

Wisconsin

Exempt Organization Business Taxes

Form 4T Instructions

New . . .

Sales Tax Exemption Replaces Manufacturer's Sales Tax Credit

Beginning January 1, 2006, a sales and use tax exemption applies for fuel and electricity consumed in manufacturing tangible personal property in Wisconsin. The manufacturer's sales tax credit may not be claimed for taxable years that begin after December 31, 2005. As a result, Schedules Z and Z-1 have been discontinued.

The treatment of manufacturer's sales tax credits claimed but unused for taxable years that begin before January 1, 2006, depends on the amount of unused credits. Taxpayers having \$25,000 or less of unused credits as of January 1, 2006, may use up to 50% of the credit in each of their taxable years beginning in 2006 and 2007. Any remaining credits may be used in future taxable years within the 20-year carryforward period. Taxpayers having more than \$25,000 of unused credits as of January 1, 2006, may deduct in each of the taxable years beginning after December 31, 2005, and before January 1, 2008, 50% of the amount of unused credit that the taxpayer had added back to income at the time the taxpayer first claimed the credit. For more information, see Wisconsin Schedule MS, Manufacturer's Sales Tax Credit.

Important . . .

Allocation of income from lottery prizes

All income realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin is allocated to Wisconsin. A multistate corporation includes this income on Form 4B, Part I, line 4. See page 12.

Indicate type of organization

Make sure you indicate the type of your organization by checking the appropriate box under item G on page 1 of Form 4T. Failure to do so may result in the incorrect processing of your return.

For More Information . . .

Visit the Department of Revenue's Internet web site at www.revenue.wi.gov

At this site you may download tax forms and instructions, Department of Revenue publications, and the *Wisconsin Tax Bulletin*, which is a quarterly newsletter that provides information about new Wisconsin tax laws, administrative rules, court decisions, tax releases, and private letter rulings. The site also provides links to Wisconsin laws and tax rules.

Don't Forget . . .

- Fill in your federal employer ID number
- Fill out the form completely
- Attach a copy of your federal return and any other required forms, schedules, or statements
- Attach a copy of any extension
- Sign the return



General Instructions

Purpose of Form 4T

Tax-exempt organizations and certain individual retirement arrangements (IRAs) or Medical Savings Accounts (MSAs) use Form 4T to report their unrelated business taxable income and credits and to compute their franchise or income tax and recycling surcharge liability.

Who Must File

- Organizations exempt from Wisconsin income taxation under sec. 71.26(1)(a) or 71.45(1), Wis. Stats., that have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and do business in Wisconsin.
- Organizations exempt from Wisconsin income taxation under sec. 71.26(1)(a) or 71.45(1), Wis. Stats., that are the sole owner of a limited liability company (LLC) which is disregarded as a separate entity, have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and do business in Wisconsin.
- Trusts exempt from federal income tax under Internal Revenue Code (IRC) section 501(a) that have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and have income from Wisconsin sources, such as business transacted or property located in Wisconsin.
- IRAs and MSAs described in IRC sections 408(a) and 220(d) that have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and have income from Wisconsin sources, such as business transacted or property located in Wisconsin.
- Exempt organizations engaged in buying or selling lottery prizes if the winning tickets were originally bought in Wisconsin.

“Gross income” of a manufacturing, merchandising, or mining business is the total receipts or sales, less the cost of goods sold, plus the gross income from other sources that is includable in unrelated business taxable income.

Who Is Not Required to File

- Exempt organizations that aren't subject to tax on unrelated business taxable income under IRC section 511 and aren't required to file federal Form 990-T, except those with income realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin.
- Employee benefit plans established by an employer engaged in or affecting interstate commerce or by an employee organization that represents employees engaged in or affecting interstate commerce. This exception doesn't apply to government plans, church plans not electing under the vesting, etc., provisions, worker's compensation plans, non-U.S. plans primarily for nonresident aliens, and “excess benefit plans.”
- The State of Wisconsin, including the University of Wisconsin System, or any county, village, school district, or other political unit of the State of Wisconsin.
- Credit unions.

Recycling Surcharge

The recycling surcharge applies to corporations and trusts having gross receipts from all unrelated trade or business activities of \$4 million or more during the taxable year. Corporations and trusts that must file Wisconsin franchise or income tax returns must pay the recycling surcharge, with certain exceptions. The surcharge doesn't apply to:

- Exempt corporations and trusts that have less than \$4 million of gross receipts from all unrelated trade or business activities for federal income tax purposes.

“Gross receipts from all unrelated trade or business activities” includes gross receipts, gross sales, the gross sales price from the disposition of capital assets and business assets, gross rents, gross income from unrelated debt-financed property, gross interest, annuities, royalties, and rents from controlled organizations, gross investment income, gross exploited exempt activity income, gross advertising income, gross receipts passed through from other entities, and all other receipts that are included in unrelated business taxable income for Wisconsin income tax purposes.
- Trusts and IRAs whose entire unrelated business taxable income was passed through from partnerships, provided the partnerships paid any recycling surcharge due on the income.

For more information, refer to Publication 400, *Wisconsin's Recycling Surcharge*.

How to Obtain Forms

If you need forms or publications, you may:

- Download them from the Department's Internet web site at www.revenue.wi.gov
- Use your fax telephone to call the Department's Fax-A-Form Retrieval System at (608) 261-6229
- Request them online at www.revenue.wi.gov
- Call (608) 266-1961
- Write to the Forms Request Office, Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949
- Call or visit any Department of Revenue office

How to Obtain Assistance

If you need help in preparing an exempt organization franchise or income tax return, you may:

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

Period Covered by Return

The return must cover the same period as the exempt organization's federal business income tax return, Form 990-T. A 2006 Wisconsin return must be filed by an exempt organization for calendar year 2006 or a fiscal year that begins in 2006. A fiscal year may end only on the last day of a month. The period covered by the return can't exceed 12 months.

However, exempt organizations reporting on a 52-53 week period for federal tax purposes must file on the same reporting period for Wisconsin. A 52-53 week taxable year is deemed to begin on the first day of the calendar month beginning nearest the first day of the 52-53 week taxable year. The taxable year is deemed to end on the last day of the calendar month closest to the last day of the 52-53 week taxable year for purposes of due dates, extensions, and assessments of interest and penalties.

Change in Accounting Period

Any change in accounting period made for federal purposes must also be made for Wisconsin purposes. Attach to the Wisconsin return, for the first taxable year for which the change applies, a copy of the Internal Revenue Service's notice of approval of accounting period change if the IRS's approval is required or an explanation of the change if the IRS's approval isn't required.

Accounting Methods

In computing unrelated business taxable income, the method of accounting must be the same method used in computing federal unrelated business taxable income. However, if the method used for federal purposes isn't authorized under the Internal Revenue Code in effect for Wisconsin, use a method authorized under the Internal Revenue Code in effect for Wisconsin.

Change in Accounting Method

A change in accounting method made for federal purposes must also be made for Wisconsin purposes, unless the change isn't authorized under the Internal Revenue Code in effect for Wisconsin. Adjustments required federally as a result of a change made while an exempt corporation is subject to Wisconsin taxation must also be made for Wisconsin purposes, except in the last year that an exempt corporation is subject to taxation by Wisconsin it must take into account all remaining adjustments required.

Attach to the Wisconsin return, for the first taxable year for which the change applies, either a copy of the application for change in accounting method filed with the Internal Revenue Service and a copy of the IRS's consent if the IRS's approval is required or an explanation of the change if the IRS's approval isn't required.

Elections

As explained above, an exempt corporation can't make different elections for federal and Wisconsin purposes with respect to accounting periods and accounting methods, unless the federal method isn't permitted under the Internal Revenue Code in effect for Wisconsin. In situations where an exempt organization has an option under the Internal Revenue Code and the IRS doesn't consider that option to be a method of accounting, a different election may be made for Wisconsin than that made for federal purposes. If federal law specifies the manner or time period in which an election must be made, those requirements also apply for Wisconsin purposes.

If different elections are made, adjustments are required on the Wisconsin return to account for any differences. Exempt organizations taxable as trusts enter such adjustments on Schedule T1 or Schedule T2. Exempt organizations taxable as corporations should account for such differences on Form 4T, line 1.

When to File

Generally, an exempt organization must file Form 4T by the 15th day of the 5th month following the close of its taxable year. How-

ever, an employees' trust defined in IRC section 401(a), an IRA, and an MSA must file Form 4T by the 15th day of the 4th month following the close of the taxable year. If a return is filed late, without an extension, the exempt organization may be subject to penalties and interest.

Caution: The due date for paying franchise or income tax and the recycling surcharge is explained below.

Extension of Time to File

If you are requesting an extension of time to file your federal income tax return, the following treatment applies:

- For exempt organizations taxable as corporations, any extension allowed by the Internal Revenue Service for filing the federal return automatically extends the Wisconsin due date to 30 days after the federal extended due date. *You don't need to submit either a copy of the federal extension or an application for a Wisconsin extension to the Department by the original due date of your return.* However, you must attach a copy of the federal extension to the Wisconsin return that you file.
- For exempt organizations taxable as trusts, any extension allowed by the Internal Revenue Service for filing the federal return automatically extends the Wisconsin due date to the federal due date. You must attach a copy of the federal extension to the Wisconsin return that you file.

If you aren't requesting a federal extension, but you need additional time for Wisconsin, you may obtain a Wisconsin extension as follows:

- Exempt organizations taxable as corporations may receive a 30-day extension by submitting Wisconsin Form IC-830, Application for Extension of Time to File, to the Department on or before the original due date of the return. Attach a copy of Form IC-830 to the Wisconsin return that you file.
- Exempt organizations taxable as trusts may obtain an extension allowable under federal law by (1) estimating their 2006 Wisconsin tax and paying the amount they will owe by the unextended due date of their return, and (2) attaching to Form 4T a completed copy of the appropriate federal extension application form or a statement explaining which federal extension provision is being used.

Where to File

Mail Form 4T to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908.

When to Pay Franchise or Income Tax and Recycling Surcharge

The franchise or income tax and recycling surcharge must be paid by the 15th day of the 5th month (15th day of the 4th month for employees' trusts, IRAs, and MSAs) following the close of the taxable period, *regardless of the due date of the return.* Exempt organizations may be required to make quarterly estimated payments to prepay their franchise or income tax and recycling surcharge.

An extension for filing the return doesn't extend the time to pay the franchise or income tax and recycling surcharge. Interest will be charged on the tax and surcharge not paid by the original due date. You can avoid interest charges during the extension period by pay-

General Instructions (continued)

ing the tax and surcharge due by the original due date. Submit your payment with Wisconsin Form 4-ES, Corporation Estimated Tax Voucher.

During the extension period, 12% annual interest generally applies to the unpaid tax and surcharge. However, if the sum of the net tax and surcharge shown on the return is \$500 or more, 12% annual interest applies only to 10% of the net tax and surcharge. Interest of 18% per year applies to the remainder of the unpaid tax and surcharge. See Form 4U, Part II.

Payment of Estimated Franchise or Income Tax

If the total of an exempt organization's franchise or income tax and recycling surcharge due is \$500 or more, it generally must make quarterly estimated tax payments using Wisconsin Form 4-ES or by electronic funds transfer. Failure to make required estimated tax payments may result in an interest charge.

An exempt corporation that overpaid its estimated tax may apply for a refund *before* filing its tax return if its overpayment is (1) at least 10% of the expected Wisconsin tax liability and (2) at least \$500. To apply, file Wisconsin Form 4466W, Corporation Application for Quick Refund of Overpayment of Estimated Tax, after the end of the taxable year and before the exempt corporation files its tax return. **Do not** file Form 4466W at the same time as your tax return.

