750
54,100	54,200	3,326	59,600	59,700	3,684	65,100	65,200	4,041	70,600	70,700	4,399	76,100	76,200	4,756
54,200	54,300	3,333	59,700	59,800	3,690	65,200	65,300	4,048	70,700	70,800	4,405	76,200	76,300	4,763
54,300	54,400	3,339	59,800	59,900	3,697	65,300	65,400	4,054	70,800	70,900	4,412	76,300	76,400	4,769
54,400	54,500	3,346	59,900	60,000	3,703	65,400	65,500	4,061	70,900	71,000	4,418	76,400	76,500	4,776
54,500	54,600	3,352	60,000	60,100	3,710	65,500	65,600	4,067	71,000	71,100	4,425	76,500	76,600	4,782
54,600	54,700	3,359	60,100	60,200	3,716	65,600	65,700	4,074	71,100	71,200	4,431	76,600	76,700	4,789
54,700	54,800	3,365	60,200	60,300	3,723	65,700	65,800	4,080	71,200	71,300	4,438	76,700	76,800	4,795
54,800	54,900	3,372	60,300	60,400	3,729	65,800	65,900	4,087	71,300	71,400	4,444	76,800	76,900	4,802
54,900	55,000	3,378	60,400	60,500	3,736	65,900	66,000	4,093	71,400	71,500	4,451	76,900	77,000	4,808
55,000	55,100	3,385	60,500	60,600	3,742	66,000	66,100	4,100	71,500	71,600	4,457	77,000	77,100	4,815
55,100	55,200	3,391	60,600	60,700	3,749	66,100	66,200	4,106	71,600	71,700	4,464	77,100	77,200	4,821
55,200	55,300	3,398	60,700	60,800	3,755	66,200	66,300	4,113	71,700	71,800	4,470	77,200	77,300	4,828
55,300	55,400	3,404	60,800	60,900	3,762	66,300	66,400	4,119	71,800	71,900	4,477	77,300	77,400	4,834
55,400	55,500	3,411	60,900	61,000	3,768	66,400	66,500	4,126	71,900	72,000	4,483	77,400	77,500	4,841
55,500	55,600	3,417	61,000	61,100	3,775	66,500	66,600	4,132	72,000	72,100	4,490	77,500	77,600	4,847
55,600	55,700	3,424	61,100	61,200	3,781	66,600	66,700	4,139	72,100	72,200	4,496	77,600	77,700	4,854
55,700	55,800	3,430	61,200	61,300	3,788	66,700	66,800	4,145	72,200	72,300	4,503	77,700	77,800	4,860
55,800	55,900	3,437	61,300	61,400	3,794	66,800	66,900	4,152	72,300	72,400	4,509	77,800	77,900	4,867
55,900	56,000	3,443	61,400	61,500	3,801	66,900	67,000	4,158	72,400	72,500	4,516	77,900	78,000	4,873
56,000	56,100	3,450	61,500	61,600	3,807	67,000	67,100	4,165	72,500	72,600	4,522	78,000	78,100	4,880
56,100	56,200	3,456	61,600	61,700	3,814	67,100	67,200	4,171	72,600	72,700	4,529	78,100	78,200	4,886
56,200	56,300	3,463	61,700	61,800	3,820	67,200	67,300	4,178	72,700	72,800	4,535	78,200	78,300	4,893
56,300	56,400	3,469	61,800	61,900	3,827	67,300	67,400	4,184	72,800	72,900	4,542	78,300	78,400	4,899
56,400	56,500	3,476	61,900	62,000	3,833	67,400	67,500	4,191	72,900	73,000	4,548	78,400	78,500	4,906
56,500	56,600	3,482	62,000	62,100	3,840	67,500	67,600	4,197	73,000	73,100	4,555	78,500	78,600	4,912
56,600	56,700	3,489	62,100	62,200	3,846	67,600	67,700	4,204	73,100	73,200	4,561	78,600	78,700	4,919
56,700	56,800	3,495	62,200	62,300	3,853	67,700	67,800	4,210	73,200	73,300	4,568	78,700	78,800	4,925
56,800	56,900	3,502	62,300	62,400	3,859	67,800	67,900	4,217	73,300	73,400	4,574	78,800	78,900	4,932
56,900	57,000	3,508	62,400	62,500	3,866	67,900	68,000	4,223	73,400	73,500	4,581	78,900	79,000	4,938
57,000	57,100	3,515	62,500	62,600	3,872	68,000	68,100	4,230	73,500	73,600	4,587	79,000	79,100	4,945
57,100	57,200	3,521	62,600	62,700	3,879	68,100	68,200	4,236	73,600	73,700	4,594	79,100	79,200	4,951
