

Instructions for Form 4B-1

Interstate air carriers, motor carriers, railroads, sleeping car companies, pipeline companies, financial institutions, brokers-dealers, investment advisers, investment companies, underwriters, and telecommunications companies must complete the appropriate part of Form 4B-1.

Part III – Apportionment Percentage for Interstate Air Carriers

The apportionment percentage is the average of the following three ratios:

1. Aircraft arrivals and departures within Wisconsin scheduled by the carrier to total aircraft arrivals and departures scheduled.
2. Revenue tons handled by the carrier at airports within Wisconsin to total revenue tons handled.
3. Originating revenue within Wisconsin to total originating revenue.

See section Tax 2.46, Wisconsin Administrative Code.

Part IV – Apportionment Percentage for Interstate Motor Carriers

The apportionment percentage is the average of the following two ratios:

1. Gross receipts from carriage of persons or property first acquired for carriage in Wisconsin to total gross receipts from carriage of persons or property everywhere.
2. Ton miles of carriage in Wisconsin to ton miles of carriage everywhere.

If the above information isn't available, the Department may authorize or direct the substitution of a similar factor (for example, gross tonnage instead of gross receipts or revenue miles instead of ton miles).

See section Tax 2.47, Wisconsin Administrative Code.

Part V – Apportionment Percentage for Interstate Railroads and Sleeping Car Companies

The apportionment percentage is the average of the following two ratios:

1. Gross receipts from carriage of property or persons, or both, first acquired for carriage in Wisconsin to total gross receipts from carriage of property or persons, or both, everywhere.
2. Revenue ton miles of carriage in Wisconsin to revenue ton miles of carriage everywhere.

See section Tax 2.475, Wisconsin Administrative Code.

Part VI – Apportionment Percentage for Interstate Pipeline Companies

The apportionment percentage is the average of the following three ratios:

1. Net cost (for Wisconsin tax purposes) of tangible property owned and used in Wisconsin to produce apportionable income to total net cost of such property everywhere.
2. Total compensation paid to employees located in Wisconsin to total compensation paid to employees everywhere.
3. Traffic units (for example, barrel miles, cubic foot miles, or other appropriate measure of product movement) in Wisconsin to total company traffic units.

See section Tax 2.48, Wisconsin Administrative Code.

Part VII – Apportionment Percentage for Interstate Financial Institutions

The apportionment percentage is the weighted average of the following two ratios:

1. Receipts in Wisconsin to total receipts. Interest, dividends, gross receipts or net gains from sales of securities held for investment purposes, and other income from investment assets may not be included in the receipts factor. This ratio represents 60% of the apportionment percentage.
2. Total compensation paid to employees located in Wisconsin to total compensation paid to employees everywhere. Compensation paid includes deductible management or service fees paid to a related corporation for the performance of personal services. This ratio represents 40% of the apportionment percentage.

See section Tax 2.49, Wisconsin Administration Code.

Part VIII – Apportionment Percentage for Interstate Brokers-Dealers, Investment Advisers, Investment Companies, and Underwriters

The apportionment percentage is the weighted average of the following three ratios:

1. Receipts in Wisconsin to total receipts. Interest, dividends, gross receipts or net gains from sales of securities held for investment purposes, and other income from investment assets held by the taxpayer in the taxpayer's investment account may not be included in the receipts factor. This ratio represents 60% of the apportionment percentage.
2. Total compensation paid to employees located in Wisconsin to total compensation paid to employees everywhere. Compensation paid includes deductible management or service fees paid to a related corporation for the performance of personal services. This ratio represents 20% of the apportionment percentage.
3. The average value of the real and tangible personal property owned or rented and used by the taxpayer in Wisconsin in the production of apportionable income to the average value of all of the real and tangible personal property located everywhere and used in the production of apportionable income. This ratio represents 20% of the apportionment percentage.

See section Tax 2.495, Wisconsin Administrative Code.

Part IX – Apportionment Percentage for Interstate Telecommunications Companies

The apportionment percentage is the average of the three ratios provided for corporations in general, as explained in the Form 4B instructions. However, receipts from sales, other than sales of tangible personal property, are in Wisconsin if the income producing activity is performed in Wisconsin. If the income producing activity is performed both in and outside Wisconsin, the sales shall be divided between those states having jurisdiction to tax the business in proportion to the direct costs of performance incurred in each state in rendering this service. Services performed in states which do not have jurisdiction to tax the business shall be deemed to have been performed in the state to which compensation is allocated.

See section Tax 2.502, Wisconsin Administrative Code.