An exempt corporation that has a tax due when filing its tax return as a result of receiving a "quick refund" will be charged 12% annual interest on the amount of unpaid tax from the date the refund is issued to the earlier of the 15th day of the 5th month after the close of the taxable year or the date the tax liability is paid. Any tax that remains unpaid after the unextended due date of the tax return continues to be subject to 18% or 12% annual interest, as appropriate.

Information Returns That May Be Required

Form 9b Report of rents, royalties, and miscellaneous compensation paid to individuals. (**Note:** You may use federal Forms 1099 instead of Forms 9b. Mail Forms 1099 to the Wisconsin Department of Revenue, P.O. Box 8932, Madison, WI 53708-8932.)

If you must file federal information returns on magnetic media and you file at least 250 Forms 9b with Wisconsin, you generally must file Forms 9b on magnetic media or by electronic transfer. For more information, call (608) 267-3327, e-mail w2data@dor.state.wi.us, or write to the Magnetic Media Coordinator, Audit Bureau, Wisconsin Department of Revenue, Room 232B, 2135 Rimrock Road, P.O. Box 8906, Madison, WI 53708-8906.

Internal Revenue Service Adjustments

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

Send a copy of the final federal audit reports and any associated amended Wisconsin returns to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908. If submitting a federal audit report without an amended return, mail it to the Audit

Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906. Don't attach these items to the tax return for the current year.

Amended Returns

After you have filed a complete, original tax return, you may file an amended return to correct a tax return as you originally filed it or as it was later adjusted by an amended return, a claim for refund, or an office or field audit.

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

To file an amended Wisconsin return, use Form 4T and check the "Amended return" box on the front of the return. Attach an explanation of any changes made. Show computations in detail. If the change involves an item of income, deduction, or credit that you were required to support with a form or schedule on your original return, attach the corrected form or schedule. Also attach a worksheet showing how you figured your refund or additional amount owed.

A claim for refund must be filed within 4 years of the unextended due date of the return. However, a claim for refund to recover all or part of any tax or credit paid as a result of an office or field audit must be filed within 4 years after such an assessment. That assessment must have been paid and must not have been protested by filing a petition for redetermination. See Section Tax 2.12, Wisconsin Administrative Code, for more information.

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

Wisconsin Use Tax

Exempt organizations that don't hold a Wisconsin Certificate of Exempt Status (CES#) and purchase taxable tangible personal property or taxable services for storage, use, or consumption in (1) Wisconsin, (2) a county that has adopted the 0.5% county tax, (3) a county within the baseball stadium district (Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties) that has adopted the 0.1% baseball stadium tax, or (4) the football stadium district (Brown County) that has adopted the 0.5% football stadium tax, without payment of a state, county, or stadium sales or use tax may owe Wisconsin state, county, or stadium use tax and be required to file a Wisconsin sales and use tax return. For more information or forms, visit the Department's web site at www.revenue.wi.gov/html/sales.html, e-mail sales10@dor.state.wi.us, fax your question to (608) 267-1030, call (608) 266-2776, or write to the Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949.

Penalties for Not Filing or Filing Incorrect Returns

If you don't file a Form 4T that you are required to file, or if you file an incorrect Form 4T due to negligence or fraud, interest and penalties may be assessed against you. The interest rate on delinquent taxes is 18% per year. Civil penalties may be as much as 100% of the amount of tax not reported on the return. Criminal penalties for filing a false return include a fine of up to \$10,000 and imprisonment.

You must complete pages 1 and 2 of Form 4T and make appropriate entries in the schedules on page 3. Do not enter “See Attached” instead of completing the entry spaces. If more space is needed, attach separate sheets using the same size and format as the printed forms. (The numbering corresponds with the line numbers on Form 4T, pages 1 and 2, unless otherwise indicated.)

Caution: The Internal Revenue Service hasn’t finalized the 2006 federal Form 990-T at the time of this printing. Therefore, federal line numbers referred to on Form 4T and in these instructions may change.

Rounding Off to Whole Dollars

Round cents to the nearest whole dollar by eliminating amounts less than 50 cents and increasing amounts from 50 cents through 99 cents to the next higher dollar.

■ **Period Covered** – File the 2006 return for calendar year 2006 and fiscal years that begin in 2006. For a fiscal year, a 52-53 week period, or a short-period return, fill in the taxable year beginning and ending dates in the taxable year space at the top of the form. If the exempt organization dissolved, enter the date of dissolution as the ending date.

■ **Name and Address** – Using black ink, print or type the exempt organization’s name and address.

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

■ **B. Business Activity (NAICS) Code** – Enter the exempt organization’s principal business activity code, based on the North American Industry Classification System (NAICS), from your federal return. Or go to www.census.gov/epcd/www/naics.html to find the NAICS code for your principal business activity.

■ **C. State and Year of Organization** – Enter the 2-letter postal abbreviation for the state (or name of the foreign country) under whose laws the organization was formed and the year of formation.

■ **D. First Return, Final Return, Short Period – Change in Accounting Period, and Short Period – Stock Purchase or Sale** – If this is the first year that you are filing a Wisconsin return because the exempt organization wasn’t in existence or didn’t do business in Wisconsin in prior years, check the “First return” box. If the exempt organization ceased to exist or withdrew from Wisconsin during the year, check the “Final return” box. Indicate that a short period return is being filed due to a change in the exempt organization’s accounting period or a stock purchase or sale by checking the appropriate box.

■ **E. Amended Return** – If this is an amended return, check the box. Circle the number in front of the lines that you are changing and attach a detailed explanation of the changes made, including any supporting form or schedule.

■ **F. Extended Due Date** – If the exempt organization has an extension of time to file its Wisconsin return, enter the extended due date.

■ **G. Type of Organization** – Check the box that indicates how the organization will be taxed. Failure to check the proper box may result in the incorrect processing of your return.

■ **H. Name of Trustee** – Enter the name of the trustee if the organization is taxable as a trust.

IMPORTANT – The Wisconsin unrelated business franchise and income tax law is based on the federal Internal Revenue Code (IRC). Although federal unrelated business taxable income is indicated as the starting point on the Wisconsin return, Wisconsin unrelated business taxable income for taxable years that begin in 2006 must be determined using the Internal Revenue Code as amended to December 31, 2004, with the exceptions listed below. The Internal Revenue Code generally applies for Wisconsin purposes at the same time as for federal purposes.

Computing Federal Taxable Income for Wisconsin Purposes

Exceptions: Certain federal law changes enacted before 2005 *do not apply* for Wisconsin franchise and income tax purposes. These changes include:

- Sections 1, 3, 4, and 5 of Public Law 106-519, FSC Repeal and Extraterritorial Income Exclusion Act of 2000, enacted November 15, 2000, relating to the allowance of an exclusion for extraterritorial income. Foreign sales corporation (FSC) treatment is repealed for Wisconsin for taxable years beginning on or after January 1, 2005.
- Section 162 of Public Law 106-554, Community Renewal Tax Relief Act of 2000, enacted December 21, 2000, and section 308 of Public Law 108-311, Working Families Tax Relief Act of 2004, enacted October 4, 2004, relating to the expensing of environmental remediation costs and the extension of the termination date.
- Section 165 of Public Law 106-554, Community Renewal Tax Relief Act of 2000, enacted December 21, 2000, and section 306 of Public Law 108-311, Working Families Tax Relief Act of 2004, enacted October 4, 2004, relating to the enhanced deduction for corporate donations of computer technology and the extension of the termination date.
- Public Law 106-573, Installment Tax Correction Act of 2000, enacted December 28, 2000, relating to the restoration of the installment method of accounting for accrual basis taxpayers. For Wisconsin purposes, accrual basis taxpayers cannot use the installment method for reporting sales and other dispositions occurring on or after December 17, 1999. Gain from the sale of property must be recognized in the year of the sale, rather than when the payments are received.
- Section 101 of Public Law 107-147, Job Creation and Worker Assistance Act of 2002, enacted March 9, 2002, section 201 of Public Law 108-27, Jobs and Growth Tax Relief Reconciliation Act of 2003, enacted May 28, 2003, and section 403(a) of Public Law 108-311, Working Families Tax Relief Act of 2004, enacted October 4, 2004, relating to the 30% bonus depreciation allowance for qualified property acquired after September 10, 2001.
- Section 201 of Public Law 108-27, Jobs and Growth Tax Relief Reconciliation Act of 2003, enacted May 28, 2003, relating to the 50% bonus depreciation allowance for qualified property acquired after May 5, 2003.

Line-by-Line Instructions (continued)

- Section 202 of Public Law 108-27, Jobs and Growth Tax Relief Reconciliation Act of 2003, enacted May 28, 2003, relating to increased section 179 expensing for small business, and section 201 of Public Law 108-357, American Jobs Creation Act of 2004, enacted October 22, 2004, relating to the extension of the termination date.
- Section 1201 of Public Law 108-173, Medicare Prescription Drug, Improvement, and Modernization Act of 2003, enacted December 8, 2003, relating to health savings accounts.
- Section 244 of Public Law 108-357, American Jobs Creation Act of 2004, enacted October 22, 2004, relating to special rules for certain film and television productions.
- Section 336 of Public Law 108-357, American Jobs Creation Act of 2004, enacted October 22, 2004, relating to the depreciation allowance for aircraft.
- Section 337 of Public Law 108-357, American Jobs Creation Act of 2004, enacted October 22, 2004, relating to the modification of the placed in service rule for purposes of bonus depreciation.
- Section 909 of Public Law 108-357, American Jobs Creation Act of 2004, enacted October 22, 2004, relating to sales or dispositions to implement Federal Energy Regulatory Commission or state electric restructuring policy.
- Section 910 of Public Law 108-357, American Jobs Creation Act of 2004, enacted October 22, 2004, relating to the expansion of the limitation on depreciation of certain passenger automobiles.

Federal law changes enacted after December 31, 2004, won't apply for Wisconsin purposes unless subsequently adopted by the Wisconsin Legislature. For example, Public Law 109-58, Energy Tax Incentives Act of 2005, enacted August 8, 2005, Public Law 109-59, Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005, enacted August 10, 2005, Public Law 109-73, Katrina Emergency Tax Relief Act of 2005, enacted September 23, 2005, Public Law 109-135, Gulf Opportunity Zone Act of 2005, enacted December 21, 2005, Public Law 109-222, Tax Increase Prevention and Reconciliation Act of 2005, enacted May 17, 2006, and Public Law 109-280, Pension Protection Act of 2006, enacted August 17, 2006, do not apply for Wisconsin purposes.

Depreciation and Amortization Differences

For property placed in service in taxable years beginning on or after January 1, 2006, you must compute depreciation or amortization under the Internal Revenue Code as amended to December 31, 2000. For qualified property acquired after September 10, 2001, you may not claim the federal 30% bonus depreciation. The 50% additional first-year depreciation deduction may not be claimed for 50% bonus property acquired after May 5, 2003. Provide a schedule detailing any differences between federal and Wisconsin depreciation and amortization amounts.

Note: An asset placed in service before 2006 must continue to be depreciated or amortized under the method allowable for Wisconsin purposes for the year in which it was placed in service.

Accounting for Differences

Adjustments may be necessary to account for differences between amounts reportable for federal and Wisconsin purposes. Exempt organizations taxable as trusts must show these adjustments on Schedule T1 or Schedule T2. Exempt organizations taxable as corporations should see the instructions for line 1 below.

CAUTION: Exempt organizations taxable as trusts must skip lines 1 through 10 and begin on line 11.