57,200	57,300	3,528	62,700	62,800	3,885	68,200	68,300	4,243	73,700	73,800	4,600	79,200	79,300	4,958
57,300	57,400	3,534	62,800	62,900	3,892	68,300	68,400	4,249	73,800	73,900	4,607	79,300	79,400	4,964
57,400	57,500	3,541	62,900	63,000	3,898	68,400	68,500	4,256	73,900	74,000	4,613	79,400	79,500	4,971
57,500	57,600	3,547	63,000	63,100	3,905	68,500	68,600	4,262	74,000	74,100	4,620	79,500	79,600	4,977
57,600	57,700	3,554	63,100	63,200	3,911	68,600	68,700	4,269	74,100	74,200	4,626	79,600	79,700	4,984
57,700	57,800	3,560	63,200	63,300	3,918	68,700	68,800	4,275	74,200	74,300	4,633	79,700	79,800	4,990
57,800	57,900	3,567	63,300	63,400	3,924	68,800	68,900	4,282	74,300	74,400	4,639	79,800	79,900	4,997
57,900	58,000	3,573	63,400	63,500	3,931	68,900	69,000	4,288	74,400	74,500	4,646	79,900	80,000	5,003
58,000	58,100	3,580	63,500	63,600	3,937	69,000	69,100	4,295	74,500	74,600	4,652	80,000	80,100	5,010
58,100	58,200	3,586	63,600	63,700	3,944	69,100	69,200	4,301	74,600	74,700	4,659	80,100	80,200	5,016
58,200	58,300	3,593	63,700	63,800	3,950	69,200	69,300	4,308	74,700	74,800	4,665	80,200	80,300	5,023
58,300	58,400	3,599	63,800	63,900	3,957	69,300	69,400	4,314	74,800	74,900	4,672	80,300	80,400	5,029
58,400	58,500	3,606	63,900	64,000	3,963	69,400	69,500	4,321	74,900	75,000	4,678	80,400	80,500	5,036
58,500	58,600	3,612	64,000	64,100	3,970	69,500	69,600	4,327	75,000	75,100	4,685	80,500	80,600	5,042
58,600	58,700	3,619	64,100	64,200	3,976	69,600	69,700	4,334	75,100	75,200	4,691	80,600	80,700	5,049
58,700	58,800	3,625	64,200	64,300	3,983	69,700	69,800	4,340	75,200	75,300	4,698	80,700	80,800	5,055
58,800	58,900	3,632	64,300	64,400	3,989	69,800	69,900	4,347	75,300	75,400	4,704	80,800	80,900	5,062
58,900	59,000	3,638	64,400	64,500	3,996	69,900	70,000	4,353	75,400	75,500	4,711	80,900	81,000	5,068

2004 TAX TABLE (Continued)

If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is
81,000	81,100	5,075	86,500	86,600	5,432	92,000	92,100	5,790	97,500	97,600	6,147
81,100	81,200	5,081	86,600	86,700	5,439	92,100	92,200	5,796	97,600	97,700	6,154
81,200	81,300	5,088	86,700	86,800	5,445	92,200	92,300	5,803	97,700	97,800	6,160
81,300	81,400	5,094	86,800	86,900	5,452	92,300	92,400	5,809	97,800	97,900	6,167
81,400	81,500	5,101	86,900	87,000	5,458	92,400	92,500	5,816	97,900	98,000	6,173
81,500	81,600	5,107	87,000	87,100	5,465	92,500	92,600	5,822	98,000	98,100	6,180
81,600	81,700	5,114	87,100	87,200	5,471	92,600	92,700	5,829	98,100	98,200	6,186
81,700	81,800	5,120	87,200	87,300	5,478	92,700	92,800	5,835	98,200	98,300	6,193
81,800	81,900	5,127	87,300	87,400	5,484	92,800	92,900	5,842	98,300	98,400	6,199
81,900	82,000	5,133	87,400	87,500	5,491	92,900	93,000	5,848	98,400	98,500	6,206
82,000	82,100	5,140	87,500	87,600	5,497	93,000	93,100	5,855	98,500	98,600	6,212
82,100	82,200	5,146	87,600	87,700	5,504	93,100	93,200	5,861	98,600	98,700	6,219
82,200	82,300	5,153	87,700	87,800	5,510	93,200	93,300	5,868	98,700	98,800	6,225
82,300	82,400	5,159	87,800	87,900	5,517	93,300	93,400	5,874	98,800	98,900	6,232
82,400	82,500	5,166	87,900	88,000	5,523	93,400	93,500	5,881	98,900	99,000	6,238
