

**Electronic Medical Records  
Credit**

**2012**

Wisconsin Department  
of Revenue

Enclose with Form 1, 1NPR, 2, 3, 4, 4T, 5, or 5S

Name	Identifying Number
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<b>1</b> Fill in the amount of electronic medical records credit allocated to you by the Wisconsin Department of Revenue . . . . .	<b>1</b>	.00
<b>2</b> Electronic medical records credit passed through from other entities		
<b>2a</b> Entity Name _____		
FEIN _____	<b>2a</b> Amount	.00
<b>2b</b> Entity Name _____		
FEIN _____	<b>2b</b> Amount	.00
<b>2c</b> Entity Name _____		
FEIN _____	<b>2c</b> Amount	.00
<b>2d</b> Entity Name _____		
FEIN _____	<b>2d</b> Amount	.00
<b>2e</b> Total pass through credits from additional schedule . <b>2e</b>		.00
<b>2f</b> Total credits (add lines 2a through 2e) . . . . .	<b>2f</b>	.00
<b>3</b> Add the amounts on lines 1 and 2f. This is your 2012 electronic medical records credit (see instructions) . . . . .	<b>3</b>	.00
<b>3a</b> Fiduciaries – Fill in the amount of credit allocated to beneficiaries . . . . .	<b>3a</b>	.00
<b>3b</b> Fiduciaries – Subtract line 3a from line 3 . . . . .	<b>3b</b>	.00



## Instructions for 2012 Schedule EM

### GENERAL INSTRUCTIONS

#### Purpose of Schedule EM

Use Schedule EM to claim the electronic medical records credit. The credit is available for taxable years beginning after December 31, 2011, to taxpayers who are certified by the Wisconsin Department of Revenue (DOR).

#### Who is Eligible to Claim the Credit

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, tax-option (S) corporation, insurance company, or tax-exempt organization that is certified by the DOR may be eligible for the credit.

The credit is based on the amount paid by the claimant in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form. The claimant must qualify as a health care provider as defined in sec. 146.81(1)(a) to (p), Wis. Stats. Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credit; instead the credit flows through to the partners, members, or shareholders based on their ownership interests.

Estates and trusts share the credit with their beneficiaries in proportion to the income allocable to each.

No credit is allowed unless the claimant satisfies the following requirements:

- The claimant is certified by the DOR.
- The claimant received from the DOR a notice of eligibility to receive tax benefits that reports the amount of tax benefit for which the claimant is eligible.

#### Credit is Income

The credit that you compute on Schedule EM is income and must be reported on your Wisconsin franchise or income tax return in the year computed.

#### Carryforward of Unused Credits

The electronic medical records credit is nonrefundable. Any unused credit may be carried forward for 15 years.

If there is a reorganization of a corporation claiming the electronic medical records credit, the limitations provided by Internal Revenue Code section 383 may apply to the carryover of any unused credit.

### SPECIFIC INSTRUCTIONS

**Line 1** Enter the amount of tax benefits reported on the notice of eligibility received from the DOR.

**Line 2** Enter the amount of electronic medical records credit passed through from tax-option (S) corporations, partnerships, LLCs treated as partnerships, estates, or trusts. The pass-through credit is shown on Schedule 5K-1 for shareholders of tax-option (S) corporations, Schedule 3K-1 for partners and LLC members, and Schedule 2K-1 for beneficiaries of estates or trusts.

Provide the following information about the pass through entity: the name of the entity, the federal employer identification number, and amount of credit passed through from the other entities. If additional lines are required, attach a schedule.

**Line 3** Enter the amount of credit from line 3 on line 19 of Schedule CR. See the following exceptions:

- If the claimant is a combined group member, enter the amount of credit on Form 4M instead of Schedule CR.
- Tax-option (S) corporations, partnerships, and LLCs treated as partnerships should prorate the amount of credit on line 3 among the shareholders, partners, or members based on their ownership interest. Show the credit for each shareholder on Schedule 5K-1 and for each partner or member on Schedule 3K-1.
- Fiduciaries – Complete lines 3a and 3b.

**Line 3a** Fiduciaries – Prorate the credit from line 3 between the entity and its beneficiaries in proportion to the income allocable to each. Show the beneficiaries' portion of the credit on line 3a. Show the credit for each beneficiary on Schedule 2K-1.

**Line 3b** Subtract line 3a from line 3. This is the estate's or trust's portion of the credit. Fill in here and on line 19 of Schedule CR.

#### Required Attachment to Return

File your completed Schedule EM with your Wisconsin franchise or income tax return. Shareholders of tax-option (S) corporations, partners of partnerships, members of LLCs treated as partnerships, and beneficiaries of estates or trusts must file a copy of Schedule 5K-1, 3K-1, or 2K-1, as appropriate, with Schedule EM.

#### Additional Information

For more information, you may contact any Department of Revenue office or:

- Call (608) 266-2772
- E-mail your question to: [corp@revenue.wi.gov](mailto:corp@revenue.wi.gov).