■ **Line 1. Federal Unrelated Business Taxable Income** – Exempt organizations taxable as corporations enter the amount from federal Form 990-T, line 34. This is federal unrelated business taxable income after the net operating loss deduction and special deductions. Addition and subtraction modifications generally aren't made for exempt organizations taxable as corporations. However, all income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in **Wisconsin** must be reported to Wisconsin.

Note: Show losses by putting the amount in parentheses.

Caution: If any changes to the Internal Revenue Code or depreciation or amortization differences described above affect the computation of federal unrelated business taxable income but don't apply for Wisconsin purposes, recompute the amount on Form 990-T, line 34. Enter the recomputed unrelated business taxable income on Form 4T, line 1. Attach a schedule to Form 4T showing your computation.

■ **Lines 2 through 7. Apportionment Data** – If using the apportionment method, complete Wisconsin Form 4B and enter the amounts requested. See the instructions for Form 4B (page 11). If using the separate accounting method, don't complete lines 2 through 6. Instead, see the instructions for Separate Accounting Data (page 15) and enter the Wisconsin unrelated business taxable income on line 7.

Note: Exempt organizations engaged in an unrelated trade or business solely in Wisconsin, should skip lines 2 through 6. Instead, enter the amount from line 1 on line 7.

■ **Line 8. Gross Tax** – Enter 7.9% of the Wisconsin unrelated business taxable income reported on line 7.

■ **Line 9. Nonrefundable Credits** – Complete Schedule C1, page 2, and enter the available credit.

For purposes of determining the carryover (if any) of each credit, they must be applied against the gross tax in the following order:

1. Manufacturer's sales tax credit carryforward
2. Dairy and livestock farm investment credit
3. Research expense credit
4. Development zones research credit carryforward
5. Research facilities credit
6. Community development finance credit
7. Development zones jobs credit carryforward
8. Development zones sales tax credit carryforward
9. Development zones investment credit, including development opportunity zone investment credit
10. Development zones location credit carryforward
11. Development opportunity zone or agricultural development zone capital investment credit
12. Development zones day care credit carryforward
13. Development zones environmental remediation credit carryforward
14. Development zones credit
15. Technology zone credit
16. Early stage seed investment credit
17. Supplement to federal historic rehabilitation tax credit

Schedule C1 - Nonrefundable Credits

Line 1. Manufacturer's Sales Tax Credit Carryforward – Enter the available manufacturer's sales tax credit carryforward from Schedule MS, line 8.

Beginning January 1, 2006, a sales and use tax exemption applies for fuel and electricity consumed in manufacturing tangible personal property in Wisconsin. Prior to January 1, 2006, exempt corporations engaged in manufacturing in Wisconsin as an unrelated trade or business activity could claim a credit for sales and use tax paid on such fuel and electricity. The manufacturer's sales tax credit may not be claimed for taxable years that begin after December 31, 2005.

The treatment of manufacturer's sales tax credits claimed but unused for taxable years that begin before January 1, 2006, depends on the amount of unused credits. Taxpayers having \$25,000 or less of unused credits as of January 1, 2006, may use up to 50% of the credit in each of their taxable years beginning in 2006 and 2007. Any remaining credits may be used in future taxable years within the 20-year carryforward period. Taxpayers having more than \$25,000 of unused credits as of January 1, 2006, may deduct in each of the taxable years beginning after December 31, 2005, and before January 1, 2008, 50% of the amount of unused credit that the taxpayer had added back to income at the time the taxpayer first claimed the credit. For more information, see Wisconsin Schedule MS, Manufacturer's Sales Tax Credit.

Line 2. Dairy and Livestock Farm Investment Credit – Enter the dairy and livestock farm investment credit from Schedule DI, line 9.

Exempt corporations that pay certain amounts for modernization or expansion of their dairy or livestock farm in Wisconsin as part of an unrelated trade or business may claim a credit.

Line 3. Research Expense Credit – Enter the research expense credit from Schedule R, line 30.

Exempt corporations that increase qualified research expenses in Wisconsin as part of an unrelated trade or business activity may claim a credit.

Line 4. Development Zones Research Credit – Enter the development zones research credit carryforward.

Line 5. Research Facilities Credit – Enter the research facilities credit from Schedule R, line 34.

Exempt corporations that incur expenses to construct and equip new research facilities in Wisconsin or to expand existing facilities in Wisconsin as part of an unrelated trade or business activity may claim a credit.

Line 6. Community Development Finance Credit – Enter the available community development finance credit.

Exempt corporations that make contributions to the Wisconsin Housing and Economic Development Authority and, in the same year, purchase common stock in the Wisconsin Community Development Finance Company as part of an unrelated trade or business activity may claim a credit.

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

Line 7. Development Zones Jobs Credit – Enter the development zones jobs credit carryforward.

Line 8. Development Zones Sales Tax Credit – Enter the development zones sales tax credit carryforward.

Line 9. Development Zones Investment Credit – Enter the total of the development opportunity zone investment credit and any development zones investment credit carryforward from Schedule DC, line 15.

Line 10. Development Zones Location Credit – Enter the development zones location credit carryforward.

Line 11. Development Zone Capital Investment Credit – Enter the development opportunity zone or agricultural development zone capital investment credit from Schedule DC, line 23.

Line 12. Development Zones Day Care Credit – Enter the development zones day care credit carryforward.

Line 13. Development Zones Environmental Remediation Credit – Enter the development zones environmental remediation credit carryforward.

Line 14. Development Zones Credit – Enter the development zones credit from Schedule DC, line 7.

Exempt corporations doing business in Wisconsin development, development opportunity, enterprise development, or agricultural development zones may be eligible for tax credits based on expenditures for environmental remediation and job creation or retention. The Wisconsin Department of Commerce administers the Wisconsin development zones programs. For more information about the programs, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 15. Technology Zone Credit – Enter the technology zone credit from Schedule TC, line 8.

Exempt corporations doing business in Wisconsin technology zones may be eligible for a tax credit based on the property taxes paid, capital investments made, and jobs created. The Department of Commerce administers the Wisconsin technology zone program. For more information about the program, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 16. Early Stage Seed Investment Credit – Enter the early stage seed investment credit from Schedule VC, line 12.

Exempt corporations making payments to a qualified fund manager for investment in a qualified new business venture may be eligible for a tax credit. The Department of Commerce administers the early stage business investment program. For more information about this program, visit the Department of Commerce web site at

Line-by-Line Instructions (continued)

www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Note: Except for manufacturer's sales tax credit carryforwards included in line 1 which were included in income in prior years, each of these credits (items 1 through 16) must be included as income in the year computed. This is true whether the entire amount of the credits can be claimed during the taxable year or is carried forward to future years.

Line 17. Supplement to Federal Historic Rehabilitation Tax Credit – Enter the supplement to the federal historic rehabilitation tax credit from Schedule HR, line 7.

Exempt corporations that rehabilitate certified historic structures located in Wisconsin and used for unrelated trade or business purposes may claim a credit. The Wisconsin Historical Society administers the historic preservation program. For more information about this program, visit the Historical Society's web site at www.wisconsinhistory.org/hp/buildings, write to the Division of Historic Preservation, Wisconsin Historical Society, 816 State Street, Madison, WI 53706-1488, or call (608) 264-6490.

Line 18. Add lines 1 through 17. This is the total available nonrefundable credits.

■ **Line 10. Net Tax** – Subtract line 9 from line 8. If line 9 is more than line 8, enter zero.

CAUTION: Exempt organizations taxable as corporations must skip lines 11 through 20 and go on to line 21.

■ **Line 11. Federal Unrelated Business Taxable Income** – Exempt organizations taxable as trusts enter the amount from federal Form 990-T, line 34. This is federal unrelated business taxable income after the net operating loss deduction and special deductions.

Note: Show losses by putting the amount in parentheses.

Caution: If any changes to the Internal Revenue Code described on page 5, or depreciation differences described on page 6, affect the computation of federal unrelated business taxable income but don't apply for Wisconsin purposes, make adjustments on Schedule T1 or Schedule T2, as appropriate, to account for the differences.

■ **Line 12. Additions** – Federal unrelated business taxable income on Form 4T, line 11, may include items that aren't deductible for Wisconsin tax purposes, or it may not include items that are taxable for Wisconsin tax purposes. Complete Schedule T1, page 3, and enter the total.

Schedule T1 - Trust Additions

Line 1. Enter interest income, less related expenses, received on state and municipal obligations that was excluded from federal unrelated business taxable income, except interest which is by law exempt from Wisconsin taxation (such as interest from obligations of the government of Puerto Rico). Enter only the state or municipal interest that is considered unrelated business taxable income.

Line 2. Enter the amount of taxes deducted from federal unrelated business taxable income under IRC section 164.

Line 3. If federal unrelated business taxable income includes capital gains or losses, complete Wisconsin Schedule WD (Form 2) to determine if an adjustment is necessary to arrive at Wisconsin unrelated business taxable income.

For example, an adjustment may be required because Wisconsin law limits deductions for net capital losses to \$500.

Line 4. Enter the amount of any federal net operating loss carryover.

Line 5. Enter any transitional adjustments required by sec. 71.05(13), Wis. Stats., to account for differences between the federal and Wisconsin bases of changing basis assets (those subject to depreciation or amortization). Attach a schedule showing the computation of each transitional adjustment made.

Line 6. If any manufacturer's sales tax credit computed on Schedule MS has not been included in the trust's income in a prior year, enter that credit amount.

Line 7. Enter the dairy and livestock farm investment credit computed (from 2006 Schedule DI, line 7).

Line 8. Enter the technology zone credit computed (from 2006 Schedule TC, line 6).

Line 9. Enter the development zones credits computed (from 2006 Schedule DC, lines 5, 13, and 21).

Line 10. Enter the early stage seed investment credit computed (from 2006, Schedule VC, line 10).

Line 11. Enter the farmland preservation credit and farmland tax relief credit received during the taxable year that aren't included in federal unrelated business taxable income.

Line 12. Enter any other amount subject to Wisconsin taxation, less any amount allocable to it, which has been excluded or deducted in the computation of federal unrelated business taxable income.

For example, enter all income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin.

■ **Line 14. Subtractions** – Federal unrelated business taxable income on Form 4T, line 11, may not include items that are deductible for Wisconsin tax purposes, or it may include items that aren't taxable for Wisconsin tax purposes. Complete Schedule T2, page 3, and enter the total.

Schedule T2 - Trust Subtractions

Line 1. Enter interest and dividend income, less related expenses, received on obligations and certain securities of the United States government that was included in federal unrelated business taxable income and is exempt from state income taxation.

Line 2. If federal unrelated business taxable income includes capital gains or losses, complete Wisconsin Schedule WD (Form 2) to de-

termine if an adjustment is necessary to arrive at Wisconsin unrelated business taxable income.

For example, an adjustment may be required because Wisconsin law allows an exclusion of 60% of the net capital gain from assets held more than one year.

Line 3. Enter the amount of any Wisconsin net operating loss carryforward. The Wisconsin net operating loss is the federal net operating loss plus or minus modifications required for Wisconsin tax purposes. Net operating losses from years before the exempt organization became subject to Wisconsin income taxation can't be included on line 3.

Line 4. Enter any transitional adjustment required by sec. 71.05(13), Wis. Stats., to account for differences between the federal and Wisconsin bases of changing basis assets (those subject to depreciation or amortization). Attach a schedule showing the computation of each transitional adjustment.

Line 5. If the trust has more than \$25,000 of unused manufacturer's sales tax credit carryforward, enter the amount from Schedule MS, line 20.

