

Wisconsin Exempt Organization Business Taxes Form 4T Instructions

New . . .

You must disclose reportable transactions

If you were required to file federal Form 8886, *Reportable Transaction Disclosure Statement*, with the Internal Revenue Service, you must file a copy of Form 8886 with the Department of Revenue. Similar requirements apply to material advisors who are required to disclose a reportable transaction under Section 6111 of the Internal Revenue Code, if that reportable transaction affects the taxpayer's Wisconsin income or franchise tax liability. See page 3 for details. **Significant penalties may apply for failure to disclose reportable transactions to the Department of Revenue.**

Tax Avoidance Transactions Voluntary Compliance Program

The Department will administer a Tax Avoidance Transactions Voluntary Compliance Program from January 1, 2008 through May 31, 2008. During this period, the Department will waive penalties on previously unpaid taxes attributable to tax avoidance transactions, including listed transactions that were required to be reported on federal Form 8886. See page 5 for details.

Allocation of income from lottery prizes

All income realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin is allocated to Wisconsin. A multistate corporation includes this income on Form 4B, Part I, line 4. See page 13.

Indicate type of organization

Make sure you indicate the type of your organization by checking the appropriate box under item G on page 1 of Form 4T. Failure to do so may result in the incorrect processing of your return.

For More Information . . .

Visit the Department of Revenue's Internet web site at www.revenue.wi.gov

At this site you may download tax forms and instructions, Department of Revenue publications, and the *Wisconsin Tax Bulletin*, which is a quarterly newsletter that provides information about new Wisconsin tax laws, administrative rules, court decisions, tax releases, and private letter rulings. The site also provides links to Wisconsin laws and tax rules.

Don't Forget . . .

- Fill in your federal employer ID number
- Fill out the form completely
- Attach a copy of your federal return and any other required forms, schedules, or statements
- Attach a copy of any extension
- Sign the return

General Instructions

Purpose of Form 4T

Tax-exempt organizations and certain individual retirement arrangements (IRAs) or Medical Savings Accounts (MSAs) use Form 4T to report their unrelated business taxable income and credits and to compute their franchise or income tax and recycling surcharge liability.

Who Must File

- Organizations exempt from Wisconsin income taxation under sec. 71.26(1)(a) or 71.45(1), Wis. Stats., that have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and do business in Wisconsin.
- Organizations exempt from Wisconsin income taxation under sec. 71.26(1)(a) or 71.45(1), Wis. Stats., that are the sole owner of a limited liability company (LLC) which is disregarded as a separate entity, have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and do business in Wisconsin.
- Trusts exempt from federal income tax under Internal Revenue Code (IRC) section 501(a) that have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and have income from Wisconsin sources, such as business transacted or property located in Wisconsin.
- IRAs and MSAs described in IRC sections 408(a) and 220(d) that have at least \$1,000 of gross income from an unrelated trade or business for federal income tax purposes, must file federal Form 990-T, and have income from Wisconsin sources, such as business transacted or property located in Wisconsin.
- Exempt organizations engaged in buying or selling lottery prizes if the winning tickets were originally bought in Wisconsin.

“Gross income” of a manufacturing, merchandising, or mining business is the total receipts or sales, less the cost of goods sold, plus the gross income from other sources that is includable in unrelated business taxable income.

Who Is Not Required to File

- Exempt organizations that aren't subject to tax on unrelated business taxable income under IRC section 511 and aren't required to file federal Form 990-T, except those with income realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin.
- Employee benefit plans established by an employer engaged in or affecting interstate commerce or by an employee organization that represents employees engaged in or affecting interstate commerce. This exception doesn't apply to government plans, church plans not electing under the vesting, etc., provisions, worker's compensation plans, non-U.S. plans primarily for nonresident aliens, and “excess benefit plans.”
- The State of Wisconsin, including the University of Wisconsin System, or any county, village, school district, or other political unit of the State of Wisconsin.
- Credit unions.

Recycling Surcharge

The recycling surcharge applies to corporations and trusts having gross receipts from all unrelated trade or business activities of \$4 million or more during the taxable year. Corporations and trusts that must file Wisconsin franchise or income tax returns must pay the recycling surcharge, with certain exceptions. The surcharge doesn't apply to:

- Exempt corporations and trusts that have less than \$4 million of gross receipts from all unrelated trade or business activities for federal income tax purposes.

“Gross receipts from all unrelated trade or business activities” includes gross receipts, gross sales, the gross sales price from the disposition of capital assets and business assets, gross rents, gross income from unrelated debt-financed property, gross interest, annuities, royalties, and rents from controlled organizations, gross investment income, gross exploited exempt activity income, gross advertising income, gross receipts passed through from other entities, and all other receipts that are included in unrelated business taxable income for Wisconsin income tax purposes.
- Trusts and IRAs whose entire unrelated business taxable income was passed through from partnerships, provided the partnerships paid any recycling surcharge due on the income.

For more information, refer to Publication 400, *Wisconsin's Recycling Surcharge*.

How to Obtain Forms

If you need forms or publications, you may:

- Download them from the Department's Internet web site at www.revenue.wi.gov
- Request them online at www.revenue.wi.gov
- Call (608) 266-1961
- Write to the Forms Request Office, Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949
- Call or visit any Department of Revenue office

How to Obtain Assistance

If you need help in preparing an exempt organization franchise or income tax return, you may:

- E-mail your question to corp@revenue.wi.gov
- Send a FAX to (608) 267-0834
- Call (608) 266-2772 [TTY (608) 267-1049]
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906
- Call or visit any Department of Revenue office

Period Covered by Return

The return must cover the same period as the exempt organization's federal business income tax return, Form 990-T. A 2007 Wisconsin return must be filed by an exempt organization for calendar year 2007 or a fiscal year that begins in 2007. A fiscal year may end only on the last day of a month. The period covered by the return can't exceed 12 months.

However, exempt organizations reporting on a 52-53 week period for federal tax purposes must file on the same reporting period for Wisconsin. A 52-53 week taxable year is deemed to begin on the first day of the calendar month beginning nearest the first day of the 52-53 week taxable year. The taxable year is deemed to end on the last day of the calendar month closest to the last day of the 52-53 week taxable year for purposes of due dates, extensions, and assessments of interest and penalties.

Change in Accounting Period

Any change in accounting period made for federal purposes must also be made for Wisconsin purposes. Attach to the Wisconsin return, for the first taxable year for which the change applies, a copy of the Internal Revenue Service's notice of approval of accounting period change if the IRS's approval is required or an explanation of the change if the IRS's approval isn't required.

Accounting Methods

In computing unrelated business taxable income, the method of accounting must be the same method used in computing federal unrelated business taxable income. However, if the method used for federal purposes isn't authorized under the Internal Revenue Code in effect for Wisconsin, use a method authorized under the Internal Revenue Code in effect for Wisconsin.

Change in Accounting Method

A change in accounting method made for federal purposes must also be made for Wisconsin purposes, unless the change isn't authorized under the Internal Revenue Code in effect for Wisconsin. Adjustments required federally as a result of a change made while an exempt corporation is subject to Wisconsin taxation must also be made for Wisconsin purposes, except in the last year that an exempt corporation is subject to taxation by Wisconsin it must take into account all remaining adjustments required.

Attach to the Wisconsin return, for the first taxable year for which the change applies, either a copy of the application for change in accounting method filed with the Internal Revenue Service and a copy of the IRS's consent if the IRS's approval is required or an explanation of the change if the IRS's approval isn't required.

Elections

As explained above, an exempt corporation can't make different elections for federal and Wisconsin purposes with respect to accounting periods and accounting methods, unless the federal method isn't permitted under the Internal Revenue Code in effect for Wisconsin. In situations where an exempt organization has an option under the Internal Revenue Code and the IRS doesn't consider that option to be a method of accounting, a different election may be made for Wisconsin than that made for federal purposes. If federal law specifies the manner or time period in which an election must be made, those requirements also apply for Wisconsin purposes.

If different elections are made, adjustments are required on the Wisconsin return to account for any differences. Exempt organizations taxable as trusts enter such adjustments on Schedule T1 or Schedule T2. Exempt organizations taxable as corporations should account for such differences on Form 4T, line 1.

When to File

Generally, an exempt organization must file Form 4T by the 15th day of the 5th month following the close of its taxable year. However, an em-

ployees' trust defined in IRC section 401(a), an IRA, and an MSA must file Form 4T by the 15th day of the 4th month following the close of the taxable year. If a return is filed late, without an extension, the exempt organization may be subject to penalties and interest.

Extension of Time to File

If you are requesting an extension of time to file your federal income tax return, the following treatment applies:

- For exempt organizations taxable as corporations, any extension allowed by the Internal Revenue Service for filing the federal return automatically extends the Wisconsin due date to 30 days after the federal extended due date. *You don't need to submit either a copy of the federal extension or an application for a Wisconsin extension to the Department by the original due date of your return.* However, you must attach a copy of the federal extension to the Wisconsin return that you file.
- For exempt organizations taxable as trusts, any extension allowed by the Internal Revenue Service for filing the federal return automatically extends the Wisconsin due date to the federal due date. You must attach a copy of the federal extension to the Wisconsin return that you file.

Where to File

Mail Form 4T to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908. **Do not fasten, staple or bind the pages of your return. Use paper clips instead. If you are submitting multiple returns, separate them with colored separator sheets.**

Special Instructions for Corporations Required to Disclose a "Reportable Transaction"

If a corporation was required to file federal Form 8886, *Reportable Transaction Disclosure Statement*, with the Internal Revenue Service (IRS) and that form was required to be filed with the IRS after October 27, 2007, you must file a copy of Form 8886 with the Department of Revenue within 60 days of the date you are required to file it for federal income tax purposes.

If the corporation was required to file federal Form 8886 after October 27, 2007, for a transaction that affects a taxable year beginning in 2007, send a paper copy of Form 8886, separate from your Form 4T, to the following address: Wisconsin Department of Revenue, Tax Shelters Program, P.O. Box 8958, Madison, WI 53708-8958.

Note: See the instructions to federal Form 8886 to determine if you are required to file the form for federal purposes.

CAUTION: 2007 Wisconsin Act 20 enacted significant penalties for failure to disclose reportable transactions, including listed transactions, to the Wisconsin Department of Revenue.

Special Instructions for Material Advisors Required to Disclose a "Reportable Transaction"

A "material advisor" means any person who provides any material aid, assistance, or advice with respect to organizing, managing, promoting, selling, implementing, insuring, or carrying out any reportable transaction (as defined in the U.S. Treasury Regulations) and who, directly or indirectly, derives gross income from providing such aid, assistance, or advice in an amount that exceeds the threshold amount.

General Instructions (continued)

For a material advisor providing advice to an entity and not an individual, the “threshold amount” is any of the following:

- \$25,000 if the reportable transaction is a listed transaction (as defined in the U.S. Treasury Regulations)
- \$250,000 if the reportable transaction is not a listed transaction

For a material advisor providing advice to an individual, the “threshold amount” is any of the following:

- \$10,000 if the reportable transaction is a listed transaction (as defined in the U.S. Treasury Regulations)
- \$50,000 if the reportable transaction is not a listed transaction

A material advisor that is required to disclose a reportable transaction to the Internal Revenue Service after October 27, 2007, must file a copy of the disclosure with the Department of Revenue within 60 days of the date it is required for federal income tax purposes, if the reportable transaction to which the form relates affects the taxpayer’s Wisconsin income or franchise tax liability. For federal purposes, the form required for this disclosure is Form 8264 or 8918.

