

## **IMPORTANT NOTICE FOR PERSONS CLAIMING THE MANUFACTURING AND AGRICULTURE CREDIT**

Recently enacted legislation (2013 Act 145) changed the order of computation for the manufacturing and agriculture credit. The credit can now be claimed after the alternative minimum tax (AMT) rather than before the AMT. This is a benefit to taxpayers as it will eliminate the possibility that the credit will result in the taxpayer owing AMT and, if the taxpayer otherwise owes AMT, will allow the credit to offset AMT.

Please follow these instructions for claiming the manufacturing and agriculture credits on the [2013 Schedule CR](#):

- Leave lines 6a and 6b blank in Section A
- Use lines 16a and 16b in Section B that are titled "Reserved"
  - Line 16a is for claiming the manufacturing credit
  - Line 16b is for claiming the agriculture credit

**Note:** Even though corporations are not subject to AMT, corporations should also claim the manufacturing and agriculture credit on lines 16a and 16b of Schedule CR.

Persons who have already filed their 2013 individual income tax returns, and have a lower tax liability as a result of this change, may file amended returns to claim a refund of the tax paid. For more information about filing amended returns, see the [Common Questions](#) on the department's website.

# Instructions for 2013 Schedule CR

Further information on these credits can be found on the schedule referred to on Schedule CR. For example, information on the film production services credit will be found on Schedule FP.

**IMPORTANT** The various schedules also indicate what items must be enclosed with the tax return. Be sure to enclose:

- Schedule CR,
- the appropriate listed schedule, and
- any additional required information. For example, programs administered by the Wisconsin Economic Development Corporation (WEDC) require certification by that corporation before claiming credits. Such certification must be enclosed.

## Part I – Credits for Individuals, Fiduciaries, and Corporations

### A. Nonrefundable Credits (claimed before alternative minimum tax)

**Line 4** *Individuals* – Enter the health insurance risk-sharing plan assessments credit from Schedule 2K-1, 3K-1, or 5K-1. *Fiduciaries* – Prorate the health insurance risk-sharing plan assessments credit from Schedule 2K-1, 3K-1, or 5K-1 between the estate or trust itself and its beneficiaries in proportion to the income allocable to each. Show only the estate's or trust's portion of the credit on line 4. Show the beneficiaries portion of the credit on the line labeled "Beneficiaries portion." Show the credit for each beneficiary on Schedule 2K-1.

**Line 15** Add the amounts on lines 1 through 14. Enter the total on line 15. *Individuals* – Enter the amount from line 15 on line 25 of Form 1 or line 51 of Form 1NPR. *Estates and trusts* – Enter the amount from line 15 on line 8 of Form 2 or line 20 of Form 4T. **Enclose Schedule CR and the appropriate schedule for each credit you are claiming with your Form 1, 1NPR, 2, or 4T.** *Corporations* – Enter the amount from line 15 on line 40 of Schedule CR.

### B. Nonrefundable Credits

**Line 28** Add the amounts on lines 16 through 27 and enter the total on line 28. *Individuals* – Enter the amount from line 28 on line 31 of Form 1 or line 57 of Form 1NPR. *Estates and trusts* – Enter the amount from line 28 on line 13 of Form 2 or line 20 of Form 4T. (**Note** For trusts filing Form 4T that have credit amounts on both lines 15 and 28 of Schedule CR, add the amounts on lines 15 and 28 and fill in the total on line 20 of Form 4T.) **Enclose Schedule CR and the appropriate schedule for each credit you are claiming with your Form 1, 1NPR, or 2.** *Corporations* – Enter the amount from line 28 on line 41 of Schedule CR.

### C. Refundable Credits

**Line 39** Add the amounts on lines 29 through 38 and enter the total on line 39. *Individuals* – Enter the amount from line 39 on line 48 of Form 1 or line 73 of Form 1NPR. *Estates and trusts* – Enter the amount from line 39 on line 21 of Form 2 or line 31 of Form 4T. **Enclose Schedule CR and the appropriate schedule for each credit you are claiming with your Form 1, 1NPR, or 2.** *Corporations* – Enter the amount from line 39 on line 47 of Schedule CR.

## Part II – Credits for Corporations Only

### A. Nonrefundable Credits

**Line 44** Enter the available community development finance credit. 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 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 46** Add lines 40 through 45. This is the total available nonrefundable credits. Enter the total on line 46 and on line 22 of Form 4, line 11 of Form 4T, or line 9 of Form 5. **Enclose Schedule CR and the appropriate schedule for each credit you are claiming.**

### B. Refundable Credits

**Line 49** Add lines 47, 48a, and 48b. This is the total available refundable credits. Enter the total on line 49 and on line 31 of Form 4, line 31 of Form 4T, or line 18 of Form 5. **Enclose Schedule CR and the appropriate schedule for each credit you are claiming.**

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## Individuals, Fiduciaries, and Corporations

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For purposes of determining the carryover (if any) of each nonrefundable credit, the credit must be applied against gross tax in the order indicated below.

### Individuals and Fiduciaries

Credits are to be applied in the order shown on lines 1-14 and 16-27 of Schedule CR.

### Corporations

Credits are to be applied in the following order:

1. Manufacturer's sales tax credit carryforward
2. Manufacturing investment credit
3. Dairy and livestock farm investment credit
4. Community rehabilitation program credit
5. Research expense credits
6. Postsecondary education credit
7. Water consumption credit
8. Biodiesel fuel production credit
9. Research facilities credit
10. Super research and development credit
11. Health insurance risk-sharing plan assessments credit
12. Manufacturing and agriculture credit
13. Veteran employment credit carryforward
14. Ethanol and biodiesel fuel pump credit
15. Community development finance credit
16. Development opportunity zone or agricultural or airport development zone capital investment credit
17. Development zones credit
18. Economic development tax credit
19. Technology zone credit
20. Early stage seed investment credit
21. Supplement to federal historic rehabilitation tax credit
22. Electronic medical records credit
23. Film production investment credit carryforward
24. Film production services credit carryforward
25. Internet equipment credit carryforward