Line 6. Enter any amount not subject to Wisconsin taxation that was included in federal unrelated business taxable income or any deduction allowed for Wisconsin that wasn't deducted federally (such as development zones investment credit recaptured).

■ **Line 16. Gross Tax** – Figure the tax on the Wisconsin unrelated business taxable income on line 15 using the tax table that begins on page 16.

■ **Line 17. Nonrefundable Credits** – Complete Schedule C1, page 2, and enter the available credit.

For purposes of determining the carryover (if any) of each credit, they must be applied against the gross tax in the following order:

1. Supplement to federal historic rehabilitation tax credit
2. Manufacturer's sales tax credit carryforward
3. Dairy and livestock farm investment credit
4. Development zones jobs credit carryforward
5. Development zones sales tax credit carryforward
6. Development zones investment credit, including development opportunity zone investment credit
7. Development zones research credit carryforward
8. Development zones location credit carryforward
9. Development opportunity zone or agricultural development zone capital investment credit
10. Technology zone credit
11. Development zones day care credit carryforward
12. Development zones environmental remediation credit carryforward
13. Development zones credit
14. Early stage seed investment credit

Schedule C1 - Nonrefundable Credits

Caution: *Don't enter amounts on Schedule C1, lines 3, 5, and 6. These credits are available only to exempt organizations taxable as corporations.*

Line 1. Manufacturer's Sales Tax Credit Carryforward – Enter the available manufacturer's sales tax credit carryforward from Schedule MS, line 10.

Beginning January 1, 2006, a sales and use tax exemption applies for fuel and electricity consumed in manufacturing tangible personal property in Wisconsin. Prior to January 1, 2006, exempt organizations taxable as trusts which are engaged in manufacturing in Wisconsin as an unrelated trade or business activity could claim a credit for sales and use tax paid on such fuel and electricity. The manufacturer's sales tax credit may not be claimed for taxable years that begin after December 31, 2005.

The treatment of manufacturer's sales tax credits claimed but unused for taxable years that begin before January 1, 2006, depends on the amount of unused credits. Taxpayers having \$25,000 or less of unused credits as of January 1, 2006, may use up to 50% of the credit in each of their taxable years beginning in 2006 and 2007. Any remaining credits may be used in future taxable years within the 20-year carryforward period. Taxpayers having more than \$25,000 of unused credits as of January 1, 2006, may deduct in each of the taxable years beginning after December 31, 2005, and before January 1, 2008, 50% of the amount of unused credit that the taxpayer had added back to income at the time the taxpayer first claimed the credit. For more information, see Wisconsin Schedule MS, Manufacturer's Sales Tax Credit.

Line 2. Dairy and Livestock Farm Investment Credit – Enter the dairy and livestock farm investment credit from Schedule DI, line 9.

Exempt trusts that pay certain amounts for modernization or expansion of their dairy or livestock farm in Wisconsin as part of an unrelated trade or business may claim a credit.

Line 4. Development Zones Research Credit – Enter the development zones research credit carryforward.

Line 7. Development Zones Jobs Credit – Enter the development zones jobs credit carryforward.

Line 8. Development Zones Sales Tax Credit – Enter the development zones sales tax credit carryforward.

Line 9. Development Zones Investment Credit – Enter the total of the development opportunity zone investment credit and any development zones investment credit carryforward from Schedule DC, line 15.

Line 10. Development Zones Location Credit – Enter the development zones location credit carryforward.

Line 11. Development Zone Capital Investment Credit – Enter the development opportunity zone or agricultural development zone capital investment credit from Schedule DC, line 23.

Line 12. Development Zones Day Care Credit – Enter the development zones day care credit carryforward.

Line-by-Line Instructions (continued)

Line 13. Development Zones Environmental Remediation Credit – Enter the development zones environmental remediation credit carryforward.

Line 14. Development Zones Credit – Enter the development zones credit from Schedule DC, line 7.

Exempt organizations taxable as trusts doing business in Wisconsin development, development opportunity, enterprise development, or agricultural development zones may be eligible for tax credits based on expenditures for environmental remediation and job creation or retention. The Wisconsin Department of Commerce administers the Wisconsin development zones programs. For more information about the programs, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 15. Technology Zone Credit – Enter the technology zone credit from Schedule TC, line 8.

Exempt organizations taxable as trusts doing business in Wisconsin technology zones may be eligible for a tax credit based on the property taxes paid, capital investments made, and jobs created. The Department of Commerce administers the Wisconsin technology zone program. For more information about the program, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 16. Early Stage Seed Investment Credit – Enter the early stage seed investment credit from Schedule VC, line 12.

Exempt organizations taxable as trusts making payments to a qualified fund manager for investment in a qualified new business venture may be eligible for a tax credit. The Department of Commerce administers the early stage business investment program. For more information about this program, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Note: Except for manufacturer's sales tax credit carryforwards included in line 1 which were included in income in prior years, each of the above credits (lines 1 through 16) must be included as income in the year computed. This is true whether the entire amount of the credits can be claimed during the taxable year or is carried forward to subsequent years.

Line 17. Supplement to Federal Historic Rehabilitation Tax Credit – Enter the supplement to the federal historic rehabilitation tax credit from Schedule HR, line 7.

Exempt trusts that rehabilitate certified historic structures located in Wisconsin and used for unrelated trade or business purposes may claim a credit. The Wisconsin Historical Society administers the historic preservation program. For more information about this program, visit the Historical Society's web site at www.wisconsinhistory.org/hp/buildings, write to the Division of Historic Preservation, Wisconsin Historical Society, 816 State Street, Madison, WI 53706-1488, or call (608) 264-6490.

Line 18. Add lines 1, 2, 4, and 7 through 17. This is the total available nonrefundable credits.

■ **Line 18. Net Income Tax Paid to Other States** – Wisconsin resident trusts may claim a credit for income tax paid to another state or the District of Columbia, subject to the following requirements.

- The income taxed by the other state must be included in Wisconsin unrelated business taxable income.
- The credit claimed must be for the net amount of tax paid to the other state. (This may be more or less than the amount paid as estimated tax.)
- A copy of Wisconsin Schedule OS and the other state's tax return must be submitted with Form 4T.

See Wisconsin Schedule OS for more information.

■ **Line 22. Recycling Surcharge** – Figure the surcharge as explained below.

Exempt organizations taxable as corporations:

Enter the greater of \$25 or 3% (0.03) of the gross tax on line 8, but not more than \$9,800.

Note: The recycling surcharge does not apply to exempt organizations taxable as corporations that have less than \$4 million of gross receipts from all unrelated trade or business activities for federal income tax purposes (as defined on page 2).

Exempt organizations taxable as trusts:

If gross receipts from all farm and nonfarm unrelated trade or business activities for federal income tax purposes are \$4 million or more, enter the greater of \$25 or 0.2% (0.002) of the Wisconsin unrelated business taxable income on line 15, but not more than \$9,800.

Exception: For trusts engaged in both farming and nonfarming activities, exclude any net farm profit (loss) that is included in the amount reported on line 15 when calculating the recycling surcharge.

■ **Line 23. Endangered Resources Donation** – *Exempt organizations taxable as corporations:* Your donation supports the preservation and management of more than 200 endangered and threatened Wisconsin plants and animals. It also helps protect Wisconsin's finest remaining examples of prairies, forests, and wetlands.

Support endangered resources in Wisconsin. Fill in line 23 with the amount you wish to donate. Your gift will either reduce your refund or be added to tax due. You can also send a check directly to the Endangered Resources Fund, Department of Natural Resources, P.O. Box 7921, Madison WI 53707-7921.

■ **Line 24. Veterans Trust Fund Donation** – You may designate an amount as a veterans trust fund donation. Your donation will be used by the Wisconsin Department of Veterans Affairs for the benefit of veterans or their dependents.

Fill in line 24 with the amount you wish to donate. Your donation will either reduce your refund or be added to tax due.

■ **Line 26. Estimated Tax Payments** – Enter estimated tax payments made or overpayments applied from prior years' returns. Subtract any "quick refund" applied for on Form 4466W.

Amended Return: If this is an amended return, enter the tax and recycling surcharge previously paid.

■ **Line 27. Wisconsin Tax Withheld From Pass-Through Entities** – Enter your share of Wisconsin tax withheld from pass-through entities of which you are a member, as reported on Wisconsin Schedule 5K-1, 3K-1, or 2K-1. Attach a copy of the Schedule 5K-1, 3K-1, or 2K-1 to the tax return that you file.

Pass-through entities are subject to withholding tax on Wisconsin income allocable to a nonresident partner, member, shareholder, or beneficiary. A nonresident includes a corporation whose commercial domicile is not in Wisconsin and a trust that is a nonresident under sec. 71.14(1) to (3m), Wis. Stats.

■ **Line 28. Refundable Credits** – Complete Schedule C2, page 2, and enter the total available credit.

Schedule C2 - Refundable Credits

Line 1. Farmland Preservation Credit – Enter the farmland preservation credit from Schedule FC, line 18.

Exempt corporations organized under the laws of Wisconsin and Wisconsin resident trusts that own and operate Wisconsin farmland subject to agricultural use restrictions in the form of a zoning ordinance or a farmland preservation agreement, as provided in Chapter 91, Wis. Stats., may claim a credit.

Line 2. Farmland Tax Relief Credit – Enter the farmland tax relief credit from Schedule FT, line 6.

Exempt corporations organized under the laws of Wisconsin and Wisconsin resident trusts that own farmland located in Wisconsin may claim a credit.

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

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

■ **Line 30. Interest, Penalty, and Late Fee Due** – Enter any interest, penalty, and late fee due from Form 4U, line 17 or 26. Check the box if you figured underpayment interest using the annualized income installment method on Form 4U, page 2.

Amended Return – If you previously were assessed interest for underpayment of estimated taxes, complete an amended Form 4U, Part I, based on the total of the amounts shown on lines 21 and 22. Enter the difference between the underpayment interest from the amended Form 4U, line 17, and the amount you previously paid on line 30. Show an overpayment in parentheses. Attach Form 4U to your amended return. Otherwise, leave line 30 blank. The Department will compute interest on the amount of refund approved or tax owed.

■ **Line 31. Tax Due** – If the total of lines 25 and 30 is larger than line 29, enter the amount owed. Pay by electronic funds transfer or mail your check with a 2006 Form 4-ES, Corporation Estimated Tax Voucher, to the address shown on the voucher. Otherwise, paper clip your check to the front of Form 4T.

■ **Line 32. Overpayment** – If line 29 is larger than the total of lines 25 and 30, enter the overpayment.

■ **Line 33. 2007 Estimated Tax** – Enter the amount of any overpayment from line 32 that is to be credited to the exempt organization's 2007 estimated tax. The balance of any overpayment will be refunded.

Amended Return: If you have already filed your 2007 return, enter the overpayment that you claimed as a credit on your 2007 return from your previously filed original or amended 2006 return. Otherwise, you may allocate the overpayment from line 32 between line 33 and line 34 as you choose.

■ **Line 35. Total Gross Receipts** – Enter the “gross receipts from all unrelated trade or business activities” including gross receipts, gross sales, the gross sales price from the disposition of capital assets and business assets, gross rents, gross income from unrelated debt-financed property, gross interest, annuities, royalties, and rents from controlled organizations, gross investment income, gross exploited exempt activity income, gross advertising income, gross receipts passed through from other entities, and all other receipts that are included in unrelated business taxable income for Wisconsin tax purposes.

■ **Additional Information Required** – Answer questions 1 through 6 on Form 4T, page 3.