If you are required to file Form 8264 or 8918 for federal income tax purposes, and the reportable transaction to which the form relates affects the taxpayer’s Wisconsin income or franchise tax liability, send a paper copy, separate from Form 4T, to the following address: Wisconsin Department of Revenue, Tax Shelters Program, P.O. Box 8958, Madison, WI 53708-8958.

CAUTION: 2007 Wisconsin Act 20 enacted significant penalties for failure to disclose reportable transactions, including listed transactions, to the Wisconsin Department of Revenue.

When to Pay Franchise or Income Tax and Recycling Surcharge

The franchise or income tax and recycling surcharge must be paid by the 15th day of the 5th month (15th day of the 4th month for employees’ trusts, IRAs, and MSAs) following the close of the taxable period, *regardless of the due date of the return*. Exempt organizations may be required to make quarterly estimated payments to prepay their franchise or income tax and recycling surcharge.

An extension for filing the return doesn’t extend the time to pay the franchise or income tax and recycling surcharge. Interest will be charged on the tax and surcharge not paid by the original due date. You can avoid interest charges during the extension period by paying the tax and surcharge due by the original due date. Submit your payment with Wisconsin Form 4-ES, *Corporation Estimated Tax Voucher*.

During the extension period, 12% annual interest generally applies to the unpaid tax and surcharge. However, if the sum of the net tax and surcharge shown on the return is \$500 or more, 12% annual interest applies only to 10% of the net tax and surcharge. Interest of 18% per year applies to the remainder of the unpaid tax and surcharge. See Form 4U, Part II.

Payment of Estimated Franchise or Income Tax

If the total of an exempt organization’s franchise or income tax and recycling surcharge due is \$500 or more, it generally must make quarterly estimated tax payments using Wisconsin Form 4-ES or by electronic funds transfer. Failure to make required estimated tax payments may result in an interest charge.

An exempt corporation that overpaid its estimated tax may apply for a refund *before* filing its tax return if its overpayment is (1) at least 10% of the expected Wisconsin tax liability and (2) at least \$500. To apply, file Wisconsin Form 4466W, *Corporation Application for Quick Refund of Overpayment of Estimated Tax*, after the end of the taxable year

and before the exempt corporation files its tax return. **Do not** file Form 4466W at the same time as your tax return.

An exempt corporation that has a tax due when filing its tax return as a result of receiving a “quick refund” will be charged 12% annual interest on the amount of unpaid tax from the date the refund is issued to the earlier of the 15th day of the 5th month after the close of the taxable year or the date the tax liability is paid. Any tax that remains unpaid after the unextended due date of the tax return continues to be subject to 18% or 12% annual interest, as appropriate.

Internal Revenue Service Adjustments

If any of your federal tax returns are adjusted by the Internal Revenue Service and the adjustments affect the Wisconsin net tax payable, the amount of a Wisconsin credit, a Wisconsin net operating loss carryforward, or a Wisconsin capital loss carryforward, you must report the adjustments to the Department of Revenue within 90 days after they become final.

Send a copy of the final federal audit reports and any associated amended Wisconsin returns to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908. If submitting a federal audit report without an amended return, mail it to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906. Don’t attach these items to the tax return for the current year.

Amended Returns

After you have filed a complete, original tax return, you may file an amended return to correct a tax return as you originally filed it or as it was later adjusted by an amended return, a claim for refund, or an office or field audit.

If you file an amended federal return and the changes affect the Wisconsin net tax payable, the amount of a Wisconsin credit, a Wisconsin net operating loss carryforward, or a Wisconsin capital loss carryforward, you must file an amended Wisconsin return with the Department of Revenue within 90 days after filing the amended federal return.

To file an amended Wisconsin return, use Form 4T and check the “Amended return” box on the front of the return. Attach an explanation of any changes made. Show computations in detail. If the change involves an item of income, deduction, or credit that you were required to support with a form or schedule on your original return, attach the corrected form or schedule. Also attach a worksheet showing how you figured your refund or additional amount owed.

A claim for refund must be filed within 4 years of the unextended due date of the return. However, a claim for refund to recover all or part of any tax or credit paid as a result of an office or field audit must be filed within 4 years after such an assessment. That assessment must have been paid and must not have been protested by filing a petition for redetermination. See Section Tax 2.12, Wisconsin Administrative Code, for more information.

Send amended returns to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908. Don’t attach amended returns to other tax returns that you are filing.

Note: If you need to amend a return to report unpaid tax that resulted from a tax avoidance transaction, see the section on the Tax Avoidance Transactions Voluntary Compliance Program on page 5.

Wisconsin Use Tax

Exempt organizations that don’t hold a Wisconsin Certificate of Exempt Status (CES#) and purchase taxable tangible personal property or taxable services for storage, use, or consumption in (1) Wisconsin, (2) a county that has adopted the 0.5% county tax, (3) a county within the

baseball stadium district (Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties) that has adopted the 0.1% baseball stadium tax, or (4) the football stadium district (Brown County) that has adopted the 0.5% football stadium tax, without payment of a state, county, or stadium sales or use tax may owe Wisconsin state, county, or stadium use tax and be required to file a Wisconsin sales and use tax return. For more information or forms, visit the Department's web site at www.revenue.wi.gov/html/sales.html, e-mail sales10@revenue.wi.gov, fax your question to (608) 267-1030, call (608) 266-2776, or write to the Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949.

Information Returns That May Be Required

Form 9b Report of rents, royalties, and miscellaneous compensation paid to individuals. (**Note:** You may use federal Forms 1099 instead of Forms 9b. Mail Forms 1099 to the Wisconsin Department of Revenue, P.O. Box 8932, Madison, WI 53708-8932.)

If you are required to file federal information returns electronically, you must file Forms 9b electronically. For more information, call (608) 267-3327, e-mail w2data@revenue.wi.gov, or write to the Magnetic Media Coordinator, Audit Bureau, Wisconsin Department of Revenue, Room 232B, 2135 Rimrock Road, P.O. Box 8906, Madison, WI 53708-8906.

Penalties for Not Filing or Filing Incorrect Returns

If you don't file a Form 4T that you are required to file, or if you file an incorrect Form 4T due to negligence or fraud, interest and penalties may be assessed against you. The interest rate on delinquent taxes is 18% per year. Civil penalties may be as much as 100% of the amount of tax not reported on the return. Criminal penalties for filing a false return include a fine of up to \$10,000 and imprisonment.

Tax Avoidance Transactions Voluntary Compliance Program

The Department of Revenue will waive all penalties relating to tax avoidance transactions if those transactions are disclosed as specified in this section. The penalty waiver includes the penalties enacted by

2007 Act 20 relating to disclosure of reportable transactions (sec. 71.81(3), (4), and (5), Wis. Stats.)

A "tax avoidance transaction" is a plan, transaction or arrangement devised for the principal purpose of avoiding federal or Wisconsin income or franchise tax. This includes a listed transaction as provided under U.S. Treasury Regulations and may include a transaction that provides a tax benefit for Wisconsin income or franchise tax purposes without providing a similar benefit for federal income tax purposes.

If you were required to disclose a reportable transaction to the Internal Revenue Service for a taxable year beginning before January 1, 2007, and the reportable transaction to which the form relates affects your Wisconsin tax liability for **periods beginning on or after January 1, 2001**, and if you have not previously disclosed this transaction to the Department of Revenue by submitting a copy of Form 8886 with your originally filed Wisconsin return, you should disclose the transaction by using the Tax Avoidance Transactions Voluntary Compliance Program.

In order to participate, you must do the following:

- Complete an amended return for each period
- Complete Form WI-VCP (see page 2 for how to obtain forms)
- Make payment, in full, for the amount of unpaid tax attributable to the tax avoidance transaction
- Submit the above items to the Department of Revenue at the following address: Wisconsin Department of Revenue, Tax Shelters Program, P.O. Box 8958, Madison, WI 53708-8958.

To be eligible for the penalty waiver, amended returns must be postmarked by **May 31, 2008**. For further information on this program, visit the Department's web site at www.revenue.wi.gov.

Further, if you fail to disclose reportable transactions as indicated in the special instructions on page 3, you may be subject to the penalties described in sec. 71.81, Wis. Stats., including a \$30,000 penalty for failure to disclose a listed transaction.

Line-by-Line Instructions

You must complete pages 1, 2, and 3 of Form 4T and make appropriate entries in the schedules on page 3. Do not enter "See Attached" instead of completing the entry spaces. If more space is needed, attach separate sheets using the same size and format as the printed forms. (The numbering corresponds with the line numbers on Form 4T, pages 1, 2, and 3, unless otherwise indicated.)

Caution: Federal line numbers referred to on Form 4T and in these instructions may change.

Rounding Off to Whole Dollars

Round cents to the nearest whole dollar by eliminating amounts less than 50 cents and increasing amounts from 50 cents through 99 cents to the next higher dollar.

■ **Period Covered** – File the 2007 return for calendar year 2007 and fiscal years that begin in 2007. For a fiscal year, a 52-53 week period, or a short-period return, fill in the taxable year beginning and ending dates in the taxable year space at the top of the form. If the exempt organization dissolved, enter the date of dissolution as the ending date.

■ **Name and Address** – Using black ink, print or type the exempt organization's name and address.

■ **A. Federal Employer Identification Number** – Enter the exempt organization's federal employer identification number (EIN). If you haven't yet applied for a federal EIN, you may do so by filing federal Form SS-4 with the Internal Revenue Service, calling the IRS's toll-free number at (800) 829-4933, or applying online at www.irs.gov.

■ **B. Business Activity (NAICS) Code** – Enter the exempt organization's principal business activity code, based on the North American Industry Classification System (NAICS), from your federal return. Or go to www.census.gov/epcd/www/naics.html to find the NAICS code for your principal business activity.

■ **C. State and Year of Organization** – Enter the 2-letter postal abbreviation for the state (or name of the foreign country) under whose laws the organization was formed and the year of formation.

Line-by-Line Instructions (continued)

■ **D. First Return, Final Return, Short Period – Change in Accounting Period, and Short Period – Stock Purchase or Sale** – If this is the first year that you are filing a Wisconsin return because the exempt organization wasn't in existence or didn't do business in Wisconsin in prior years, check the "First return" box. If the exempt organization ceased to exist or withdrew from Wisconsin during the year, check the "Final return" box. Indicate that a short period return is being filed due to a change in the exempt organization's accounting period or a stock purchase or sale by checking the appropriate box.

■ **E. Amended Return** – If this is an amended return, check the box. Circle the number in front of the lines that you are changing and attach a detailed explanation of the changes made, including any supporting form or schedule.

■ **F. Extended Due Date** – If the exempt organization has an extension of time to file its Wisconsin return, enter the extended due date.

■ **G. Type of Organization** – Check the box that indicates how the organization will be taxed. Failure to check the proper box may result in the incorrect processing of your return.

■ **H. Name of Trustee** – Enter the name of the trustee if the organization is taxable as a trust.