82,500	82,600	5,172	88,000	88,100	5,530	93,500	93,600	5,887	99,000	99,100	6,245
82,600	82,700	5,179	88,100	88,200	5,536	93,600	93,700	5,894	99,100	99,200	6,251
82,700	82,800	5,185	88,200	88,300	5,543	93,700	93,800	5,900	99,200	99,300	6,258
82,800	82,900	5,192	88,300	88,400	5,549	93,800	93,900	5,907	99,300	99,400	6,264
82,900	83,000	5,198	88,400	88,500	5,556	93,900	94,000	5,913	99,400	99,500	6,271
83,000	83,100	5,205	88,500	88,600	5,562	94,000	94,100	5,920	99,500	99,600	6,277
83,100	83,200	5,211	88,600	88,700	5,569	94,100	94,200	5,926	99,600	99,700	6,284
83,200	83,300	5,218	88,700	88,800	5,575	94,200	94,300	5,933	99,700	99,800	6,290
83,300	83,400	5,224	88,800	88,900	5,582	94,300	94,400	5,939	99,800	99,900	6,297
83,400	83,500	5,231	88,900	89,000	5,588	94,400	94,500	5,946	99,900	100,000	6,303
83,500	83,600	5,237	89,000	89,100	5,595	94,500	94,600	5,952	<div style="border: 1px solid black; border-radius: 15px; padding: 5px; text-align: center;"> 100,000 129,150 6,306 plus 6.50% of the amount over \$100,000 but less than \$129,150 </div>		
83,600	83,700	5,244	89,100	89,200	5,601	94,600	94,700	5,959			
83,700	83,800	5,250	89,200	89,300	5,608	94,700	94,800	5,965			
83,800	83,900	5,257	89,300	89,400	5,614	94,800	94,900	5,972			
83,900	84,000	5,263	89,400	89,500	5,621	94,900	95,000	5,978			
84,000	84,100	5,270	89,500	89,600	5,627	95,000	95,100	5,985	<div style="border: 1px solid black; border-radius: 15px; padding: 5px; text-align: center;"> \$129,150 or more \$8,201 plus 6.75% of the amount over \$129,150 </div>		
84,100	84,200	5,276	89,600	89,700	5,634	95,100	95,200	5,991			
84,200	84,300	5,283	89,700	89,800	5,640	95,200	95,300	5,998			
84,300	84,400	5,289	89,800	89,900	5,647	95,300	95,400	6,004			
84,400	84,500	5,296	89,900	90,000	5,653	95,400	95,500	6,011			
84,500	84,600	5,302	90,000	90,100	5,660	95,500	95,600	6,017			
84,600	84,700	5,309	90,100	90,200	5,666	95,600	95,700	6,024			
84,700	84,800	5,315	90,200	90,300	5,673	95,700	95,800	6,030			
84,800	84,900	5,322	90,300	90,400	5,679	95,800	95,900	6,037			
84,900	85,000	5,328	90,400	90,500	5,686	95,900	96,000	6,043			
85,000	85,100	5,335	90,500	90,600	5,692	96,000	96,100	6,050			
85,100	85,200	5,341	90,600	90,700	5,699	96,100	96,200	6,056			
85,200	85,300	5,348	90,700	90,800	5,705	96,200	96,300	6,063			
85,300	85,400	5,354	90,800	90,900	5,712	96,300	96,400	6,069			
85,400	85,500	5,361	90,900	91,000	5,718	96,400	96,500	6,076			
85,500	85,600	5,367	91,000	91,100	5,725	96,500	96,600	6,082			
85,600	85,700	5,374	91,100	91,200	5,731	96,600	96,700	6,089			
85,700	85,800	5,380	91,200	91,300	5,738	96,700	96,800	6,095			
85,800	85,900	5,387	91,300	91,400	5,744	96,800	96,900	6,102			
85,900	86,000	5,393	91,400	91,500	5,751	96,900	97,000	6,108			
86,000	86,100	5,400	91,500	91,600	5,757	97,000	97,100	6,115			
86,100	86,200	5,406	91,600	91,700	5,764	97,100	97,200	6,121			
86,200	86,300	5,413	91,700	91,800	5,770	97,200	97,300	6,128			
86,300	86,400	5,419	91,800	91,900	5,777	97,300	97,400	6,134			
86,400	86,500	5,426	91,900	92,000	5,783	97,400	97,500	6,141			