■ **Signatures** – An officer or trustee of the exempt organization must sign the form at the bottom of page 3. If the return is prepared by someone other than an employee of the exempt organization, the individual who prepared the return must sign the form, by hand, in the space provided for the preparer's signature and furnish the preparer firm's federal employer identification number. A self-employed individual must enter “SSN” and his or her social security number in the space for the preparer's federal employer identification number.

■ **Attachments** – Attach a copy of each of the following documents:

- Your federal Form 990-T with all supporting schedules.
- Any other required Wisconsin forms, schedules, or statements. Include a list of your solely owned LLCs.
- Any extension of time to file your return.

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

Form 4B – Apportionment Data

What Is Apportionment

Under the apportionment method, an exempt organization shows all income and deductions from unrelated trade or business activities for the organization as a whole and then assigns a part to Wisconsin according to a formula that determines Wisconsin unrelated business taxable income.

Line-by-Line Instructions (continued)**Who Must Use Apportionment**

An exempt organization engaged in unrelated trade or business activities in and outside Wisconsin is required to report a portion of its total organization unrelated business taxable income to Wisconsin using the apportionment method if its Wisconsin operations are a part of a unitary business, unless the Department gives permission to use separate accounting. To use the apportionment method, an exempt organization must have unrelated trade or business activity sufficient to create nexus in Wisconsin and at least one other state or foreign country.

“Nexus” means that an exempt organization’s unrelated trade or business activity is of such a degree that the state or foreign country has jurisdiction to impose an income tax or franchise tax measured by net income. Under Public Law 86-272, a state can’t impose an income tax or franchise tax based on net income on an exempt organization selling tangible personal property if the exempt organization’s only activity in the state is the solicitation of orders, which orders are approved outside the state and are filled by delivery from a point outside the state.

What Is a Unitary Business

A unitary business is one that operates as a unit and can’t be segregated into independently operating divisions or branches. The operations are integrated, and each division or branch is dependent upon or contributory to the operation of the business as a whole. It isn’t necessary that each division or branch operating in Wisconsin contribute to the activities of all divisions or branches outside Wisconsin.

What Is Nonapportionable Unrelated Business Taxable Income

Nonapportionable unrelated business taxable income is that income which is allocable directly to a particular state. It includes income or loss derived from the sale of nonbusiness real or tangible personal property or from rentals and royalties from nonbusiness real or tangible personal property with respect to an unrelated trade or business activity. This income is assigned to the state where the property is located.

All income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in **Wisconsin** shall be allocated to Wisconsin.

Total nonapportionable unrelated business taxable income (loss) is removed from total organization unrelated business taxable income before the apportionment percentage is applied. The Wisconsin nonapportionable unrelated business taxable income (loss) is then combined with the Wisconsin apportionable unrelated business taxable income to arrive at Wisconsin unrelated business taxable income.

What Is the Apportionment Percentage

For unitary, multistate, exempt organizations, the apportionment percentage is determined by the weighted average of the following three ratios:

1. Wisconsin tangible property to total organization tangible property with respect to unrelated trade or business activities.
2. Wisconsin payroll to total organization payroll with respect to unrelated trade or business activities.
3. Wisconsin sales to total organization sales from unrelated trade or business activities.

For taxable years beginning after December 31, 2005 and before January 1, 2007, the property factor is weighted at 20%; the payroll at factor is weighted at 20%; and the sales factor is weighted at 60%. These factors are computed on Form 4B.

Direct air carriers, motor carriers, railroads, sleeping car companies, pipeline companies, financial institutions, brokers-dealers, investment advisers, investment companies, underwriters, and telecommunications companies should use Form 4B-1 and check the box next to Form 4T, line 4.

Corporate Partners or LLC Members

An exempt corporation that is a general or limited partner includes its share of the numerator and denominator of the partnership’s apportionment factors in the numerator and denominator of its apportionment factors. An exempt corporation that is a member of a limited liability company (LLC) treated as a partnership for federal tax purposes includes its share of the numerator and denominator of the LLC’s apportionment factors in the numerator and denominator of its apportionment factors.

Note: Income from a partnership or LLC may be nontaxable under the principles of the U.S. Supreme Court decision in *Allied-Signal v. Director, Div. of Taxation*, 504 U.S. 768 (1992), if the investment is passive and does not serve an operational function. In this case, the exempt corporation would not include its share of the partnership’s or LLC’s apportionment factors in the numerator and denominator of its apportionment factors.

Line-by-Line Instructions for Form 4B

Note: Enter amounts on Form 4B relating only to the exempt organization’s unrelated trade or business activities. “Total company” refers to the unrelated trade or business activities of the entire exempt organization.

Part I - Nonapportionable Income (Loss)

■ **Line 1.** Enter rents and royalties received on nonbusiness tangible property in the appropriate column or columns. These are nonapportionable and follow the situs of the property.

■ **Line 2.** Enter any expenses that are directly or indirectly related to rents and royalties reported on line 1. Since such income is nonapportionable, the related expenses are nonapportionable.

■ **Line 4.** Enter all profits and losses from disposals of nonbusiness tangible property in the appropriate column or columns. Such profits and losses are nonapportionable and follow the situs of the property.

Also enter on line 4 all income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in **Wisconsin**. This income is nonapportionable and must be allocated to Wisconsin.

■ **Line 5.** Enter the total net nonapportionable unrelated business taxable income or loss for both Wisconsin and the total company. Also, enter on Form 4T, line 2, the total company net nonapportionable unrelated business taxable income from column b. Enter on Form 4T, line 6, the Wisconsin net nonapportionable unrelated business taxable income from column a.

Part II - Apportionment Percentage

■ **Omission of a Factor** – Check the box if you are omitting one of the apportionment factors. If both the numerator and the denominator of a factor are zero, the factor shall be eliminated from the apportionment formula.

Where it is shown to the satisfaction of the department that the use of one of the three factors gives an unreasonable or inequitable final average ratio because the organization does not employ the factor to any appreciable extent in producing the unrelated business taxable income taxed, the factor may, with the Department's approval, be omitted in computing the organization's apportionment percentage.

If the numerator of the sales factor is a negative number and the denominator is a positive number, a negative number, or zero, the sales factor is zero.

For taxable years beginning in 2006, if one of the apportionment factors is zero, the remaining factors shall be weighted as follows:

- If either the property factor or the payroll factor is omitted, the other factor shall represent 25% of the apportionment fraction and the sales factor shall represent 75% of the apportionment fraction.
- If the sales factor is omitted, the property factor and the payroll factor shall each represent 50% of the fraction.

■ **Lines 6 through 13.** Enter the undepreciated original cost of tangible property owned and used in producing apportionable unrelated business taxable income at the beginning and at the end of the taxable year. Group the property into the general categories listed for both Wisconsin and the total company.

Don't include construction in progress, idle property, or property used in producing nonapportionable unrelated business taxable income. Such property isn't used in the production of apportionable unrelated business taxable income and, therefore, it isn't includable in the property factor.

Note: If any major acquisitions or dispositions occurred within the taxable year, the average monthly balances of property may be used (or required by the Department) instead of the average of the beginning and ending balance. In this case, attach a separate schedule showing the calculation rather than completing lines 6 through 13.

■ **Line 15.** Multiply the net annual rental for property used in the production of apportionable unrelated business taxable income by 8 and enter the result. "Net annual rental" is the annual rental paid less any annual rental received from subrentals unless this results in a negative or clearly inaccurate valuation. Net annual rental doesn't include incidental day-to-day expenses such as hotel or motel accommodations, daily rentals of autos, or royalties based on extraction of natural resources.

If the taxable year covers a period of less than 12 months, the net rent paid for the short period must be annualized. However, if the rental term is for less than 12 months, the rent must be adjusted accordingly.

Leases are given the same treatment in computing the property factor as they are in computing unrelated business taxable income. Leases that have been capitalized in computing unrelated business taxable

income are included as property owned and used for property factor purposes. All other lease payments are included in the rentals times 8 computation.

■ **Line 20.** Enter, for Wisconsin and the total company, the compensation paid to the company's own employees for the performance of personal services. The compensation must be related to the production of apportionable unrelated business taxable income. Compensation related to the operation, maintenance, protection, or supervision of property used in the production of both apportionable and nonapportionable unrelated business taxable income or losses must be prorated, and only the portion related to the production of apportionable unrelated business taxable income is included for Wisconsin and the total company. Compensation includes wages, salaries, commissions, and any other form of remuneration paid to employees.

Compensation is paid in Wisconsin (included in the numerator of the payroll factor) if –

- The individual's service is performed entirely in Wisconsin.
- The individual's service is performed in and outside Wisconsin, but the service performed outside Wisconsin is incidental to the individual's service in Wisconsin.
- A portion of the service is performed in Wisconsin and the base of operations of the individual is in Wisconsin.
- A portion of the service is performed in Wisconsin and, if there is no base of operations, the place from which the individual's service is directed or controlled is in Wisconsin.
- A portion of the service is performed in Wisconsin and neither the base of operations of the individual nor the place from which the service is directed or controlled is in any state in which some part of the service is performed, but the individual's residence is in Wisconsin.
- The individual is neither a resident of nor performs services in Wisconsin but is directed or controlled from an office in Wisconsin and returns to Wisconsin periodically for business purposes and the state in which the individual resides doesn't have jurisdiction to impose franchise or income taxes on the employer.

An individual is considered to be performing a service in Wisconsin during the year if that individual spends any portion of at least 5 days during the exempt organization's taxable year in Wisconsin performing services.

■ **Line 21.** Enter management or service fees paid to a related corporation for the performance of personal services. The fees must be related to the production of apportionable unrelated business taxable income. Payments made to independent contractors aren't includable.

■ **Lines 26 through 35.** For purposes of the sales factor, sales include, but aren't limited to, the following items related to the production of unrelated business taxable income:

- Gross receipts from the sale of inventory.
- Gross receipts from the operation of farms, mines, and quarries.
- Gross receipts from the sale of scrap or by-products.
- Gross commissions.

Line-by-Line Instructions (continued)

- Gross receipts from personal and other services.
- Gross rents from real property or tangible personal property.
- Interest on trade accounts and trade notes receivable.
- A partner's share of the partnership's gross receipts or a member's share of the limited liability company's gross receipts.
- Gross management fees.
- Gross royalties from income producing activities.
- Gross franchise fees from income producing activities.

"Gross receipts" means gross sales less returns and allowances, plus service charges, freight, carrying charges, or time-price differential charges incidental to the sales. Federal and state excise taxes, including sales and use taxes, are included as part of the receipts if the taxes are passed on to the buyer or included as part of the selling price of the product.

The following items are among those not included for sales factor purposes:

- Gross receipts and gain or loss from the sale of tangible business assets, except receipts from the sale of inventory, scrap, or by-products or from the operation of a farm, mine, or quarry.
- Gross receipts and gain or loss from the sale of nonbusiness real or tangible personal property.
- Gross rents and rental income or loss from real property or tangible personal property if that real property or tangible personal property isn't used in the production of unrelated business taxable income.
- Royalties from nonbusiness real property or nonbusiness tangible personal property.
- Proceeds and gain or loss from the redemption of securities.
- Interest, except interest on trade accounts and trade notes receivable, and dividends.
- Gross receipts and gain or loss from the sale of intangible assets, except inventory.
- Dividends deductible in determining unrelated business taxable income.
- Gross receipts and gain or loss from the sale of securities.
- Proceeds and gain or loss from the sale of receivables.
- Refunds, rebates, and recoveries of amounts previously expended or deducted.
- Foreign exchange gain or loss.
- Royalties and income from passive investments in patents, copyrights, trademarks, trade names, plans, specifications, blueprints, processes, techniques, formulas, designs, layouts, patterns, drawings, manuals, and technical know-how.
- Pari-mutuel wager winnings and purses.
- Other items not includable in apportionable unrelated business taxable income.