IMPORTANT – The Wisconsin unrelated business franchise and income tax law is based on the federal Internal Revenue Code (IRC). The Internal Revenue Code generally applies for Wisconsin purposes at the same time as for federal purposes. Although federal unrelated business taxable income is indicated as the starting point on the Wisconsin return, Wisconsin unrelated business taxable income for taxable years that begin in 2007 must be determined using the Internal Revenue Code as amended to December 31, 2006, with the exceptions listed below. The Internal Revenue Code generally applies for Wisconsin purposes at the same time as for federal purposes. Federal law changes enacted after December 31, 2006 do not apply for Wisconsin purposes, including the Small Business and Work Opportunity Act (P.L. 110-28) enacted May 25, 2007. **Caution:** Wisconsin has also not adopted any of the provisions of P.L. 109-432, Tax Relief and Health Care Act (TRHCA), enacted December 20, 2006.

Computing Federal Taxable Income for Wisconsin Purposes Accounting for Differences

The following federal changes enacted before 2007 do not apply for Wisconsin franchise and income tax purposes:

Small business stock. For federal purposes, an exclusion is allowed for 50% of the gain from the sale or exchange of qualified small business stock issued after August 10, 1993 and held for more than 5 years (sec. 13113 of P.L. 103-66). For Wisconsin purposes, this section does not apply.

Installment method for accrual basis taxpayers. For federal purposes, accrual basis taxpayers may report income from an installment sale under the installment method (P.L. 106-573). For Wisconsin purposes, accrual basis taxpayers cannot use the installment method. Gain from the sale of property must be recognized the year

of the sale. This does not apply to dispositions of property used or produced in farming or for certain dispositions of timeshares or residential lots.

Increase in section 179 expensing. For federal purposes, the amount that may be expensed under sec. 179, IRC is \$125,000, the phase-out threshold is \$500,000, and off-the-shelf computer software is considered qualifying property. (sec. 101 of P.L. 109-222, sec. 202 of P.L. 108-27, sec. 8212 of P.L.110-28). For Wisconsin purposes, the amount that may be expensed under sec. 179 is limited to \$25,000, the phase-out threshold is \$200,000, and off-the-shelf computer software is not qualifying property.

Health savings accounts. For federal purposes, certain individuals may establish health savings accounts. A deduction is allowed for contributions to the account. Amounts contributed by an employer to an employee's account are excluded from the employee's gross income. (P.L. 108-173, P.L. 109-432). For Wisconsin purposes, the health savings accounts provisions do not apply.

Depreciation or amortization provisions enacted after December 31, 2000. For Wisconsin purposes, depreciation or amortization is determined under the provisions of the Internal Revenue Code in effect on December 31, 2000. For example, the following provisions do not apply for Wisconsin purposes because they were enacted after December 31, 2000:

- 30% bonus depreciation (sec. 101 of P.L. 107-147, sec. 201 of P.L. 108-27, sec. 403(a) of P.L. 108-311)
- 50% bonus depreciation (sec. 201 of P.L. 108-27)
- Accelerated depreciation for Indian reservation property (sec. 316 of P.L. 108-311)
- Modification of application of income forecast method of depreciation (sec. 242 of P.L. 108-357)
- Special expensing provisions for film and television productions (sec. 244 of P.L. 108-357)
- Special rules on depreciation for aircraft (sec. 336 of P.L. 108-357)
- Expansion of limitation on depreciation of certain passenger automobiles (sec. 910 of P.L. 108-357)
- Treatment of electric transmission property as 15-year property (sec. 1308 of P.L. 109-58)
- Expansion of amortization for certain atmospheric pollution control facilities (sec. 1309 of P.L. 109-58)
- Special expensing provisions for equipment used in refining liquid fuels (sec. 1323 of P.L. 109-58)
- Natural gas distribution lines treated as 15-year property (sec. 1325 of P.L. 109-58)
- Natural gas gathering lines treated as 7-year property (sec. 1326 of P.L. 109-58)
- Special rules for amortization of geological and geophysical expenditures (sec. 1329 of P.L. 109-58, sec. 503 of P.L. 109-222)
- Election to amortize musical works and copyrights over a 5-year period (sec. 207 of P.L. 109-222)

Note: An asset placed in service before 2007 must continue to be depreciated or amortized under the method allowable for Wisconsin purposes for the year in which it was placed in service.

Other provisions not adopted for Wisconsin purposes:

- Special expensing provisions for environmental remediation costs and extension of the termination date (sec. 162 of P.L. 106-554, enacted December 21, 2000; sec. 308 of P.L. 108-311)

- Exclusion for extraterritorial income (sec. 1, 3, 4, and 5 of P.L. 106-519), repeal of such exclusion (sec. 101 of P.L. 108-357), and binding-contract relief provisions (sec. 513 of P.L. 109-222) (**Note:** Foreign sales corporation (FSC) treatment is repealed for Wisconsin purposes for taxable years beginning on or after January 1, 2005.)
- Election to defer gain on disposition of transmission property to implement Federal Regulatory Commission or state electric restructuring (sec. 909 of P.L. 108-357, sec 1305 of P.L. 109-58)
- Enhanced deduction for corporate donations of computer technology and extension of the termination date (sec. 165 of P.L. 106-554, sec. 306 of P.L. 108-311)
- Tax benefits for Gulf Opportunity (GO) Zones (sec. 101 of P.L. 109-135)
- Exceptions to imputed interest rules for loans to continuing care facilities (sec. 209 of P.L. 109-222)
- Special temporary dividends received deduction for reinvesting foreign earnings in the U.S. (sec. 422 of P.L. 108-357)
- Reform of tax treatment of certain leasing arrangements (sec. 847 of P.L. 108-357)
- Special rules for nuclear decommissioning costs (sec. 1310 of P.L. 109-58)
- Pass-through of deduction for costs incurred by small refiner cooperatives to comply with EPA sulfur regulations (sec. 1324 of P.L. 109-58)
- Expansion of research credit (sec. 1351 of P.L. 109-58)
- Special tax treatment of state ownership of railroad real estate investment trust (sec. 11146 of P.L. 109-59)
- **All provisions of P.L. 109-432, Tax Relief and Health Care Act of 2006, enacted December 20, 2006**

Accounting for Differences

Adjustments may be necessary to account for differences between amounts reportable for federal and Wisconsin purposes. Exempt organizations taxable as trusts must show these adjustments on Schedule T1 or Schedule T2. Exempt organizations taxable as corporations should see the instructions for line 1 below.

CAUTION: Exempt organizations taxable as trusts must skip lines 1 through 10 and begin on line 11.

■ **Line 1. Federal Unrelated Business Taxable Income** – Exempt organizations taxable as corporations enter the amount from federal Form 990-T, line 34. This is federal unrelated business taxable income after the net operating loss deduction and special deductions. Addition and subtraction modifications generally aren't made for exempt organizations taxable as corporations. However, all income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in **Wisconsin** must be reported to Wisconsin.

Caution: If any changes to the Internal Revenue Code or depreciation or amortization differences described above affect the computation of federal unrelated business taxable income but don't apply for Wisconsin purposes, recompute the amount on Form 990-T, line 34. Enter the recomputed unrelated business taxable income on Form 4T, line 1. Attach a schedule to Form 4T showing your computation.

■ **Lines 2 through 7. Apportionment Data** – If using the apportionment method, complete Wisconsin Form 4B and enter the amounts requested. See the instructions for Form 4B (page 12). If

using the separate accounting method, don't complete lines 2 through 6. Instead, see the instructions for Separate Accounting Data (page 16) and enter the Wisconsin unrelated business taxable income on line 7.

Note: Exempt organizations engaged in an unrelated trade or business solely in Wisconsin should skip lines 2 through 6. Instead, enter the amount from line 1 on line 7.

■ **Line 8. Gross Tax** – Enter 7.9% of the Wisconsin unrelated business taxable income reported on line 7.

■ **Line 9. Nonrefundable Credits** – Complete Schedule C1, page 2, and enter the available credit.

Schedule C1 - Nonrefundable Credits

Caution: Except for the manufacturer's sales tax credit carryforward on line 1, the early stage seed investment credit on line 20, and the supplement to the federal historic rehabilitation credit on line 21, each of these credits must be included as income in the year computed. This is true whether the entire amount of the credits can be claimed during the taxable year or is carried forward to future years.

Line 1. Manufacturer's Sales Tax Credit Carryforward – Enter the available manufacturer's sales tax credit carryforward from Schedule MS, line 5.

Line 2. Dairy and Livestock Farm Investment Credit – Enter the dairy and livestock farm investment credit from Schedule DI, line 9. Exempt corporations that pay certain amounts for modernization or expansion of their dairy or livestock farm in Wisconsin as part of an unrelated trade or business may claim a credit.

Line 3. Research Expense Credit – Enter the research expense credit from Schedule R, line 30. Exempt corporations that increase qualified research expenses in Wisconsin as part of an unrelated trade or business activity may claim a credit.

Lines 4 and 5. Increased Research Expense Credits – Enter the increased research expense credits from Schedules R-1 and R-2, line 29. Corporations that increase qualified research expenses in Wisconsin attributable to certain activities may claim the increased research credits. These activities include qualified research related to internal combustion engines and qualified research related to certain energy efficient products.

Line 6. Development Zones Research Credit – Enter the development zones research credit carryforward.

Line 7. Research Facilities Credit – Enter the research facilities credit from Schedule R, line 34. Exempt corporations that incur expenses to construct and equip new research facilities in Wisconsin or to expand existing facilities in Wisconsin as part of an unrelated trade or business activity may claim a credit.

Lines 8 and 9. Increased Research Facilities Credit – Enter the increased research facilities credits from Schedules R-1 and R-2, line 33. Corporations that incur expenses to construct and equip new research facilities in Wisconsin for certain research activities may claim the increased research credits. These activities include qualified research related to internal combustion engines and qualified research related to certain energy efficient products.

Line-by-Line Instructions (continued)

Line 10. Community Development Finance Credit – Enter the available community development finance credit. Exempt 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 as part of an unrelated trade or business activity 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 11. Development Zones Jobs Credit – Enter the development zones jobs credit carryforward.

Line 12. Development Zones Sales Tax Credit – Enter the development zones sales tax credit carryforward.

Line 13. Development Zones Investment Credit – Enter the total of the development opportunity zone investment credit and any development zones investment credit carryforward from Schedule DC, line 15.

Line 14. Development Zones Location Credit – Enter the development zones location credit carryforward.

Line 15. Development Zone Capital Investment Credit – Enter the development opportunity zone or agricultural or airport development zone capital investment credit from Schedule DC, line 23.

Line 16. Development Zones Day Care Credit – Enter the development zones day care credit carryforward.

Line 17. Development Zones Environmental Remediation Credit – Enter the development zones environmental remediation credit carryforward.

