

## TT-117: Tobacco and Vapor Products Distributor Bad Debt Deduction for Uncollectible Wisconsin Tobacco and Vapor Products Taxes

(Attach this schedule to Form TT-100)

Read instructions before completing.

Legal Name	Tax Account Number	Month/Year (MM YYYY)
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Tax Type	Tax Rates
Tobacco Products	71% of manufacturer's established list price to distributors
Moist Snuff	100% of manufacturer's established list price to distributors
Cigars	Lesser of 71% of manufacturer's established list price to distributors or \$0.50 per cigar
Vapor Products	Effective 10/1/2019, \$0.05 per milliliter on the volume of liquid or other substance as listed by the manufacturer

Line No.	Column A		Column B		Column C Type of Customer	Column D Date Wrote Off as Uncollectible	Column E Tobacco Products Manufacturing Price List	Column F Tax Rate	Column G Uncollectible Tobacco Products Tax	Column H Uncollectible Vapor Products Tax	
	Date	Number	Name and Address	FEIN/SSN							
1					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
2					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
3					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
4					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
5					<input type="checkbox"/> Wholesaler <input checked="" type="checkbox"/> Retailer						
6					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
7					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
8					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
9					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
10					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
11					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
12					<input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer						
13	<b>Total</b> – Add lines 1-12. Enter the sum total of both column G and column H on Form TT-100, line 22 . . . . .										

# TT-117 Instructions: Tobacco and Vapor Products Distributor Bad Debt Deduction For Uncollectible Wisconsin Tobacco Products Taxes

## General Information

This schedule applies to tobacco and vapor products (excluding cigarettes) sold for resale. **Exception:** Promotional/free tobacco or vapor products on which tax was reimbursed by the manufacturer.

Tobacco and vapor products tax must be uncollectible before claiming a deduction, provided such amount is deductible under section 166 of the Internal Revenue Code for federal income tax purposes.

## What Is Bad Debt

**To be eligible for a bad debt deduction, a debt must meet the definition of “bad debt” provided for in sec.139.801(1), Wis. Stats.** Bad debt means the excise taxes attributable to any portion of a debt that is related to a sale of tobacco products on which the distributor paid the tax under sec.139.76, Wis. Stats., that is not otherwise deductible or excludable and that has become worthless or uncollectible. Bad debt does not include financing charges, interest on the wholesale price of tobacco products, uncollectible amounts on property that remains in the distributor’s possession until the full purchase price is paid, any collection expenses, debts sold or assigned to third parties for collection, and repossessed property.

## Due Date

The deduction must be claimed on the return filed for the month in which the bad debt was written off as uncollectible and deductible as a bad debt for federal income tax purposes.

## Filing Method

This schedule must be filed electronically through MyTaxAccount (MTA) or by a department approved XML schema.

## Recovery of Uncollectible Tobacco and Vapor Products Taxes from Customers

Uncollectible tobacco and vapor products taxes deducted on a prior month’s return, which are subsequently recovered from customers, must be paid to the Department on the return filed for the month in which the payment was received. Repayment includes, but is not limited to, cash, credit card or cash register receipts, assigned stocks, tangible property or real estate, or beneficiary payment, etc. Enter the total repayment attributable to the tobacco and vapor products taxes on TT-100, line 17. Attach a copy of Form TT-117 previously filed noting the appropriate entry(ies) where you previously claimed the deduction(s) for each payment received.

## Required Attachments

**A person claiming a bad debt deduction on this schedule must provide the required information and attach the following:**

1. A copy of the original invoice for the sale of tobacco or vapor products that represents bad debt for each of the bad debts claimed.
2. Evidence that the tobacco or vapor products were delivered to the purchaser (e.g., a bill of lading signed by the purchaser).

3. Evidence that the purchaser of the tobacco or vapor products did not pay the distributor and that the distributor used reasonable collection practices to collect the debt. Proof of reasonable collection practices includes copies of delinquency letters, legal action, invoices showing a past due amount, and/or copies of U.S. Certified Mail cards showing the person signed for the letter/invoices and/or refused to accept the letter/invoice. Note: The delivery of tobacco or vapor products on credit to a purchaser who is delinquent on a previous delivery of tobacco vapor products may result in the department requiring additional evidence that the permittee used reasonable collection practices to collect the debt.
4. An explanation of why the debt was uncollectible. For example, the borrower had declared bankruptcy or legal action to collect would probably not result in payment of any part of the debt.

Failure to provide this information and documentation will result in this deduction being disallowed.

## Record Keeping

You must keep a complete copy of your return, including this schedule, and all records used in preparing the return for a minimum of five years. Records must be kept at the permit location and in a place and manner easily accessible for review by department representatives.

## Assistance

You can access the department’s website 24 hours a day, 7 days a week, at [revenue.wi.gov](http://revenue.wi.gov). From this website, you can:

- Access MyTaxAccount (MTA)
- Download instructions and publications
- View answers to commonly asked questions
- Email us for assistance

### Mailing Address

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WI Dept of Revenue  
PO Box 8900  
Madison WI 53708-8900

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### Physical Address

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