

# Instructions for 2015 Form 6CS: Sharing of Research Credits for Combined Group Members

## Purpose of Form 6CS

Form 6CS is for combined groups in which one or more corporations in the group are sharing research credits with the rest of the group, as permitted by sec. 71.255(6)(c), Wis. Stats.

The purpose of Form 6CS is to compute and report the amount of each combined group member's available research credit that it is sharing. Complete only one Form 6CS for the entire combined group.

## Research Credits Eligible for Sharing

"Research credits" that may be eligible for sharing include:

- Research expense credits computed on Schedule R, including unused carryforwards.
- Research facilities credit carryforwards.

In general, a corporation may only share its research credits with the combined group if it was a member of that same combined group in the year the credit originated. However, if the credit originated before January 1, 2009, the corporation may share the credit if it would have been in that same combined group had Wisconsin law required combined reporting in the year the credit originated.

**Note: The super research and development credit may not be shared among combined group members.**

**NOTE:** A combined group member's research credit carryforwards may be shared with the rest of the group even if they originated before January 1, 2009, as long as they otherwise qualify as sharable credits.

In general, a corporation is considered to be in the same combined group as in the year the credit originated if it is in same common unitary business with its affiliates as in the year the credit originated. The mere addition of new members or departure of members does not create a different combined group.

For special rules that apply in cases of subgroups and a corporation's options regarding its sharable research credits, see s. Tax 2.61(10), Wisconsin Administrative Code. In general, the rules that apply to sharable research credits are similar to the rules that apply to

sharable net business loss carryforwards, except net business loss carryforwards cannot be sharable if they were incurred in taxable years beginning before January 1, 2009.

## Line-by-Line Instructions

Enter the information for each member in a separate column. If there are more than three members, use additional Forms 6CS. For example, if there are seven members that have shareable research credits, enter members one through three on Form 6CS (do not complete the combined total column yet). Next, enter members four through six on an additional Form 6CS (do not complete the combined total column yet). Finally, complete a new Form 6CS for the seventh and final member. Complete the combined total column on the last Form 6CS for all group members.

These instructions are presented in the order the lines appear on Form 6CS:

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■ **Line 1** – Enter the amount of sharable research credits each corporation will be sharing with the rest of the group. The amount you enter cannot exceed the corporation's total sharable research credits as of the beginning of the taxable year, net of any amount already used by the member against its own gross tax on Form 6, Part V, line 3.

If the corporation has both sharable and non-sharable research credits and used a portion of those credits against its own gross tax, the research credits are considered used on a pro rata basis from both their sharable and non-sharable amounts.

**NOTE:** A corporation that has sharable research credits is not required to share them. If there are corporations in the group that have sharable research credits but will not be sharing them, do not include those corporations on this form.

**CAUTION:** If the member with the sharable research credit already used part of that credit against its own tax liability on Form 6, Part V, line 3, you must reduce the amount you enter on line 1 of Form 6CS by the amount already used.

If a corporation is sharing its research credits, it may choose to share only a portion of the sharable amount. On line 1, enter only the amount that the corporation will be sharing.

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■ **Line 2a. Share of Combined Unitary Income** – For each member you listed enter the sum of the amounts on Form 6, Part III, line 2 and line 3 for each member.

■ **Line 2b. Tax Attributable to Combined Unitary Income** – Multiply the amount on line 2a by 7.9% and enter the result on line 2b. This is the maximum amount of the member’s tax liability that may be offset by shared research credits.

■ **Line 2c. Gross Tax** – Enter the gross tax from Form 6, Part III, line 9.

■ **Line 2d. Member’s Own Credits Used** – Enter the total credits the member used against its own tax liability. This is the amount from the member’s column on Form 6, Part V, line 3.

■ **Line 2e. Gross Tax Minus Member’s Own Credits Used** – Subtract line 2d from line 2c. The difference represents the member’s remaining tax liability.

■ **Line 3. Percentage of Aggregate Sharable Amount** –

If the amount from the combined total column on line 1 is greater than the amount from the combined total column on line 2f, divide the combined total amount on line 2f by the combined total amount on line 1. Enter the result in each column. If the combined total amount on line 2f is greater than the combined total amount on line 1, enter “100.0000%” in each column. This is the percentage of available research credits that may be applied to the combined return as shared credits.

■ **Line 4. Credits Shared with Other Group Members** – Multiply line 1 by line 3. Enter the result here and on Form 6, Part V, line 4

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## Additional Information and Assistance

### Web Resources

The Department of Revenue’s web page, available at [revenue.wi.gov](http://revenue.wi.gov), has a number of resources to provide additional information and assistance, including:

- Related [forms](#) and their instructions
- [Common questions](#)
- [Publications](#) on specific tax topics
- The [Wisconsin Tax Bulletin](#)
- A home page specifically for [combined reporting topics](#)
- Links to the [Wisconsin Statutes and Administrative Code](#)

For questions that do not relate to combined reporting, the web page also has a library of frequently asked questions on general business tax topics, available at: [revenue.wi.gov/faqs/index.html](http://revenue.wi.gov/faqs/index.html)

**Contact Information.** If you cannot find the answer to your question in the resources available on the Department of Revenue’s web page, contact the Department using any of the following methods:

- E-mail your question to [DORFranchise@revenue.wi.gov](mailto:DORFranchise@revenue.wi.gov)
- Call (608) 266-2772  
(Telephone help is also available using TTY equipment. Call the Wisconsin Telecommunications Relay System at 711 or, if no answer, (800) 947-3529. These numbers are to be used only when calling with TTY equipment.)
- Send a fax to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 3-107, PO Box 8906, Madison, WI 53708-8906