Line 18. Development Zones Credit – Enter the development zones credit from Schedule DC, line 7. Exempt corporations doing business in Wisconsin development, development opportunity, enterprise development, or agricultural or airport development zones may be eligible for tax credits based on expenditures for environmental remediation and job creation or retention. The Wisconsin Department of Commerce administers the Wisconsin development zones programs. For more information about the programs, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 19. Technology Zone Credit – Enter the technology zone credit from Schedule TC, line 8. Exempt corporations doing business in Wisconsin technology zones may be eligible for a tax credit based on the property taxes paid, capital investments made, and jobs created. The Department of Commerce administers the Wisconsin technology zone program. For more information about the program, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 20. Early Stage Seed Investment Credit – Enter the early stage seed investment credit from Schedule VC, line 12. Exempt corporations making payments to a qualified fund manager for investment

in a qualified new business venture may be eligible for a tax credit. The Department of Commerce administers the early stage business investment program. For more information about this program, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 21. Supplement to Federal Historic Rehabilitation Tax Credit – Enter the supplement to the federal historic rehabilitation tax credit from Schedule HR, line 7. Exempt corporations that rehabilitate certified historic structures located in Wisconsin and used for unrelated trade or business purposes may claim a credit. The Wisconsin Historical Society administers the historic preservation program. For more information about this program, visit the Historical Society's web site at www.wisconsinhistory.org/hp/buildings, write to the Division of Historic Preservation, Wisconsin Historical Society, 816 State Street, Madison, WI 53706-1488, or call (608) 264-6490.

Line 22. Internet Equipment Credit – A. Enter the Internet equipment credit from Schedule IE, line 3. Exempt corporations that obtained a sales tax exemption from the Department of Commerce for Internet equipment used in the broadband market may claim this credit. **Caution:** You may not compute this credit for 2007 if your 2007 taxable year begins before July 1, 2007.

Line 23. Add lines 1 through 22. This is the total available nonrefundable credits. For purposes of determining the carryover (if any) of each credit, they must be applied against the gross tax in the following order:

1. Manufacturer's sales tax credit carryforward
2. Dairy and livestock farm investment credit
3. Research expense credits
4. Development zones research credit carryforward
5. Research facilities credits
6. Community development finance credit
7. Development zones jobs credit carryforward
8. Development zones sales tax credit carryforward
9. Development zones investment credit, including development opportunity zone investment credit
10. Development zones location credit carryforward
11. Development opportunity zone or agricultural or airport development zone capital investment credit
12. Development zones day care credit carryforward
13. Development zones environmental remediation credit carryforward
14. Development zones credit
15. Technology zone credit
16. Early stage seed investment credit
17. Supplement to federal historic rehabilitation tax credit
18. Internet equipment credit

■ **Line 10. Net Tax** – Subtract line 9 from line 8. If line 9 is more than line 8, enter zero.

CAUTION: Exempt organizations taxable as corporations must skip lines 11 through 20 and go on to line 21.

■ **Line 11. Federal Unrelated Business Taxable Income** – Exempt organizations taxable as trusts enter the amount from federal Form 990-T, line 34. This is federal unrelated business taxable income after the net operating loss deduction and special deductions.

Caution: If any changes to the Internal Revenue Code or depreciation differences described on page 6 affect the computation of federal unrelated business taxable income but don't apply for Wisconsin purposes, make adjustments on Schedule T1 or Schedule T2, as appropriate, to account for the differences.

■ **Line 12. Additions** – Federal unrelated business taxable income on Form 4T, line 11, may include items that aren't deductible for Wisconsin tax purposes, or it may not include items that are taxable for Wisconsin tax purposes. Complete Schedule T1, page 3, and enter the total.

Schedule T1 - Trust Additions

Line 1. Enter interest income, less related expenses, received on state and municipal obligations that was excluded from federal unrelated business taxable income, except interest which is by law exempt from Wisconsin taxation (such as interest from obligations of the government of Puerto Rico). Enter only the state or municipal interest that is considered unrelated business taxable income.

Line 2. Enter the amount of taxes deducted from federal unrelated business taxable income under IRC section 164.

Line 3. If federal unrelated business taxable income includes capital gains or losses, complete Wisconsin Schedule WD (Form 2) to determine if an adjustment is necessary to arrive at Wisconsin unrelated business taxable income. For example, an adjustment may be required because Wisconsin law limits deductions for net capital losses to \$500.

Line 4. Enter the amount of any federal net operating loss carryover.

Line 5. Enter any transitional adjustments required by sec. 71.05(13), Wis. Stats., to account for differences between the federal and Wisconsin bases of changing basis assets (those subject to depreciation or amortization). Attach a schedule showing the computation of each transitional adjustment made.

Line 6. Enter the dairy and livestock farm investment credit computed (from 2007 Schedule DI, line 7).

Line 7. Enter the technology zone credit computed (from 2007 Schedule TC, line 6).

Line 8. Enter the development zones credits computed (from 2007 Schedule DC, lines 5, 13, and 21).

Line 9. Enter the Internet equipment credit computed (from 2007 Wisconsin Schedule IE, line 3).

Line 10. Enter the farmland preservation credit and farmland tax relief credit received during the taxable year that aren't included in federal unrelated business taxable income.

Line 11. Enter the enterprise zone jobs credit computed (from 2007 Wisconsin Schedule EC, line 16).

Line 12. Enter the dairy manufacturing facility investment credit computed (from 2007 Wisconsin Schedule DM, line 6).

Line 13. Enter any other amount subject to Wisconsin taxation, less any amount allocable to it, which has been excluded or deducted in the com-

putation of federal unrelated business taxable income. For example, enter all income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in Wisconsin.

■ **Line 14. Subtractions** – Federal unrelated business taxable income on Form 4T, line 11, may not include items that are deductible for Wisconsin tax purposes, or it may include items that aren't taxable for Wisconsin tax purposes. Complete Schedule T2, page 3, and enter the total.

Schedule T2 - Trust Subtractions

Line 1. Enter interest and dividend income, less related expenses, received on obligations and certain securities of the United States government that was included in federal unrelated business taxable income and is exempt from state income taxation.

Line 2. If federal unrelated business taxable income includes capital gains or losses, complete Wisconsin Schedule WD (Form 2) to determine if an adjustment is necessary to arrive at Wisconsin unrelated business taxable income. For example, an adjustment may be required because Wisconsin law allows an exclusion of 60% of the net capital gain from assets held more than one year.

Line 3. Enter the amount of any Wisconsin net operating loss carryforward. The Wisconsin net operating loss is the federal net operating loss plus or minus modifications required for Wisconsin tax purposes. Net operating losses from years before the exempt organization became subject to Wisconsin income taxation can't be included on line 3.

Line 4. Enter any transitional adjustment required by sec. 71.05(13), Wis. Stats., to account for differences between the federal and Wisconsin bases of changing basis assets (those subject to depreciation or amortization). Attach a schedule showing the computation of each transitional adjustment.

Line 5. If the trust has more than \$25,000 of unused manufacturer's sales tax credit carryforward, enter the amount from Schedule MS, line 8.

Line 6. Enter any amount not subject to Wisconsin taxation that was included in federal unrelated business taxable income or any deduction allowed for Wisconsin that wasn't deducted federally (such as development zones investment credit recaptured). Include on line 6 any trust income that was included in federal unrelated business taxable income but not sourced to Wisconsin.

■ **Line 16. Gross Tax** – Figure the tax on the Wisconsin unrelated business taxable income on line 15 using the tax table that begins on page 17.

■ **Line 17. Nonrefundable Credits** – Complete Schedule C1, page 2, and enter the available credit.

Schedule C1 - Nonrefundable Credits

Caution: Don't enter amounts on Schedule C1, lines 3, 4, 5, 7, 8, 9, and 10. These credits are available only to exempt organizations taxable as corporations.

Line-by-Line Instructions (continued)

Line 1. Manufacturer's Sales Tax Credit Carryforward – Enter the available manufacturer's sales tax credit carryforward from Schedule MS, line 7.

Line 2. Dairy and Livestock Farm Investment Credit – Enter the dairy and livestock farm investment credit from Schedule DI, line 9. Exempt trusts that pay certain amounts for modernization or expansion of their dairy or livestock farm in Wisconsin as part of an unrelated trade or business may claim a credit.

Line 6. Development Zones Research Credit – Enter the development zones research credit carryforward.

Line 11. Development Zones Jobs Credit – Enter the development zones jobs credit carryforward.

Line 12. Development Zones Sales Tax Credit – Enter the development zones sales tax credit carryforward.

Line 13. Development Zones Investment Credit – Enter the total of the development opportunity zone investment credit and any development zones investment credit carryforward from Schedule DC, line 15.

Line 14. Development Zones Location Credit – Enter the development zones location credit carryforward.

Line 15. Development Zone Capital Investment Credit – Enter the development opportunity zone or agricultural or airport development zone capital investment credit from Schedule DC, line 23.

Line 16. Development Zones Day Care Credit – Enter the development zones day care credit carryforward.

Line 17. Development Zones Environmental Remediation Credit – Enter the development zones environmental remediation credit carryforward.

Line 18. Development Zones Credit – Enter the development zones credit from Schedule DC, line 7. Exempt organizations taxable as trusts doing business in Wisconsin development, development opportunity, enterprise development, or agricultural or airport development zones may be eligible for tax credits based on expenditures for environmental remediation and job creation or retention. The Wisconsin Department of Commerce administers the Wisconsin development zones programs. For more information about the programs, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 19. Technology Zone Credit – Enter the technology zone credit from Schedule TC, line 8. Exempt organizations taxable as trusts doing business in Wisconsin technology zones may be eligible for a tax credit based on the property taxes paid, capital investments made, and jobs created. The Department of Commerce administers the Wisconsin technology zone program. For more information about the program, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 20. Early Stage Seed Investment Credit – Enter the early stage seed investment credit from Schedule VC, line 12. Exempt organizations taxable as trusts making payments to a qualified fund manager for investment

in a qualified new business venture may be eligible for a tax credit. The Department of Commerce administers the early stage business investment program. For more information about this program, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Line 21. Supplement to Federal Historic Rehabilitation Tax Credit – Enter the supplement to the federal historic rehabilitation tax credit from Schedule HR, line 7. Exempt trusts that rehabilitate certified historic structures located in Wisconsin and used for unrelated trade or business purposes may claim a credit. The Wisconsin Historical Society administers the historic preservation program. For more information about this program, visit the Historical Society's web site at www.wisconsinhistory.org/hp/buildings, write to the Division of Historic Preservation, Wisconsin Historical Society, 816 State Street, Madison, WI 53706-1488, or call (608) 264-6490.

Line 22. Internet Equipment Credit – A. Enter the Internet equipment credit from Schedule IE, line 3. Exempt organizations taxable as trusts that obtained a sales tax exemption from the Department of Commerce for Internet equipment used in the broadband market may claim this credit. **Caution:** You may not compute this credit for 2007 if your 2007 taxable year begins before July 1, 2007.

Line 23. Add lines 1, 2, 6, and 11 through 22. This is the total available nonrefundable credits. For purposes of determining the carryover (if any) of each credit, they must be applied against the gross tax in the following order:

1. Supplement to federal historic rehabilitation tax credit
2. Manufacturer's sales tax credit carryforward
3. Dairy and livestock farm investment credit
4. Development zones jobs credit carryforward
5. Development zones sales tax credit carryforward
6. Development zones investment credit, including development opportunity zone investment credit
7. Development zones research credit carryforward
8. Development zones location credit carryforward
9. Development opportunity zone or agricultural development zone capital investment credit
10. Technology zone credit
11. Development zones day care credit carryforward
12. Development zones environmental remediation credit carryforward
13. Development zones credit
14. Early stage seed investment credit
15. Internet equipment credit

■ **Line 18. Net Income Tax Paid to Other States** – Wisconsin resident trusts may claim a credit for income tax paid to another state or the District of Columbia, subject to the following requirements.