Enter on lines 26a and 26b the appropriate Wisconsin destination sales. Gross receipts from the sales of tangible personal property, except sales to the federal government, are Wisconsin sales if the property is delivered or shipped to a purchaser in Wisconsin. Sales of tangible personal property picked up by the purchaser, or the purchaser's agent, at the seller's Wisconsin business location and immediately transported to the purchaser's out-of-state business location aren't Wisconsin sales. However, if the seller doesn't have nexus with the state in which the purchaser's business is located, the sales are "thrown back" to Wisconsin as discussed later. Wisconsin sales include sales of tangible personal property that are picked up by the purchaser, or the purchaser's agent, at the seller's out-of-state business location and immediately transported to the purchaser's Wisconsin business location.

Enter on line 27a sales of tangible personal property delivered to the federal government, including its agencies and instrumentalities, in Wisconsin if the property is shipped from an office, store, warehouse, factory, or other place of storage in Wisconsin. Sales to federal government locations in Wisconsin, which are shipped from an office, store, warehouse, factory, or other place of storage outside Wisconsin, aren't Wisconsin sales.

Enter on line 27b sales of tangible personal property delivered to the federal government, including its agencies and instrumentalities, outside Wisconsin if the property is shipped from an office, store, warehouse, factory, or other place of storage in Wisconsin and the seller doesn't have nexus in the destination state. These sales are included in the numerator of the sales factor at 50%.

Enter on line 27c sales, other than sales to the federal government, that are "thrown back" to Wisconsin. These are sales of tangible personal property shipped from an office, store, warehouse, factory, or other place of storage in Wisconsin to a state in which the seller doesn't have nexus. "Throwback" sales are included in the numerator of the sales factor at 50%.

Enter on line 28 the "double throwback" sales. These are sales, other than sales to the federal government, of tangible personal property by an office in Wisconsin to a purchaser in another state, but not shipped or delivered from Wisconsin, if the taxpayer doesn't have nexus in (1) the state from which the property is delivered or shipped, or (2) the destination state. "Double throwback" sales are included in the numerator of the sales factor at 50%.

Note: For purposes of throwback sales and double throwback sales, "state" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States. A foreign country isn't a state.

Enter on line 30a gross receipts from the use of computer software that the purchaser or licensee uses at a location in Wisconsin. Computer software is used in Wisconsin if the purchaser or licensee uses the software in the regular course of business operations in Wisconsin, for personal use in Wisconsin, or if the purchaser or licensee is an individual whose domicile is in Wisconsin. If the purchaser or licensee uses the computer software in more than one state, the gross receipts are divided among those states having jurisdiction to impose an income tax on the taxpayer in proportion to the use of the computer software in those states. To determine computer software use in Wisconsin, the Department may consider the number of users in each state where the software is used, the number of site licenses or workstations in Wisconsin, and any other factors that reflect the use of computer software in Wisconsin.

Enter on line 30b gross receipts from the use of computer software if the taxpayer is not subject to income tax in the state in which the gross receipts are considered received, but the taxpayer's commercial domicile is in Wisconsin. "Commercial domicile" means the location from which an unrelated trade or business is principally managed and directed, based on any factors the Department determines are appropriate, including the location where the greatest number of employees of the unrelated trade or business work, have their office or base of operations, or from which the employees are directed or controlled. These gross receipts are included in the numerator of the sales factor at 50%.

Enter on line 32a gross receipts from services if the purchaser of the service receives the benefit of the service in Wisconsin. The benefit of the service is received in Wisconsin if any of the following applies:

- The service relates to real property that is located in Wisconsin.
- The service relates to tangible personal property that is located in Wisconsin at the time that the service is received or tangible personal property that is delivered directly or indirectly to customers in Wisconsin.
- The service is provided to an individual who is physically present in Wisconsin at the time that the service is received.
- The service is provided to a person engaged in a trade or business in Wisconsin and relates to that person's business in Wisconsin.

If the purchaser of a service receives the benefit of the service in more than one state, the gross receipts from the service are included in the numerator of the sales factor according to the portion of the service received in Wisconsin.

Enter on line 32b gross receipts from services, if the taxpayer is not subject to income tax in the state in which the benefit of the service is received, to the extent that the taxpayer's employees or representatives performed services from a location in Wisconsin. These gross receipts are included in the numerator of the sales factor at 50%.

Enter on line 34, for both Wisconsin and the total company, other gross receipts of apportionable unrelated business taxable income, that are includable in the sales factor.

These gross receipts are attributable to Wisconsin if the income producing activity that gives rise to the receipts is performed in Wisconsin. If the income producing activity is performed partly in and partly outside Wisconsin, assign receipts to Wisconsin based on the ratio of direct costs of performance in Wisconsin to the direct costs of performance in all states having jurisdiction to tax the business.

■ **Line 39.** Add lines 19, 25, and 38. Enter the resulting percentage here and on Form 4T, line 4.

Form 4C – Separate Accounting Data

Who Must Use

An exempt organization engaged in a nonunitary unrelated trade or business in and outside Wisconsin is required to determine the amount of unrelated business taxable income attributable to Wisconsin by separate accounting. A nonunitary business is one in which the operations in Wisconsin aren't dependent upon or contributory to the operations outside Wisconsin.

A unitary business may use separate accounting only with the approval of the Department. An application for such approval must set forth, in detail, the reasons why separate accounting will more clearly reflect the exempt organization's Wisconsin unrelated business taxable income. It should be mailed to the Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906 before the end of the taxable year for which the use of separate accounting is desired.

An exempt organization that uses separate accounting must complete a schedule similar to Form 4C showing the unrelated business taxable income attributable to Wisconsin. You may obtain Form 4C from any Department of Revenue office.

2006 Tax Table for Trusts

If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is
			4,000	4,100	186	9,500	9,600	445	15,000	15,100	784	20,500	20,600	1,130
			4,100	4,200	191	9,600	9,700	451	15,100	15,200	790	20,600	20,700	1,136
			4,200	4,300	196	9,700	9,800	458	15,200	15,300	796	20,700	20,800	1,143
			4,300	4,400	200	9,800	9,900	464	15,300	15,400	802	20,800	20,900	1,149
			4,400	4,500	205	9,900	10,000	470	15,400	15,500	808	20,900	21,000	1,156
			4,500	4,600	209	10,000	10,100	476	15,500	15,600	814	21,000	21,100	1,162
			4,600	4,700	214	10,100	10,200	482	15,600	15,700	820	21,100	21,200	1,169
			4,700	4,800	219	10,200	10,300	488	15,700	15,800	827	21,200	21,300	1,175
			4,800	4,900	223	10,300	10,400	495	15,800	15,900	833	21,300	21,400	1,182
			4,900	5,000	228	10,400	10,500	501	15,900	16,000	839	21,400	21,500	1,188
			5,000	5,100	232	10,500	10,600	507	16,000	16,100	845	21,500	21,600	1,195
			5,100	5,200	237	10,600	10,700	513	16,100	16,200	851	21,600	21,700	1,201
			5,200	5,300	242	10,700	10,800	519	16,200	16,300	857	21,700	21,800	1,208
0	20	0	5,300	5,400	246	10,800	10,900	525	16,300	16,400	864	21,800	21,900	1,214
20	40	1	5,400	5,500	251	10,900	11,000	531	16,400	16,500	870	21,900	22,000	1,221
40	100	3	5,500	5,600	255	11,000	11,100	538	16,500	16,600	876	22,000	22,100	1,227
100	200	7	5,600	5,700	260	11,100	11,200	544	16,600	16,700	882	22,100	22,200	1,234
200	300	12	5,700	5,800	265	11,200	11,300	550	16,700	16,800	888	22,200	22,300	1,240
300	400	16	5,800	5,900	269	11,300	11,400	556	16,800	16,900	894	22,300	22,400	1,247
400	500	21	5,900	6,000	274	11,400	11,500	562	16,900	17,000	900	22,400	22,500	1,253
500	600	25	6,000	6,100	278	11,500	11,600	568	17,000	17,100	907	22,500	22,600	1,260
600	700	30	6,100	6,200	283	11,600	11,700	574	17,100	17,200	913	22,600	22,700	1,266
700	800	35	6,200	6,300	288	11,700	11,800	581	17,200	17,300	919	22,700	22,800	1,273
800	900	39	6,300	6,400	292	11,800	11,900	587	17,300	17,400	925	22,800	22,900	1,279
900	1,000	44	6,400	6,500	297	11,900	12,000	593	17,400	17,500	931	22,900	23,000	1,286
1,000	1,100	48	6,500	6,600	301	12,000	12,100	599	17,500	17,600	937	23,000	23,100	1,292
1,100	1,200	53	6,600	6,700	306	12,100	12,200	605	17,600	17,700	943	23,100	23,200	1,299
1,200	1,300	58	6,700	6,800	311	12,200	12,300	611	17,700	17,800	950	23,200	23,300	1,305
1,300	1,400	62	6,800	6,900	315	12,300	12,400	618	17,800	17,900	956	23,300	23,400	1,312
1,400	1,500	67	6,900	7,000	320	12,400	12,500	624	17,900	18,000	962	23,400	23,500	1,318
1,500	1,600	71	7,000	7,100	324	12,500	12,600	630	18,000	18,100	968	23,500	23,600	1,325
1,600	1,700	76	7,100	7,200	329	12,600	12,700	636	18,100	18,200	974	23,600	23,700	1,331
1,700	1,800	81	7,200	7,300	334	12,700	12,800	642	18,200	18,300	980	23,700	23,800	1,338
1,800	1,900	85	7,300	7,400	338	12,800	12,900	648	18,300	18,400	987	23,800	23,900	1,344
1,900	2,000	90	7,400	7,500	343	12,900	13,000	654	18,400	18,500	993	23,900	24,000	1,351
2,000	2,100	94	7,500	7,600	347	13,000	13,100	661	18,500	18,600	1,000	24,000	24,100	1,357
2,100	2,200	99	7,600	7,700	352	13,100	13,200	667	18,600	18,700	1,006	24,100	24,200	1,364
2,200	2,300	104	7,700	7,800	357	13,200	13,300	673	18,700	18,800	1,013	24,200	24,300	1,370
2,300	2,400	108	7,800	7,900	361	13,300	13,400	679	18,800	18,900	1,019	24,300	24,400	1,377
2,400	2,500	113	7,900	8,000	366	13,400	13,500	685	18,900	19,000	1,026	24,400	24,500	1,383
2,500	2,600	117	8,000	8,100	370	13,500	13,600	691	19,000	19,100	1,032	24,500	24,600	1,390
2,600	2,700	122	8,100	8,200	375	13,600	13,700	697	19,100	19,200	1,039	24,600	24,700	1,396
2,700	2,800	127	8,200	8,300	380	13,700	13,800	704	19,200	19,300	1,045	24,700	24,800	1,403
2,800	2,900	131	8,300	8,400	384	13,800	13,900	710	19,300	19,400	1,052	24,800	24,900	1,409
2,900	3,000	136	8,400	8,500	389	13,900	14,000	716	19,400	19,500	1,058	24,900	25,000	1,416
3,000	3,100	140	8,500	8,600	393	14,000	14,100	722	19,500	19,600	1,065	25,000	25,100	1,422
3,100	3,200	145	8,600	8,700	398	14,100	14,200	728	19,600	19,700	1,071	25,100	25,200	1,429
3,200	3,300	150	8,700	8,800	403	14,200	14,300	734	19,700	19,800	1,078	25,200	25,300	1,435
3,300	3,400	154	8,800	8,900	407	14,300	14,400	741	19,800	19,900	1,084	25,300	25,400	1,442
3,400	3,500	159	8,900	9,000	412	14,400	14,500	747	19,900	20,000	1,091	25,400	25,500	1,448
3,500	3,600	163	9,000	9,100	416	14,500	14,600	753	20,000	20,100	1,097	25,500	25,600	1,455
3,600	3,700	168	9,100	9,200	421	14,600	14,700	759	20,100	20,200	1,104	25,600	25,700	1,461
3,700	3,800	173	9,200	9,300	427	14,700	14,800	765	20,200	20,300	1,110	25,700	25,800	1,468
3,800	3,900	177	9,300	9,400	433	14,800	14,900	771	20,300	20,400	1,117	25,800	25,900	1,474
3,900	4,000	182	9,400	9,500	439	14,900	15,000	777	20,400	20,500	1,123	25,900	26,000	1,481

