

Part II Reconciliation of Book Income or Net Income per Income Statement With Net Income

	1 Wisconsin	2 Outside	3 Total
6 Book income or net income per income statement (must agree with Part I, line 5)			
7 Addition adjustments to arrive at federal net income (sum of lines 2 through 5 of federal Schedule M-1, or for Schedule M-3 filers, the sum of addition adjustments from Parts II and III)			
8 Add lines 6 and 7			
9 Subtraction adjustments to arrive at federal net income (federal Schedule M-1, line 9, or for Schedule M-3 filers, the sum of subtraction adjustments from Parts II and III)			
10 Subtract line 9 from line 8. This is federal taxable income before net operating loss deduction and special deductions			
11 Addition adjustments to arrive at Wisconsin net income			
a Interest income from state and municipal obligations			
b State taxes accrued or paid			
c Extraterritorial income exclusion			
d Expenses related to nontaxable income			
e Percentage depletion			
f Federal section 179 expense deduction in excess of Wisconsin deduction			
g Federal depreciation/amortization in excess of Wisconsin depreciation/amortization			
h Amount by which the federal basis of assets disposed of exceeds the Wisconsin basis			
i Manufacturer's sales tax credit (see instructions)			
j Dairy investment credit (from Schedule DI, line 7)			
k Research credits computed (from Schedule R, lines 15 or 28 and 32)			
l Development zones credits computed (from Schedule DC, lines 5, 13, and 21)			
m Community development finance credit (from Schedule C1, line 6)			
n Technology zone credit (from Schedule TC, line 6)			
o Early stage seed investment credit (from Schedule VC, line 8)			
p Farmland preservation credit (from prior Schedule FC, line 16)			
q Farmland tax relief credit (from prior Schedule FT, line 6)			
r Other (1) _____			
(2) _____			
(3) _____			
12 Add lines 11a through 11r. This is total additions (enter amount from column 3 on Form 4, line 2)			
13 Add lines 10 and 12			
14 Subtraction adjustments to arrive at Wisconsin net income			
a Wisconsin dividends received deduction (from Schedule Y, line 4)			
b Subpart F income			
c Gross-up of foreign dividend income			
d Nontaxable income (attach schedule)			
e Foreign taxes (do not include deemed taxes)			
f Cost depletion			
g Wisconsin depreciation/amortization in excess of federal depreciation/amortization			
h Amount by which the Wisconsin basis of assets disposed of exceeds the federal basis			
i Federal work opportunity credit wages			
j Federal research credit expenses			
k Other (1) _____			
(2) _____			
(3) _____			
15 Add lines 14a through 14k. This is total subtractions (enter amount from col. 3 on Form 4, line 4)			
16 Subtract line 15 from line 13. This is net income. Enter amount from column 1 on Form 4, line 11 (amount from column 3 must agree with amount on Form 4, page 1, line 5)			

17 a Transfers to Wisconsin branches: Enter the amount of sales \$ _____, purchases \$ _____, management fees paid \$ _____, interest paid \$ _____, and royalties paid \$ _____ by branches outside Wisconsin.

b Transfers to out-of-state branches: Enter the amount of sales \$ _____, purchases \$ _____, management fees paid \$ _____, interest paid \$ _____, and royalties paid \$ _____ by Wisconsin branches.

Attach an explanation of how transfer prices were determined.

18 Explain how income and expenses were allocated in and outside Wisconsin _____