- a. The income taxed by the other state must be included in Wisconsin unrelated business taxable income.
- b. The credit claimed must be for the net amount of tax paid to the other state. (This may be more or less than the amount paid as estimated tax.)
- c. A copy of Wisconsin Schedule OS and the other state's tax return must be submitted with Form 4T.

See Wisconsin Schedule OS for more information.

■ **Line 22. Recycling Surcharge** – Figure the surcharge as explained below.

Exempt organizations taxable as corporations:

Enter the greater of \$25 or 3% (0.03) of the gross tax on line 8, but not more than \$9,800.

Note: The recycling surcharge does not apply to exempt organizations taxable as corporations that have less than \$4 million of gross receipts from all unrelated trade or business activities for federal income tax purposes (as defined on page 2).

Exempt organizations taxable as trusts:

If gross receipts from all farm and nonfarm unrelated trade or business activities for federal income tax purposes are \$4 million or more, enter the greater of \$25 or 0.2% (0.002) of the Wisconsin unrelated business taxable income on line 15, but not more than \$9,800.

Exception: For trusts engaged in both farming and nonfarming activities, exclude any net farm profit (loss) that is included in the amount reported on line 15 when calculating the recycling surcharge.

■ **Line 23. Endangered Resources Donation** – *Exempt organizations taxable as corporations:* Your donation supports the preservation and management of more than 200 endangered and threatened Wisconsin plants and animals. It also helps protect Wisconsin's finest remaining examples of prairies, forests, and wetlands.

Support endangered resources in Wisconsin. Fill in line 23 with the amount you wish to donate. Your gift will either reduce your refund or be added to tax due. You can also send a check directly to the Endangered Resources Fund, Department of Natural Resources, P.O. Box 7921, Madison WI 53707-7921.

■ **Line 24. Veterans Trust Fund Donation** – You may designate an amount as a veterans trust fund donation. Your donation will be used by the Wisconsin Department of Veterans Affairs for the benefit of veterans or their dependents. Fill in line 24 with the amount you wish to donate. Your donation will either reduce your refund or be added to tax due.

■ **Line 26. Estimated Tax Payments** – Enter estimated tax payments made or overpayments applied from prior years' returns. Subtract any "quick refund" applied for on Form 4466W.

Amended Return: If this is an amended return, enter the tax and recycling surcharge previously paid.

■ **Line 27. Wisconsin Tax Withheld** – Enter your share of Wisconsin tax withheld from pass-through entities of which you are a member, as reported on Wisconsin Schedule 5K-1, 3K-1, or 2K-1. Attach a copy of the Schedule 5K-1, 3K-1, or 2K-1 to the tax return that you file. Also enter the amount of Wisconsin tax withheld from lottery prizes.

■ **Line 28. Refundable Credits** – Complete Schedule C2, page 2, and enter the total available credit.

Schedule C2 - Refundable Credits

Line 1. Farmland Preservation Credit – Enter the farmland preservation credit from Schedule FC, line 18. Exempt corporations organized under the laws of Wisconsin and Wisconsin resident trusts that own and operate Wisconsin farmland subject to agricultural use restrictions in the form of a zoning ordinance or a farmland preservation agreement, as provided in Chapter 91, Wis. Stats., may claim a credit.

Line 2. Farmland Tax Relief Credit – Enter the farmland tax relief credit from Schedule FT, line 6. Exempt corporations organized under the laws of Wisconsin and Wisconsin resident trusts that own farmland located in Wisconsin may claim a credit.

Line 3. Enterprise Zone Jobs Credit – Enter the enterprise zone jobs credit from Schedule EC, line 16. Exempt corporations organized under the laws of Wisconsin and Wisconsin resident trusts that are certified by the Wisconsin Department of Commerce based on qualifying activities in an area designated as a Wisconsin enterprise zone may claim this credit. **Caution:** You may not compute this credit for 2007 if your 2007 taxable year begins before July 1, 2007.

Line 4. Dairy Manufacturing Facility Investment Credit – Enter the dairy manufacturing facility investment credit from Schedule DM, line 6. Exempt corporations organized under the laws of Wisconsin and Wisconsin resident trusts that modernize or expand a dairy manufacturing facility in Wisconsin and apply to the Wisconsin Department of Commerce may claim this credit.

Line 5. Add lines 1 through 4. This is the total available refundable credits.

■ **Line 30. Interest, Penalty, and Late Fee Due** – Enter any interest, penalty, and late fee due from Form 4U, line 17 or 26. Check the box if you figured underpayment interest using the annualized income installment method on Form 4U, page 2.

Amended Return – If you previously were assessed interest for underpayment of estimated taxes, complete an amended Form 4U, Part I, based on the total of the amounts shown on lines 21 and 22. Enter the difference between the underpayment interest from the amended Form 4U, line 17, and the amount you previously paid on line 30. Show an overpayment as a negative number. Attach Form 4U to your amended return. Otherwise, leave line 30 blank. The Department will compute interest on the amount of refund approved or tax owed.

■ **Line 31. Tax Due** – If the total of lines 25 and 30 is larger than line 29, enter the amount owed. Pay by electronic funds transfer or mail your check with a 2007 Form 4-ES, *Corporation Estimated Tax Voucher*, to the address shown on the voucher. Otherwise, paper clip your check to the front of Form 4T.

■ **Line 32. Overpayment** – If line 29 is larger than the total of lines 25 and 30, enter the overpayment.

■ **Line 33. 2008 Estimated Tax** – Enter the amount of any overpayment from line 32 that is to be credited to the exempt organization's 2008 estimated tax. The balance of any overpayment will be refunded.

Amended Return: If you have already filed your 2008 return, enter the overpayment that you claimed as a credit on your 2008 return from your previously filed original or amended 2007 return. Otherwise, you may allocate the overpayment from line 32 between line 33 and line 34 as you choose.

■ **Line 35. Total Gross Receipts** – Enter the “gross receipts from all unrelated trade or business activities” including gross receipts, gross sales, the gross sales price from the disposition of capital assets and business assets, gross rents, gross income from unrelated debt-financed property, gross interest, annuities, royalties, and rents from controlled organizations, gross investment income, gross exploited exempt activity income, gross advertising income, gross receipts passed through from other entities, and all other receipts that are included in unrelated business taxable income for Wisconsin tax purposes.

■ **Additional Information Required** – Answer questions 1 through 6 on Form 4T, page 3.

■ **Signatures** – An officer or trustee of the exempt organization must sign the form at the bottom of page 3. If the return is prepared by someone other than an employee of the exempt organization, the individual who prepared the return must sign the form, by hand, in the space provided for the preparer’s signature and furnish the preparer’s federal employer identification number. A self-employed individual must enter “SSN” and his or her social security number in the space for the preparer’s federal employer identification number.

■ **Attachments** – Attach a copy of each of the following documents:

- Your federal Form 990-T with all supporting schedules.
- Any other required Wisconsin forms, schedules, or statements. Include a list of your solely owned LLCs.
- Any extension of time to file your return.

Do not staple, fasten or bind these attachments to your return. Use paper clips instead.

Amended Return: If this is an amended return, attach an explanation of the changes made and any supporting forms or schedules. Also attach a worksheet showing how you figured your additional refund or additional amount owed. Send the amended return to the Wisconsin Department of Revenue, P.O. Box 8908, Madison, WI 53708-8908.

Form 4B – Apportionment Data

What Is Apportionment

Under the apportionment method, an exempt organization shows all income and deductions from unrelated trade or business activities for the organization as a whole and then assigns a part to Wisconsin according to a formula that determines Wisconsin unrelated business taxable income.

Who Must Use Apportionment

An exempt organization engaged in unrelated trade or business activities in and outside Wisconsin is required to report a portion of its total organization unrelated business taxable income to Wisconsin using the apportionment method if its Wisconsin operations are a

part of a unitary business, unless the Department gives permission to use separate accounting. To use the apportionment method, an exempt organization must have unrelated trade or business activity sufficient to create nexus in Wisconsin and at least one other state or foreign country.

“Nexus” means that an exempt organization’s unrelated trade or business activity is of such a degree that the state or foreign country has jurisdiction to impose an income tax or franchise tax measured by net income. Under Public Law 86-272, a state can’t impose an income tax or franchise tax based on net income on an exempt organization selling tangible personal property if the exempt organization’s only activity in the state is the solicitation of orders, which orders are approved outside the state and are filled by delivery from a point outside the state.

What Is a Unitary Business

A unitary business is one that operates as a unit and can’t be segregated into independently operating divisions or branches. The operations are integrated, and each division or branch is dependent upon or contributory to the operation of the business as a whole. It isn’t necessary that each division or branch operating in Wisconsin contribute to the activities of all divisions or branches outside Wisconsin.

What Is Nonapportionable Unrelated Business Taxable Income

Nonapportionable unrelated business taxable income is that income which is allocable directly to a particular state. It includes income or loss derived from the sale of nonbusiness real or tangible personal property or from rentals and royalties from nonbusiness real or tangible personal property with respect to an unrelated trade or business activity. This income is assigned to the state where the property is located.

All income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in **Wisconsin** shall be allocated to Wisconsin.

Total nonapportionable unrelated business taxable income (loss) is removed from total organization unrelated business taxable income before the apportionment percentage is applied. The Wisconsin nonapportionable unrelated business taxable income (loss) is then combined with the Wisconsin apportionable unrelated business taxable income to arrive at Wisconsin unrelated business taxable income.

What Is the Apportionment Percentage

For unitary, multistate, exempt organizations, the apportionment percentage is determined by the weighted average of the following three ratios:

1. Wisconsin tangible property to total organization tangible property with respect to unrelated trade or business activities.
2. Wisconsin payroll to total organization payroll with respect to unrelated trade or business activities.
3. Wisconsin sales to total organization sales from unrelated trade or business activities.

For taxable years beginning after December 31, 2006 and before January 1, 2008, the property factor is weighted at 10%; the payroll factor is weighted at 10%; and the sales factor is weighted at 80%. These factors are computed on Form 4B.

Direct air carriers, motor carriers, railroads, sleeping car companies, pipeline companies, financial institutions, brokers-dealers, investment advisers, investment companies, underwriters, and telecommunications companies should use Form 4B-1 and check the box next to Form 4T, line 4.

Corporate Partners or LLC Members

An exempt corporation that is a general or limited partner includes its share of the numerator and denominator of the partnership's apportionment factors in the numerator and denominator of its apportionment factors. An exempt corporation that is a member of a limited liability company (LLC) treated as a partnership for federal tax purposes includes its share of the numerator and denominator of the LLC's apportionment factors in the numerator and denominator of its apportionment factors.

Note: Income from a partnership or LLC may be nontaxable under the principles of the U.S. Supreme Court decision in *Allied-Signal v. Director, Div. of Taxation*, 504 U.S. 768 (1992), if the investment is passive and does not serve an operational function. In this case, the exempt corporation would not include its share of the partnership's or LLC's apportionment factors in the numerator and denominator of its apportionment factors.

Line-by-Line Instructions for Form 4B

Note: Enter amounts on Form 4B relating only to the exempt organization's unrelated trade or business activities. "Total company" refers to the unrelated trade or business activities of the entire exempt organization.

Part I - Nonapportionable Income (Loss)

■ **Line 1.** Enter rents and royalties received on nonbusiness tangible property in the appropriate column or columns. These are nonapportionable and follow the situs of the property.