2006 Tax Table for Trusts (continued)

If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is
26,000	26,100	1,487	31,500	31,600	1,845	37,000	37,100	2,202	42,500	42,600	2,560	48,000	48,100	2,917
26,100	26,200	1,494	31,600	31,700	1,851	37,100	37,200	2,209	42,600	42,700	2,566	48,100	48,200	2,924
26,200	26,300	1,500	31,700	31,800	1,858	37,200	37,300	2,215	42,700	42,800	2,573	48,200	48,300	2,930
26,300	26,400	1,507	31,800	31,900	1,864	37,300	37,400	2,222	42,800	42,900	2,579	48,300	48,400	2,937
26,400	26,500	1,513	31,900	32,000	1,871	37,400	37,500	2,228	42,900	43,000	2,586	48,400	48,500	2,943
26,500	26,600	1,520	32,000	32,100	1,877	37,500	37,600	2,235	43,000	43,100	2,592	48,500	48,600	2,950
26,600	26,700	1,526	32,100	32,200	1,884	37,600	37,700	2,241	43,100	43,200	2,599	48,600	48,700	2,956
26,700	26,800	1,533	32,200	32,300	1,890	37,700	37,800	2,248	43,200	43,300	2,605	48,700	48,800	2,963
26,800	26,900	1,539	32,300	32,400	1,897	37,800	37,900	2,254	43,300	43,400	2,612	48,800	48,900	2,969
26,900	27,000	1,546	32,400	32,500	1,903	37,900	38,000	2,261	43,400	43,500	2,618	48,900	49,000	2,976
27,000	27,100	1,552	32,500	32,600	1,910	38,000	38,100	2,267	43,500	43,600	2,625	49,000	49,100	2,982
27,100	27,200	1,559	32,600	32,700	1,916	38,100	38,200	2,274	43,600	43,700	2,631	49,100	49,200	2,989
27,200	27,300	1,565	32,700	32,800	1,923	38,200	38,300	2,280	43,700	43,800	2,638	49,200	49,300	2,995
27,300	27,400	1,572	32,800	32,900	1,929	38,300	38,400	2,287	43,800	43,900	2,644	49,300	49,400	3,002
27,400	27,500	1,578	32,900	33,000	1,936	38,400	38,500	2,293	43,900	44,000	2,651	49,400	49,500	3,008
27,500	27,600	1,585	33,000	33,100	1,942	38,500	38,600	2,300	44,000	44,100	2,657	49,500	49,600	3,015
27,600	27,700	1,591	33,100	33,200	1,949	38,600	38,700	2,306	44,100	44,200	2,664	49,600	49,700	3,021
27,700	27,800	1,598	33,200	33,300	1,955	38,700	38,800	2,313	44,200	44,300	2,670	49,700	49,800	3,028
27,800	27,900	1,604	33,300	33,400	1,962	38,800	38,900	2,319	44,300	44,400	2,677	49,800	49,900	3,034
27,900	28,000	1,611	33,400	33,500	1,968	38,900	39,000	2,326	44,400	44,500	2,683	49,900	50,000	3,041
28,000	28,100	1,617	33,500	33,600	1,975	39,000	39,100	2,332	44,500	44,600	2,690	50,000	50,100	3,047
28,100	28,200	1,624	33,600	33,700	1,981	39,100	39,200	2,339	44,600	44,700	2,696	50,100	50,200	3,054
28,200	28,300	1,630	33,700	33,800	1,988	39,200	39,300	2,345	44,700	44,800	2,703	50,200	50,300	3,060
28,300	28,400	1,637	33,800	33,900	1,994	39,300	39,400	2,352	44,800	44,900	2,709	50,300	50,400	3,067
28,400	28,500	1,643	33,900	34,000	2,001	39,400	39,500	2,358	44,900	45,000	2,716	50,400	50,500	3,073
28,500	28,600	1,650	34,000	34,100	2,007	39,500	39,600	2,365	45,000	45,100	2,722	50,500	50,600	3,080
28,600	28,700	1,656	34,100	34,200	2,014	39,600	39,700	2,371	45,100	45,200	2,729	50,600	50,700	3,086
28,700	28,800	1,663	34,200	34,300	2,020	39,700	39,800	2,378	45,200	45,300	2,735	50,700	50,800	3,093
28,800	28,900	1,669	34,300	34,400	2,027	39,800	39,900	2,384	45,300	45,400	2,742	50,800	50,900	3,099
28,900	29,000	1,676	34,400	34,500	2,033	39,900	40,000	2,391	45,400	45,500	2,748	50,900	51,000	3,106
29,000	29,100	1,682	34,500	34,600	2,040	40,000	40,100	2,397	45,500	45,600	2,755	51,000	51,100	3,112
29,100	29,200	1,689	34,600	34,700	2,046	40,100	40,200	2,404	45,600	45,700	2,761	51,100	51,200	3,119
29,200	29,300	1,695	34,700	34,800	2,053	40,200	40,300	2,410	45,700	45,800	2,768	51,200	51,300	3,125
29,300	29,400	1,702	34,800	34,900	2,059	40,300	40,400	2,417	45,800	45,900	2,774	51,300	51,400	3,132
29,400	29,500	1,708	34,900	35,000	2,066	40,400	40,500	2,423	45,900	46,000	2,781	51,400	51,500	3,138
29,500	29,600	1,715	35,000	35,100	2,072	40,500	40,600	2,430	46,000	46,100	2,787	51,500	51,600	3,145
29,600	29,700	1,721	35,100	35,200	2,079	40,600	40,700	2,436	46,100	46,200	2,794	51,600	51,700	3,151
29,700	29,800	1,728	35,200	35,300	2,085	40,700	40,800	2,443	46,200	46,300	2,800	51,700	51,800	3,158
29,800	29,900	1,734	35,300	35,400	2,092	40,800	40,900	2,449	46,300	46,400	2,807	51,800	51,900	3,164
29,900	30,000	1,741	35,400	35,500	2,098	40,900	41,000	2,456	46,400	46,500	2,813	51,900	52,000	3,171
30,000	30,100	1,747	35,500	35,600	2,105	41,000	41,100	2,462	46,500	46,600	2,820	52,000	52,100	3,177
30,100	30,200	1,754	35,600	35,700	2,111	41,100	41,200	2,469	46,600	46,700	2,826	52,100	52,200	3,184
30,200	30,300	1,760	35,700	35,800	2,118	41,200	41,300	2,475	46,700	46,800	2,833	52,200	52,300	3,190
30,300	30,400	1,767	35,800	35,900	2,124	41,300	41,400	2,482	46,800	46,900	2,839	52,300	52,400	3,197
30,400	30,500	1,773	35,900	36,000	2,131	41,400	41,500	2,488	46,900	47,000	2,846	52,400	52,500	3,203
30,500	30,600	1,780	36,000	36,100	2,137	41,500	41,600	2,495	47,000	47,100	2,852	52,500	52,600	3,210
30,600	30,700	1,786	36,100	36,200	2,144	41,600	41,700	2,501	47,100	47,200	2,859	52,600	52,700	3,216
30,700	30,800	1,793	36,200	36,300	2,150	41,700	41,800	2,508	47,200	47,300	2,865	52,700	52,800	3,223
30,800	30,900	1,799	36,300	36,400	2,157	41,800	41,900	2,514	47,300	47,400	2,872	52,800	52,900	3,229
30,900	31,000	1,806	36,400	36,500	2,163	41,900	42,000	2,521	47,400	47,500	2,878	52,900	53,000	3,236
31,000	31,100	1,812	36,500	36,600	2,170	42,000	42,100	2,527	47,500	47,600	2,885	53,000	53,100	3,242
31,100	31,200	1,819	36,600	36,700	2,176	42,100	42,200	2,534	47,600	47,700	2,891	53,100	53,200	3,249
31,200	31,300	1,825	36,700	36,800	2,183	42,200	42,300	2,540	47,700	47,800	2,898	53,200	53,300	3,255
31,300	31,400	1,832	36,800	36,900	2,189	42,300	42,400	2,547	47,800	47,900	2,904	53,300	53,400	3,262
31,400	31,500	1,838	36,900	37,000	2,196	42,400	42,500	2,553	47,900	48,000	2,911	53,400	53,500	3,268

