Schedule CU-1

Wisconsin Department of Revenue

Credit Union Net Income

Attach to Wisconsin Form 4

2006

Name	Federal Employer ID Number

Part I — Computation of Percentage of Income Earned From Public Deposits

	(A) Public Deposits	(B) Total Deposits
1 Deposits on Hand:		
a January 1		
b January 31		
c February 28		
d March 31		
e April 30		
f May 31		
g June 30		
h July 31		
i August 31		
j September 30		
k October 31		
l November 30		
m December 31		
n TOTALS		
2 Monthly Average (divide line 1n by 13)		

3 Percentage of Public Deposits (divide line 2, column A, by line 2, column B, and multiply by 100) . . . . ___ ___ ___ . ___ ___ ___ ___ %

Credit unions which elect to use the shortcut method to compute Wisconsin net income must complete Part II. See instructions.

Part II — Shortcut Method of Computing Wisconsin Net Income

4 Wisconsin net income before net business loss offset (Form 4, line 11) . . . .

5 Percentage of public deposits (from line 3) . . . . %

6 Multiply the amount on line 4 by the percentage on line 5 . . . .

7 Wisconsin net business loss carryforward (from Form 4BL, line 30, column f) but not more than line 6 . . . .

8 Subtract line 7 from line 6. This is Wisconsin net income (enter on Form 4, line 13) . . . .

IC-080

Instructions for Schedule CU-1

Purpose of Schedule CU-1 — Credit unions which act as a public depository for state or local government funds are required to file a Wisconsin franchise or income tax return, Form 4, and a Schedule CU-1. All credit unions which act as a public depository must complete Part I of Schedule CU-1, Computation of Percentage of Income Earned From Public Deposits. Those credit unions electing to compute Wisconsin net income by the shortcut method must also complete Part II.

General Instructions

The starting point on Form 4 for computing Wisconsin net income is federal taxable income from Form 1120. Credit unions which aren't required to file federal Form 1120 with the Internal Revenue Service may either (1) complete a pro forma Form 1120 to attach to Form 4, or (2) enter on Form 4, line 1, the "Net Income (Loss)" from NCUA Form 5300, 2006 Yearend Call Report. Attach a copy of NCUA Form 5300 as well as Schedule CU-1 to the Form 4 that you file.

If starting with the net income from the NCUA Form 5300, show any required adjustments, such as for state taxes paid, as additions or subtractions on Schedule V or W, as appropriate. Carry the totals from Schedules V and W to Form 4, line 2 or 4, as appropriate.

If the credit union isn't engaged in business in states besides Wisconsin, enter the amount from Form 4, line 5, on Form 4, line 11.

If the credit union is doing business in and outside Wisconsin, complete Form 4B-1. For multistate credit unions, the apportionment percentage to enter on Form 4, line 8, is computed under section Tax 2.49, Wis. Adm. Code.

Credit unions may elect to compute Wisconsin net income using either the shortcut method (Part II) or any other reasonable method. A credit union electing the shortcut method merely applies the percentage computed on Schedule CU-1, line 3, to its entire net income from Form 4, line 11.

A credit union electing a method other than the shortcut method applies the percentage computed on Schedule CU-1, line 3, to its gross annual income and to expenses indirectly related to public deposit income while claiming a deduction for 100% of expenses directly related to income from public deposits. Any expenses totally unrelated to public deposit income aren't included in this calculation. Attach to Form 4 a schedule showing how the net income reported on Form 4, line 13, was computed.

Instructions for Part I

Lines 1a through 1m. Enter on line 1a the amount of deposits on hand on January 1, 2006, and on lines 1b through 1m the amount of deposits on hand at the end of January through December 2006. Enter public deposits in column A and total deposits in column B. Enter zero (0) in column A for each month in which no public deposits were held.

Line 1n. Enter on line 1n the totals of lines 1a through 1m for both columns A and B.

Line 2. Divide the amounts on line 1n by 13 and enter the results on line 2 for both columns A and B.

Line 3. Divide the amount on line 2, column A, by the amount on line 2, column B, and multiply by 100. Enter the resulting percentage on line 3. This represents the percentage of average monthly public deposits for 2006. Enter this percentage on line 5 if electing the shortcut method of computing Wisconsin net income.

Instructions for Part II

Only credit unions electing the shortcut method of computing net income should complete Part II.

Line 4. Complete Form 4, in accordance with its general and specific instructions, through line 11. Then enter on Schedule CU-1, line 4, the amount from Form 4, line 11.

Line 5. Enter the percentage of public deposits from line 3.

Line 6. Multiply line 4 by line 5 and enter the result on line 6.

Line 7. Enter any unused Wisconsin net business losses of prior years from Form 4BL, line 30, column f, but not more than the amount of income reported on line 6. Don't include losses from any year in which the credit union was exempt from Wisconsin franchise or income tax.

Line 8. Subtract line 7 from line 6 and enter the result on line 8. This is Wisconsin net income to enter on Form 4, line 13. To determine the amount of tax due, complete the remainder of Form 4.