■ **Line 2.** Enter any expenses that are directly or indirectly related to rents and royalties reported on line 1. Since such income is nonapportionable, the related expenses are nonapportionable.

■ **Line 4.** Enter all profits and losses from disposals of nonbusiness tangible property in the appropriate column or columns. Such profits and losses are nonapportionable and follow the situs of the property.

Also enter on line 4 all income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in **Wisconsin**. This income is nonapportionable and must be allocated to Wisconsin.

■ **Line 5.** Enter the total net nonapportionable unrelated business taxable income or loss for both Wisconsin and the total company. Also, enter on Form 4T, line 2, the total company net nonapportionable unrelated business taxable income from column b. Enter on Form 4T, line 6, the Wisconsin net nonapportionable unrelated business taxable income from column a.

Part II - Apportionment Percentage

■ **Omission of a Factor** – Check the box if you are omitting one of the apportionment factors. If both the numerator and the denominator of a factor are zero, the factor shall be eliminated from the apportionment formula.

Where it is shown to the satisfaction of the department that the use of one of the three factors gives an unreasonable or inequitable final average ratio because the organization does not employ the factor to any appreciable extent in producing the unrelated business taxable income taxed, the factor may, with the Department's approval, be omitted in computing the organization's apportionment percentage.

If the numerator of the sales factor is a negative number and the denominator is a positive number, a negative number, or zero, the sales factor is zero.

For taxable years beginning in 2007, if one of the apportionment factors is omitted, the remaining factors shall be weighted as follows:

- If either the property factor or the payroll factor is omitted, the other factor shall represent 11.1111% of the apportionment fraction and the sales factor shall represent 88.8889% of the apportionment fraction.
- If the sales factor is omitted, the property factor and the payroll factor shall each represent 50% of the fraction.

■ **Lines 6 through 13.** Enter the undepreciated original cost of tangible property owned and used in producing apportionable unrelated business taxable income at the beginning and at the end of the taxable year. Group the property into the general categories listed for both Wisconsin and the total company.

Don't include construction in progress, idle property, or property used in producing nonapportionable unrelated business taxable income. Such property isn't used in the production of apportionable unrelated business taxable income and, therefore, it isn't includable in the property factor.

Exception: If any major acquisitions or dispositions occurred within the taxable year, the average monthly balances of property may be used (or required by the Department) instead of the average of the beginning and ending balance. In this case, attach a separate schedule showing the calculation rather than completing lines 6 through 13.

■ **Line 15.** Multiply the net annual rental for property used in the production of apportionable unrelated business taxable income by 8 and enter the result. "Net annual rental" is the annual rental paid less any annual rental received from subrentals unless this results in a negative or clearly inaccurate valuation. Net annual rental doesn't include incidental day-to-day expenses such as hotel or motel accommodations, daily rentals of autos, or royalties based on extraction of natural resources.

If the taxable year covers a period of less than 12 months, the net rent paid for the short period must be annualized. However, if the rental term is for less than 12 months, the rent must be adjusted accordingly.

Leases are given the same treatment in computing the property factor as they are in computing unrelated business taxable income. Leases that have been capitalized in computing unrelated business taxable income are included as property owned and used for property factor purposes. All other lease payments are included in the rentals times 8 computation.

Line-by-Line Instructions (continued)

■ **Line 20.** Enter, for Wisconsin and the total company, the compensation paid to the company's own employees for the performance of personal services. The compensation must be related to the production of apportionable unrelated business taxable income. Compensation related to the operation, maintenance, protection, or supervision of property used in the production of both apportionable and nonapportionable unrelated business taxable income or losses must be prorated, and only the portion related to the production of apportionable unrelated business taxable income is included for Wisconsin and the total company. Compensation includes wages, salaries, commissions, and any other form of remuneration paid to employees.

Compensation is paid in Wisconsin (included in the numerator of the payroll factor) if –

- The individual's service is performed entirely in Wisconsin.
- The individual's service is performed in and outside Wisconsin, but the service performed outside Wisconsin is incidental to the individual's service in Wisconsin.
- A portion of the service is performed in Wisconsin and the base of operations of the individual is in Wisconsin.
- A portion of the service is performed in Wisconsin and, if there is no base of operations, the place from which the individual's service is directed or controlled is in Wisconsin.
- A portion of the service is performed in Wisconsin and neither the base of operations of the individual nor the place from which the service is directed or controlled is in any state in which some part of the service is performed, but the individual's residence is in Wisconsin.
- The individual is neither a resident of nor performs services in Wisconsin but is directed or controlled from an office in Wisconsin and returns to Wisconsin periodically for business purposes and the state in which the individual resides doesn't have jurisdiction to impose franchise or income taxes on the employer.

An individual is considered to be performing a service in Wisconsin during the year if that individual spends any portion of at least 5 days during the exempt organization's taxable year in Wisconsin performing services.

■ **Line 21.** Enter management or service fees paid to a related corporation for the performance of personal services. The fees must be related to the production of apportionable unrelated business taxable income. Payments made to independent contractors aren't includable.

■ **Lines 26 through 35.** For purposes of the sales factor, sales include, but aren't limited to, the following items related to the production of unrelated business taxable income:

- Gross receipts from the sale of inventory.
- Gross receipts from the operation of farms, mines, and quarries.
- Gross receipts from the sale of scrap or by-products.
- Gross commissions.
- Gross receipts from personal and other services.
- Gross rents from real property or tangible personal property.

- Interest on trade accounts and trade notes receivable.
- A partner's share of the partnership's gross receipts or a member's share of the limited liability company's gross receipts.
- Gross management fees.
- Gross royalties from income producing activities.
- Gross franchise fees from income producing activities.

“Gross receipts” means gross sales less returns and allowances, plus service charges, freight, carrying charges, or time-price differential charges incidental to the sales. Federal and state excise taxes, including sales and use taxes, are included as part of the receipts if the taxes are passed on to the buyer or included as part of the selling price of the product.

The following items are among those not included for sales factor purposes:

- Gross receipts and gain or loss from the sale of tangible business assets, except receipts from the sale of inventory, scrap, or by-products or from the operation of a farm, mine, or quarry.
- Gross receipts and gain or loss from the sale of nonbusiness real or tangible personal property.
- Gross rents and rental income or loss from real property or tangible personal property if that real property or tangible personal property isn't used in the production of unrelated business taxable income.
- Royalties from nonbusiness real property or nonbusiness tangible personal property.
- Proceeds and gain or loss from the redemption of securities.
- Interest, except interest on trade accounts and trade notes receivable, and dividends.
- Gross receipts and gain or loss from the sale of intangible assets, except inventory.
- Dividends deductible in determining unrelated business taxable income.
- Gross receipts and gain or loss from the sale of securities.
- Proceeds and gain or loss from the sale of receivables.
- Refunds, rebates, and recoveries of amounts previously expended or deducted.
- Foreign exchange gain or loss.
- Royalties and income from passive investments in patents, copyrights, trademarks, trade names, plans, specifications, blueprints, processes, techniques, formulas, designs, layouts, patterns, drawings, manuals, and technical know-how.
- Pari-mutuel wager winnings and purses.
- Other items not includable in apportionable unrelated business taxable income.

Enter on lines 26a and 26b the appropriate Wisconsin destination sales. Gross receipts from the sales of tangible personal property, except sales to the federal government, are Wisconsin sales if the property is delivered or shipped to a purchaser in Wisconsin. Sales

of tangible personal property picked up by the purchaser, or the purchaser's agent, at the seller's Wisconsin business location and immediately transported to the purchaser's out-of-state business location aren't Wisconsin sales. However, if the seller doesn't have nexus with the state in which the purchaser's business is located, the sales are "thrown back" to Wisconsin as discussed later. Wisconsin sales include sales of tangible personal property that are picked up by the purchaser, or the purchaser's agent, at the seller's out-of-state business location and immediately transported to the purchaser's Wisconsin business location.

Enter on line 27a sales of tangible personal property delivered to the federal government, including its agencies and instrumentalities, in Wisconsin if the property is shipped from an office, store, warehouse, factory, or other place of storage in Wisconsin. Sales to federal government locations in Wisconsin, which are shipped from an office, store, warehouse, factory, or other place of storage outside Wisconsin, aren't Wisconsin sales.

Enter on line 27b sales of tangible personal property delivered to the federal government, including its agencies and instrumentalities, outside Wisconsin if the property is shipped from an office, store, warehouse, factory, or other place of storage in Wisconsin and the seller doesn't have nexus in the destination state. These sales are included in the numerator of the sales factor at 50%.

Enter on line 27c sales, other than sales to the federal government, that are "thrown back" to Wisconsin. These are sales of tangible personal property shipped from an office, store, warehouse, factory, or other place of storage in Wisconsin to a state in which the seller doesn't have nexus. "Throwback" sales are included in the numerator of the sales factor at 50%.

Enter on line 28 the "double throwback" sales. These are sales, other than sales to the federal government, of tangible personal property by an office in Wisconsin to a purchaser in another state, but not shipped or delivered from Wisconsin, if the taxpayer doesn't have nexus in (1) the state from which the property is delivered or shipped, or (2) the destination state. "Double throwback" sales are included in the numerator of the sales factor at 50%.

Note: For purposes of throwback sales and double throwback sales, "state" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States. A foreign country isn't a state.

Enter on line 30a gross receipts from the use of computer software that the purchaser or licensee uses at a location in Wisconsin. Computer software is used in Wisconsin if the purchaser or licensee uses the software in the regular course of business operations in Wisconsin, for personal use in Wisconsin, or if the purchaser or licensee is an individual whose domicile is in Wisconsin. If the purchaser or licensee uses the computer software in more than one state, the gross receipts are divided among those states having jurisdiction to impose an income tax on the taxpayer in proportion to the use of the computer software in those states. To determine computer software use in Wisconsin, the Department may consider the number of users in each state where the software is used, the number of site licenses or workstations in Wisconsin, and any other factors that reflect the use of computer software in Wisconsin.

Enter on line 30b gross receipts from the use of computer software if the taxpayer is not subject to income tax in the state in which the gross receipts are considered received, but the taxpayer's commercial domicile is in Wisconsin. "Commercial domicile" means the location from which an unrelated trade or business is principally managed and directed, based on any factors the Department determines are appropriate, including the location where the greatest number of employees of the unrelated trade or business work, have their office or base of operations, or from which the employees are directed or controlled. These gross receipts are included in the numerator of the sales factor at 50%.

Enter on line 32a gross receipts from services if the purchaser of the service receives the benefit of the service in Wisconsin. The benefit of the service is received in Wisconsin if any of the following applies:

- The service relates to real property that is located in Wisconsin.
- The service relates to tangible personal property that is located in Wisconsin at the time that the service is received or tangible personal property that is delivered directly or indirectly to customers in Wisconsin.
- The service is provided to an individual who is physically present in Wisconsin at the time that the service is received.
- The service is provided to a person engaged in a trade or business in Wisconsin and relates to that person's business in Wisconsin.

If the purchaser of a service receives the benefit of the service in more than one state, the gross receipts from the service are included in the numerator of the sales factor according to the portion of the service received in Wisconsin.