2006 Tax Table for Trusts (continued)

If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is
53,500	53,600	3,275	59,000	59,100	3,632	64,500	64,600	3,990	70,000	70,100	4,347	75,500	75,600	4,705
53,600	53,700	3,281	59,100	59,200	3,639	64,600	64,700	3,996	70,100	70,200	4,354	75,600	75,700	4,711
53,700	53,800	3,288	59,200	59,300	3,645	64,700	64,800	4,003	70,200	70,300	4,360	75,700	75,800	4,718
53,800	53,900	3,294	59,300	59,400	3,652	64,800	64,900	4,009	70,300	70,400	4,367	75,800	75,900	4,724
53,900	54,000	3,301	59,400	59,500	3,658	64,900	65,000	4,016	70,400	70,500	4,373	75,900	76,000	4,731
54,000	54,100	3,307	59,500	59,600	3,665	65,000	65,100	4,022	70,500	70,600	4,380	76,000	76,100	4,737
54,100	54,200	3,314	59,600	59,700	3,671	65,100	65,200	4,029	70,600	70,700	4,386	76,100	76,200	4,744
54,200	54,300	3,320	59,700	59,800	3,678	65,200	65,300	4,035	70,700	70,800	4,393	76,200	76,300	4,750
54,300	54,400	3,327	59,800	59,900	3,684	65,300	65,400	4,042	70,800	70,900	4,399	76,300	76,400	4,757
54,400	54,500	3,333	59,900	60,000	3,691	65,400	65,500	4,048	70,900	71,000	4,406	76,400	76,500	4,763
54,500	54,600	3,340	60,000	60,100	3,697	65,500	65,600	4,055	71,000	71,100	4,412	76,500	76,600	4,770
54,600	54,700	3,346	60,100	60,200	3,704	65,600	65,700	4,061	71,100	71,200	4,419	76,600	76,700	4,776
54,700	54,800	3,353	60,200	60,300	3,710	65,700	65,800	4,068	71,200	71,300	4,425	76,700	76,800	4,783
54,800	54,900	3,359	60,300	60,400	3,717	65,800	65,900	4,074	71,300	71,400	4,432	76,800	76,900	4,789
54,900	55,000	3,366	60,400	60,500	3,723	65,900	66,000	4,081	71,400	71,500	4,438	76,900	77,000	4,796
55,000	55,100	3,372	60,500	60,600	3,730	66,000	66,100	4,087	71,500	71,600	4,445	77,000	77,100	4,802
55,100	55,200	3,379	60,600	60,700	3,736	66,100	66,200	4,094	71,600	71,700	4,451	77,100	77,200	4,809
55,200	55,300	3,385	60,700	60,800	3,743	66,200	66,300	4,100	71,700	71,800	4,458	77,200	77,300	4,815
55,300	55,400	3,392	60,800	60,900	3,749	66,300	66,400	4,107	71,800	71,900	4,464	77,300	77,400	4,822
55,400	55,500	3,398	60,900	61,000	3,756	66,400	66,500	4,113	71,900	72,000	4,471	77,400	77,500	4,828
55,500	55,600	3,405	61,000	61,100	3,762	66,500	66,600	4,120	72,000	72,100	4,477	77,500	77,600	4,835
55,600	55,700	3,411	61,100	61,200	3,769	66,600	66,700	4,126	72,100	72,200	4,484	77,600	77,700	4,841
55,700	55,800	3,418	61,200	61,300	3,775	66,700	66,800	4,133	72,200	72,300	4,490	77,700	77,800	4,848
55,800	55,900	3,424	61,300	61,400	3,782	66,800	66,900	4,139	72,300	72,400	4,497	77,800	77,900	4,854
55,900	56,000	3,431	61,400	61,500	3,788	66,900	67,000	4,146	72,400	72,500	4,503	77,900	78,000	4,861
56,000	56,100	3,437	61,500	61,600	3,795	67,000	67,100	4,152	72,500	72,600	4,510	78,000	78,100	4,867
56,100	56,200	3,444	61,600	61,700	3,801	67,100	67,200	4,159	72,600	72,700	4,516	78,100	78,200	4,874
56,200	56,300	3,450	61,700	61,800	3,808	67,200	67,300	4,165	72,700	72,800	4,523	78,200	78,300	4,880
56,300	56,400	3,457	61,800	61,900	3,814	67,300	67,400	4,172	72,800	72,900	4,529	78,300	78,400	4,887
56,400	56,500	3,463	61,900	62,000	3,821	67,400	67,500	4,178	72,900	73,000	4,536	78,400	78,500	4,893
56,500	56,600	3,470	62,000	62,100	3,827	67,500	67,600	4,185	73,000	73,100	4,542	78,500	78,600	4,900
56,600	56,700	3,476	62,100	62,200	3,834	67,600	67,700	4,191	73,100	73,200	4,549	78,600	78,700	4,906
56,700	56,800	3,483	62,200	62,300	3,840	67,700	67,800	4,198	73,200	73,300	4,555	78,700	78,800	4,913
56,800	56,900	3,489	62,300	62,400	3,847	67,800	67,900	4,204	73,300	73,400	4,562	78,800	78,900	4,919
56,900	57,000	3,496	62,400	62,500	3,853	67,900	68,000	4,211	73,400	73,500	4,568	78,900	79,000	4,926
57,000	57,100	3,502	62,500	62,600	3,860	68,000	68,100	4,217	73,500	73,600	4,575	79,000	79,100	4,932
57,100	57,200	3,509	62,600	62,700	3,866	68,100	68,200	4,224	73,600	73,700	4,581	79,100	79,200	4,939
57,200	57,300	3,515	62,700	62,800	3,873	68,200	68,300	4,230	73,700	73,800	4,588	79,200	79,300	4,945
57,300	57,400	3,522	62,800	62,900	3,879	68,300	68,400	4,237	73,800	73,900	4,594	79,300	79,400	4,952
57,400	57,500	3,528	62,900	63,000	3,886	68,400	68,500	4,243	73,900	74,000	4,601	79,400	79,500	4,958
57,500	57,600	3,535	63,000	63,100	3,892	68,500	68,600	4,250	74,000	74,100	4,607	79,500	79,600	4,965
57,600	57,700	3,541	63,100	63,200	3,899	68,600	68,700	4,256	74,100	74,200	4,614	79,600	79,700	4,971
57,700	57,800	3,548	63,200	63,300	3,905	68,700	68,800	4,263	74,200	74,300	4,620	79,700	79,800	4,978
57,800	57,900	3,554	63,300	63,400	3,912	68,800	68,900	4,269	74,300	74,400	4,627	79,800	79,900	4,984
57,900	58,000	3,561	63,400	63,500	3,918	68,900	69,000	4,276	74,400	74,500	4,633	79,900	80,000	4,991
58,000	58,100	3,567	63,500	63,600	3,925	69,000	69,100	4,282	74,500	74,600	4,640	80,000	80,100	4,997
58,100	58,200	3,574	63,600	63,700	3,931	69,100	69,200	4,289	74,600	74,700	4,646	80,100	80,200	5,004
58,200	58,300	3,580	63,700	63,800	3,938	69,200	69,300	4,295	74,700	74,800	4,653	80,200	80,300	5,010
58,300	58,400	3,587	63,800	63,900	3,944	69,300	69,400	4,302	74,800	74,900	4,659	80,300	80,400	5,017
58,400	58,500	3,593	63,900	64,000	3,951	69,400	69,500	4,308	74,900	75,000	4,666	80,400	80,500	5,023
58,500	58,600	3,600	64,000	64,100	3,957	69,500	69,600	4,315	75,000	75,100	4,672	80,500	80,600	5,030
58,600	58,700	3,606	64,100	64,200	3,964	69,600	69,700	4,321	75,100	75,200	4,679	80,600	80,700	5,036
58,700	58,800	3,613	64,200	64,300	3,970	69,700	69,800	4,328	75,200	75,300	4,685	80,700	80,800	5,043
58,800	58,900	3,619	64,300	64,400	3,977	69,800	69,900	4,334	75,300	75,400	4,692	80,800	80,900	5,049
58,900	59,000	3,626	64,400	64,500	3,983	69,900	70,000	4,341	75,400	75,500	4,698	80,900	81,000	5,056

2006 Tax Table for Trusts (continued)

If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is
81,000	81,100	5,062	86,500	86,600	5,420	92,000	92,100	5,777	97,500	97,600	6,135
81,100	81,200	5,069	86,600	86,700	5,426	92,100	92,200	5,784	97,600	97,700	6,141
81,200	81,300	5,075	86,700	86,800	5,433	92,200	92,300	5,790	97,700	97,800	6,148
81,300	81,400	5,082	86,800	86,900	5,439	92,300	92,400	5,797	97,800	97,900	6,154
81,400	81,500	5,088	86,900	87,000	5,446	92,400	92,500	5,803	97,900	98,000	6,161
81,500	81,600	5,095	87,000	87,100	5,452	92,500	92,600	5,810	98,000	98,100	6,167
81,600	81,700	5,101	87,100	87,200	5,459	92,600	92,700	5,816	98,100	98,200	6,174
81,700	81,800	5,108	87,200	87,300	5,465	92,700	92,800	5,823	98,200	98,300	6,180
81,800	81,900	5,114	87,300	87,400	5,472	92,800	92,900	5,829	98,300	98,400	6,187
81,900	82,000	5,121	87,400	87,500	5,478	92,900	93,000	5,836	98,400	98,500	6,193
82,000	82,100	5,127	87,500	87,600	5,485	93,000	93,100	5,842	98,500	98,600	6,200
82,100	82,200	5,134	87,600	87,700	5,491	93,100	93,200	5,849	98,600	98,700	6,206
82,200	82,300	5,140	87,700	87,800	5,498	93,200	93,300	5,855	98,700	98,800	6,213
82,300	82,400	5,147	87,800	87,900	5,504	93,300	93,400	5,862	98,800	98,900	6,219
82,400	82,500	5,153	87,900	88,000	5,511	93,400	93,500	5,868	98,900	99,000	6,226
82,500	82,600	5,160	88,000	88,100	5,517	93,500	93,600	5,875	99,000	99,100	6,232
82,600	82,700	5,166	88,100	88,200	5,524	93,600	93,700	5,881	99,100	99,200	6,239
82,700	82,800	5,173	88,200	88,300	5,530	93,700	93,800	5,888	99,200	99,300	6,245
82,800	82,900	5,179	88,300	88,400	5,537	93,800	93,900	5,894	99,300	99,400	6,252
82,900	83,000	5,186	88,400	88,500	5,543	93,900	94,000	5,901	99,400	99,500	6,258
83,000	83,100	5,192	88,500	88,600	5,550	94,000	94,100	5,907	99,500	99,600	6,265
83,100	83,200	5,199	88,600	88,700	5,556	94,100	94,200	5,914	99,600	99,700	6,271
83,200	83,300	5,205	88,700	88,800	5,563	94,200	94,300	5,920	99,700	99,800	6,278
83,300	83,400	5,212	88,800	88,900	5,569	94,300	94,400	5,927	99,800	99,900	6,284
83,400	83,500	5,218	88,900	89,000	5,576	94,400	94,500	5,933	99,900	100,000	6,291
83,500	83,600	5,225	89,000	89,100	5,582	94,500	94,600	5,940	100,000 137,410 6,294 plus 6.50% of the amount over \$100,000 but less than \$137,410		
83,600	83,700	5,231	89,100	89,200	5,589	94,600	94,700	5,946			
83,700	83,800	5,238	89,200	89,300	5,595	94,700	94,800	5,953			
83,800	83,900	5,244	89,300	89,400	5,602	94,800	94,900	5,959			
83,900	84,000	5,251	89,400	89,500	5,608	94,900	95,000	5,966			
84,000	84,100	5,257	89,500	89,600	5,615	95,000	95,100	5,972	\$137,410 or more \$8,726 plus 6.75% of the amount over \$137,410		
84,100	84,200	5,264	89,600	89,700	5,621	95,100	95,200	5,979			
84,200	84,300	5,270	89,700	89,800	5,628	95,200	95,300	5,985			
84,300	84,400	5,277	89,800	89,900	5,634	95,300	95,400	5,992			
84,400	84,500	5,283	89,900	90,000	5,641	95,400	95,500	5,998			
84,500	84,600	5,290	90,000	90,100	5,647	95,500	95,600	6,005			
84,600	84,700	5,296	90,100	90,200	5,654	95,600	95,700	6,011			
84,700	84,800	5,303	90,200	90,300	5,660	95,700	95,800	6,018			
84,800	84,900	5,309	90,300	90,400	5,667	95,800	95,900	6,024			
84,900	85,000	5,316	90,400	90,500	5,673	95,900	96,000	6,031			
85,000	85,100	5,322	90,500	90,600	5,680	96,000	96,100	6,037			
85,100	85,200	5,329	90,600	90,700	5,686	96,100	96,200	6,044			
85,200	85,300	5,335	90,700	90,800	5,693	96,200	96,300	6,050			
85,300	85,400	5,342	90,800	90,900	5,699	96,300	96,400	6,057			
85,400	85,500	5,348	90,900	91,000	5,706	96,400	96,500	6,063			
85,500	85,600	5,355	91,000	91,100	5,712	96,500	96,600	6,070			
85,600	85,700	5,361	91,100	91,200	5,719	96,600	96,700	6,076			
85,700	85,800	5,368	91,200	91,300	5,725	96,700	96,800	6,083			
85,800	85,900	5,374	91,300	91,400	5,732	96,800	96,900	6,089			
85,900	86,000	5,381	91,400	91,500	5,738	96,900	97,000	6,096			
86,000	86,100	5,387	91,500	91,600	5,745	97,000	97,100	6,102			
86,100	86,200	5,394	91,600	91,700	5,751	97,100	97,200	6,109			
86,200	86,300	5,400	91,700	91,800	5,758	97,200	97,300	6,115			
86,300	86,400	5,407	91,800	91,900	5,764	97,300	97,400	6,122			
86,400	86,500	5,413	91,900	92,000	5,771	97,400	97,500	6,128			