Enter on line 32b gross receipts from services, if the taxpayer is not subject to income tax in the state in which the benefit of the service is received, to the extent that the taxpayer's employees or representatives performed services from a location in Wisconsin. These gross receipts are included in the numerator of the sales factor at 50%.

Enter on line 34, for both Wisconsin and the total company, other gross receipts of apportionable unrelated business taxable income, that are includable in the sales factor.

These gross receipts are attributable to Wisconsin if the income producing activity that gives rise to the receipts is performed in Wisconsin. If the income producing activity is performed partly in and partly outside Wisconsin, assign receipts to Wisconsin based on the ratio of direct costs of performance in Wisconsin to the direct costs of performance in all states having jurisdiction to tax the business.

■ **Line 39.** Add lines 19, 25, and 38. Enter the resulting percentage here and on Form 4T, line 4.

Form 4C – Separate Accounting Data

Who Must Use

An exempt organization engaged in a nonunitary unrelated trade or business in and outside Wisconsin is required to determine the amount of unrelated business taxable income attributable to Wisconsin by separate accounting. A nonunitary business is one in which the operations in Wisconsin aren't dependent upon or contributory to the operations outside Wisconsin.

A unitary business may use separate accounting only with the approval of the Department. An application for such approval must set

forth, in detail, the reasons why separate accounting will more clearly reflect the exempt organization's Wisconsin unrelated business taxable income. It should be mailed to the Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906 before the end of the taxable year for which the use of separate accounting is desired.

An exempt organization that uses separate accounting must complete a schedule similar to Form 4C showing the unrelated business taxable income attributable to Wisconsin. You may obtain Form 4C from any Department of Revenue office.

2007 Tax Table for Trusts

If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is
			4,000	4,100	186	9,500	9,600	440	15,000	15,100	778	20,500	20,600	1,122
			4,100	4,200	191	9,600	9,700	446	15,100	15,200	784	20,600	20,700	1,128
			4,200	4,300	196	9,700	9,800	452	15,200	15,300	790	20,700	20,800	1,135
			4,300	4,400	200	9,800	9,900	458	15,300	15,400	797	20,800	20,900	1,141
			4,400	4,500	205	9,900	10,000	465	15,400	15,500	803	20,900	21,000	1,148
			4,500	4,600	209	10,000	10,100	471	15,500	15,600	809	21,000	21,100	1,154
			4,600	4,700	214	10,100	10,200	477	15,600	15,700	815	21,100	21,200	1,161
			4,700	4,800	219	10,200	10,300	483	15,700	15,800	821	21,200	21,300	1,167
			4,800	4,900	223	10,300	10,400	489	15,800	15,900	827	21,300	21,400	1,174
			4,900	5,000	228	10,400	10,500	495	15,900	16,000	834	21,400	21,500	1,180
			5,000	5,100	232	10,500	10,600	501	16,000	16,100	840	21,500	21,600	1,187
			5,100	5,200	237	10,600	10,700	508	16,100	16,200	846	21,600	21,700	1,193
			5,200	5,300	242	10,700	10,800	514	16,200	16,300	852	21,700	21,800	1,200
0	20	0	5,300	5,400	246	10,800	10,900	520	16,300	16,400	858	21,800	21,900	1,206
20	40	1	5,400	5,500	251	10,900	11,000	526	16,400	16,500	864	21,900	22,000	1,213
40	100	3	5,500	5,600	255	11,000	11,100	532	16,500	16,600	870	22,000	22,100	1,219
100	200	7	5,600	5,700	260	11,100	11,200	538	16,600	16,700	877	22,100	22,200	1,226
200	300	12	5,700	5,800	265	11,200	11,300	544	16,700	16,800	883	22,200	22,300	1,232
300	400	16	5,800	5,900	269	11,300	11,400	551	16,800	16,900	889	22,300	22,400	1,239
400	500	21	5,900	6,000	274	11,400	11,500	557	16,900	17,000	895	22,400	22,500	1,245
500	600	25	6,000	6,100	278	11,500	11,600	563	17,000	17,100	901	22,500	22,600	1,252
600	700	30	6,100	6,200	283	11,600	11,700	569	17,100	17,200	907	22,600	22,700	1,258
700	800	35	6,200	6,300	288	11,700	11,800	575	17,200	17,300	913	22,700	22,800	1,265
800	900	39	6,300	6,400	292	11,800	11,900	581	17,300	17,400	920	22,800	22,900	1,271
900	1,000	44	6,400	6,500	297	11,900	12,000	588	17,400	17,500	926	22,900	23,000	1,278
1,000	1,100	48	6,500	6,600	301	12,000	12,100	594	17,500	17,600	932	23,000	23,100	1,284
1,100	1,200	53	6,600	6,700	306	12,100	12,200	600	17,600	17,700	938	23,100	23,200	1,291
1,200	1,300	58	6,700	6,800	311	12,200	12,300	606	17,700	17,800	944	23,200	23,300	1,297
1,300	1,400	62	6,800	6,900	315	12,300	12,400	612	17,800	17,900	950	23,300	23,400	1,304
1,400	1,500	67	6,900	7,000	320	12,400	12,500	618	17,900	18,000	957	23,400	23,500	1,310
1,500	1,600	71	7,000	7,100	324	12,500	12,600	624	18,000	18,100	963	23,500	23,600	1,317
1,600	1,700	76	7,100	7,200	329	12,600	12,700	631	18,100	18,200	969	23,600	23,700	1,323
1,700	1,800	81	7,200	7,300	334	12,700	12,800	637	18,200	18,300	975	23,700	23,800	1,330
1,800	1,900	85	7,300	7,400	338	12,800	12,900	643	18,300	18,400	981	23,800	23,900	1,336
1,900	2,000	90	7,400	7,500	343	12,900	13,000	649	18,400	18,500	987	23,900	24,000	1,343
2,000	2,100	94	7,500	7,600	347	13,000	13,100	655	18,500	18,600	993	24,000	24,100	1,349
2,100	2,200	99	7,600	7,700	352	13,100	13,200	661	18,600	18,700	1,000	24,100	24,200	1,356
2,200	2,300	104	7,700	7,800	357	13,200	13,300	667	18,700	18,800	1,006	24,200	24,300	1,362
2,300	2,400	108	7,800	7,900	361	13,300	13,400	674	18,800	18,900	1,012	24,300	24,400	1,369
2,400	2,500	113	7,900	8,000	366	13,400	13,500	680	18,900	19,000	1,018	24,400	24,500	1,375
2,500	2,600	117	8,000	8,100	370	13,500	13,600	686	19,000	19,100	1,024	24,500	24,600	1,382
2,600	2,700	122	8,100	8,200	375	13,600	13,700	692	19,100	19,200	1,031	24,600	24,700	1,388
2,700	2,800	127	8,200	8,300	380	13,700	13,800	698	19,200	19,300	1,037	24,700	24,800	1,395
2,800	2,900	131	8,300	8,400	384	13,800	13,900	704	19,300	19,400	1,044	24,800	24,900	1,401
2,900	3,000	136	8,400	8,500	389	13,900	14,000	711	19,400	19,500	1,050	24,900	25,000	1,408
3,000	3,100	140	8,500	8,600	393	14,000	14,100	717	19,500	19,600	1,057	25,000	25,100	1,414
3,100	3,200	145	8,600	8,700	398	14,100	14,200	723	19,600	19,700	1,063	25,100	25,200	1,421
3,200	3,300	150	8,700	8,800	403	14,200	14,300	729	19,700	19,800	1,070	25,200	25,300	1,427
3,300	3,400	154	8,800	8,900	407	14,300	14,400	735	19,800	19,900	1,076	25,300	25,400	1,434
3,400	3,500	159	8,900	9,000	412	14,400	14,500	741	19,900	20,000	1,083	25,400	25,500	1,440
3,500	3,600	163	9,000	9,100	416	14,500	14,600	747	20,000	20,100	1,089	25,500	25,600	1,447
3,600	3,700	168	9,100	9,200	421	14,600	14,700	754	20,100	20,200	1,096	25,600	25,700	1,453
3,700	3,800	173	9,200	9,300	426	14,700	14,800	760	20,200	20,300	1,102	25,700	25,800	1,460
3,800	3,900	177	9,300	9,400	430	14,800	14,900	766	20,300	20,400	1,109	25,800	25,900	1,466
3,900	4,000	182	9,400	9,500	435	14,900	15,000	772	20,400	20,500	1,115	25,900	26,000	1,473

2007 Tax Table for Trusts (continued)

If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is
26,000	26,100	1,479	31,500	31,600	1,837	37,000	37,100	2,194	42,500	42,600	2,552	48,000	48,100	2,909
26,100	26,200	1,486	31,600	31,700	1,843	37,100	37,200	2,201	42,600	42,700	2,558	48,100	48,200	2,916
26,200	26,300	1,492	31,700	31,800	1,850	37,200	37,300	2,207	42,700	42,800	2,565	48,200	48,300	2,922
26,300	26,400	1,499	31,800	31,900	1,856	37,300	37,400	2,214	42,800	42,900	2,571	48,300	48,400	2,929
26,400	26,500	1,505	31,900	32,000	1,863	37,400	37,500	2,220	42,900	43,000	2,578	48,400	48,500	2,935
26,500	26,600	1,512	32,000	32,100	1,869	37,500	37,600	2,227	43,000	43,100	2,584	48,500	48,600	2,942
26,600	26,700	1,518	32,100	32,200	1,876	37,600	37,700	2,233	43,100	43,200	2,591	48,600	48,700	2,948
26,700	26,800	1,525	32,200	32,300	1,882	37,700	37,800	2,240	43,200	43,300	2,597	48,700	48,800	2,955
26,800	26,900	1,531	32,300	32,400	1,889	37,800	37,900	2,246	43,300	43,400	2,604	48,800	48,900	2,961
26,900	27,000	1,538	32,400	32,500	1,895	37,900	38,000	2,253	43,400	43,500	2,610	48,900	49,000	2,968
27,000	27,100	1,544	32,500	32,600	1,902	38,000	38,100	2,259	43,500	43,600	2,617	49,000	49,100	2,974
27,100	27,200	1,551	32,600	32,700	1,908	38,100	38,200	2,266	43,600	43,700	2,623	49,100	49,200	2,981
27,200	27,300	1,557	32,700	32,800	1,915	38,200	38,300	2,272	43,700	43,800	2,630	49,200	49,300	2,987
27,300	27,400	1,564	32,800	32,900	1,921	38,300	38,400	2,279	43,800	43,900	2,636	49,300	49,400	2,994
27,400	27,500	1,570	32,900	33,000	1,928	38,400	38,500	2,285	43,900	44,000	2,643	49,400	49,500	3,000
27,500	27,600	1,577	33,000	33,100	1,934	38,500	38,600	2,292	44,000	44,100	2,649	49,500	49,600	3,007
27,600	27,700	1,583	33,100	33,200	1,941	38,600	38,700	2,298	44,100	44,200	2,656	49,600	49,700	3,013
27,700	27,800	1,590	33,200	33,300	1,947	38,700	38,800	2,305	44,200	44,300	2,662	49,700	49,800	3,020
27,800	27,900	1,596	33,300	33,400	1,954	38,800	38,900	2,311	44,300	44,400	2,669	49,800	49,900	3,026
27,900	28,000	1,603	33,400	33,500	1,960	38,900	39,000	2,318	44,400	44,500	2,675	49,900	50,000	3,033
28,000	28,100	1,609	33,500	33,600	1,967	39,000	39,100	2,324	44,500	44,600	2,682	50,000	50,100	3,039
28,100	28,200	1,616	33,600	33,700	1,973	39,100	39,200	2,331	44,600	44,700	2,688	50,100	50,200	3,046
28,200	28,300	1,622	33,700	33,800	1,980	39,200	39,300	2,337	44,700	44,800	2,695	50,200	50,300	3,052
28,300	28,400	1,629	33,800	33,900	1,986	39,300	39,400	2,344	44,800	44,900	2,701	50,300	50,400	3,059
28,400	28,500	1,635	33,900	34,000	1,993	39,400	39,500	2,350	44,900	45,000	2,708	50,400	50,500	3,065
28,500	28,600	1,642	34,000	34,100	1,999	39,500	39,600	2,357	45,000	45,100	2,714	50,500	50,600	3,072
28,600	28,700	1,648	34,100	34,200	2,006	39,600	39,700	2,363	45,100	45,200	2,721	50,600	50,700	3,078
28,700	28,800	1,655	34,200	34,300	2,012	39,700	39,800	2,370	45,200	45,300	2,727	50,700	50,800	3,085
28,800	28,900	1,661	34,300	34,400	2,019	39,800	39,900	2,376	45,300	45,400	2,734	50,800	50,900	3,091
28,900	29,000	1,668	34,400	34,500	2,025	39,900	40,000	2,383	45,400	45,500	2,740	50,900	51,000	3,098
29,000	29,100	1,674	34,500	34,600	2,032	40,000	40,100	2,389	45,500	45,600	2,747	51,000	51,100	3,104
29,100	29,200	1,681	34,600	34,700	2,038	40,100	40,200	2,396	45,600	45,700	2,753	51,100	51,200	3,111
29,200	29,300	1,687	34,700	34,800	2,045	40,200	40,300	2,402	45,700	45,800	2,760	51,200	51,300	3,117
29,300	29,400	1,694	34,800	34,900	2,051	40,300	40,400	2,409	45,800	45,900	2,766	51,300	51,400	3,124
29,400	29,500	1,700	34,900	35,000	2,058	40,400	40,500	2,415	45,900	46,000	2,773	51,400	51,500	3,130
29,500	29,600	1,707	35,000	35,100	2,064	40,500	40,600	2,422	46,000	46,100	2,779	51,500	51,600	3,137
29,600	29,700	1,713	35,100	35,200	2,071	40,600	40,700	2,428	46,100	46,200	2,786	51,600	51,700	3,143
29,700	29,800	1,720	35,200	35,300	2,077	40,700	40,800	2,435	46,200	46,300	2,792	51,700	51,800	3,150
29,800	29,900	1,726	35,300	35,400	2,084	40,800	40,900	2,441	46,300	46,400	2,799	51,800	51,900	3,156
29,900	30,000	1,733	35,400	35,500	2,090	40,900	41,000	2,448	46,400	46,500	2,805	51,900	52,000	3,163
30,000	30,100	1,739	35,500	35,600	2,097	41,000	41,100	2,454	46,500	46,600	2,812	52,000	52,100	3,169
30,100	30,200	1,746	35,600	35,700	2,103	41,100	41,200	2,461	46,600	46,700	2,818	52,100	52,200	3,176
30,200	30,300	1,752	35,700	35,800	2,110	41,200	41,300	2,467	46,700	46,800	2,825	52,200	52,300	3,182
30,300	30,400	1,759	35,800	35,900	2,116	41,300	41,400	2,474	46,800	46,900	2,831	52,300	52,400	3,189
30,400	30,500	1,765	35,900	36,000	2,123	41,400	41,500	2,480	46,900	47,000	2,838	52,400	52,500	3,195
30,500	30,600	1,772	36,000	36,100	2,129	41,500	41,600	2,487	47,000	47,100	2,844	52,500	52,600	3,202
30,600	30,700	1,778	36,100	36,200	2,136	41,600	41,700	2,493	47,100	47,200	2,851	52,600	52,700	3,208
30,700	30,800	1,785	36,200	36,300	2,142	41,700	41,800	2,500	47,200	47,300	2,857	52,700	52,800	3,215
30,800	30,900	1,791	36,300	36,400	2,149	41,800	41,900	2,506	47,300	47,400	2,864	52,800	52,900	3,221
30,900	31,000	1,798	36,400	36,500	2,155	41,900	42,000	2,513	47,400	47,500	2,870	52,900	53,000	3,228
31,000	31,100	1,804	36,500	36,600	2,162	42,000	42,100	2,519	47,500	47,600	2,877	53,000	53,100	3,234
31,100	31,200	1,811	36,600	36,700	2,168	42,100	42,200	2,526	47,600	47,700	2,883	53,100	53,200	3,241
31,200	31,300	1,817	36,700	36,800	2,175	42,200	42,300	2,532	47,700	47,800	2,890	53,200	53,300	3,247
31,300	31,400	1,824	36,800	36,900	2,181	42,300	42,400	2,539	47,800	47,900	2,896	53,300	53,400	3,254
31,400	31,500	1,830	36,900	37,000	2,188	42,400	42,500	2,545	47,900	48,000	2,903	53,400	53,500	3,260

2007 Tax Table for Trusts (continued)

If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is	If Line 15 is at least	but less than	Gross tax is
53,500	53,600	3,267	59,000	59,100	3,624	64,500	64,600	3,982	70,000	70,100	4,339	75,500	75,600	4,697
53,600	53,700	3,273	59,100	59,200	3,631	64,600	64,700	3,988	70,100	70,200	4,346	75,600	75,700	4,703
53,700	53,800	3,280	59,200	59,300	3,637	64,700	64,800	3,995	70,200	70,300	4,352	75,700	75,800	4,710
53,800	53,900	3,286	59,300	59,400	3,644	64,800	64,900	4,001	70,300	70,400	4,359	75,800	75,900	4,716
53,900	54,000	3,293	59,400	59,500	3,650	64,900	65,000	4,008	70,400	70,500	4,365	75,900	76,000	4,723
54,000	54,100	3,299	59,500	59,600	3,657	65,000	65,100	4,014	70,500	70,600	4,372	76,000	76,100	4,729
54,100	54,200	3,306	59,600	59,700	3,663	65,100	65,200	4,021	70,600	70,700	4,378	76,100	76,200	4,736
54,200	54,300	3,312	59,700	59,800	3,670	65,200	65,300	4,027	70,700	70,800	4,385	76,200	76,300	4,742
54,300	54,400	3,319	59,800	59,900	3,676	65,300	65,400	4,034	70,800	70,900	4,391	76,300	76,400	4,749
54,400	54,500	3,325	59,900	60,000	3,683	65,400	65,500	4,040	70,900	71,000	4,398	76,400	76,500	4,755
54,500	54,600	3,332	60,000	60,100	3,689	65,500	65,600	4,047	71,000	71,100	4,404	76,500	76,600	4,762
54,600	54,700	3,338	60,100	60,200	3,696	65,600	65,700	4,053	71,100	71,200	4,411	76,600	76,700	4,768
54,700	54,800	3,345	60,200	60,300	3,702	65,700	65,800	4,060	71,200	71,300	4,417	76,700	76,800	4,775
54,800	54,900	3,351	60,300	60,400	3,709	65,800	65,900	4,066	71,300	71,400	4,424	76,800	76,900	4,781
54,900	55,000	3,358	60,400	60,500	3,715	65,900	66,000	4,073	71,400	71,500	4,430	76,900	77,000	4,788
55,000	55,100	3,364	60,500	60,600	3,722	66,000	66,100	4,079	71,500	71,600	4,437	77,000	77,100	4,794
55,100	55,200	3,371	60,600	60,700	3,728	66,100	66,200	4,086	71,600	71,700	4,443	77,100	77,200	4,801
55,200	55,300	3,377	60,700	60,800	3,735	66,200	66,300	4,092	71,700	71,800	4,450	77,200	77,300	4,807
55,300	55,400	3,384	60,800	60,900	3,741	66,300	66,400	4,099	71,800	71,900	4,456	77,300	77,400	4,814
55,400	55,500	3,390	60,900	61,000	3,748	66,400	66,500	4,105	71,900	72,000	4,463	77,400	77,500	4,820
55,500	55,600	3,397	61,000	61,100	3,754	66,500	66,600	4,112	72,000	72,100	4,469	77,500	77,600	4,827
55,600	55,700	3,403	61,100	61,200	3,761	66,600	66,700	4,118	72,100	72,200	4,476	77,600	77,700	4,833
55,700	55,800	3,410	61,200	61,300	3,767	66,700	66,800	4,125	72,200	72,300	4,482	77,700	77,800	4,840
55,800	55,900	3,416	61,300	61,400	3,774	66,800	66,900	4,131	72,300	72,400	4,489	77,800	77,900	4,846
55,900	56,000	3,423	61,400	61,500	3,780	66,900	67,000	4,138	72,400	72,500	4,495	77,900	78,000	4,853
56,000	56,100	3,429	61,500	61,600	3,787	67,000	67,100	4,144	72,500	72,600	4,502	78,000	78,100	4,859
56,100	56,200	3,436	61,600	61,700	3,793	67,100	67,200	4,151	72,600	72,700	4,508	78,100	78,200	4,866
56,200	56,300	3,442	61,700	61,800	3,800	67,200	67,300	4,157	72,700	72,800	4,515	78,200	78,300	4,872
56,300	56,400	3,449	61,800	61,900	3,806	67,300	67,400	4,164	72,800	72,900	4,521	78,300	78,400	4,879
56,400	56,500	3,455	61,900	62,000	3,813	67,400	67,500	4,170	72,900	73,000	4,528	78,400	78,500	4,885
56,500	56,600	3,462	62,000	62,100	3,819	67,500	67,600	4,177	73,000	73,100	4,534	78,500	78,600	4,892
56,600	56,700	3,468	62,100	62,200	3,826	67,600	67,700	4,183	73,100	73,200	4,541	78,600	78,700	4,898
56,700	56,800	3,475	62,200	62,300	3,832	67,700	67,800	4,190	73,200	73,300	4,547	78,700	78,800	4,905
56,800	56,900	3,481	62,300	62,400	3,839	67,800	67,900	4,196	73,300	73,400	4,554	78,800	78,900	4,911
56,900	57,000	3,488	62,400	62,500	3,845	67,900	68,000	4,203	73,400	73,500	4,560	78,900	79,000	4,918
57,000	57,100	3,494	62,500	62,600	3,852	68,000	68,100	4,209	73,500	73,600	4,567	79,000	79,100	4,924
57,100	57,200	3,501	62,600	62,700	3,858	68,100	68,200	4,216	73,600	73,700	4,573	79,100	79,200	4,931
57,200	57,300	3,507	62,700	62,800	3,865	68,200	68,300	4,222	73,700	73,800	4,580	79,200	79,300	4,937
57,300	57,400	3,514	62,800	62,900	3,871	68,300	68,400	4,229	73,800	73,900	4,586	79,300	79,400	4,944
57,400	57,500	3,520	62,900	63,000	3,878	68,400	68,500	4,235	73,900	74,000	4,593	79,400	79,500	4,950
57,500	57,600	3,527	63,000	63,100	3,884	68,500	68,600	4,242	74,000	74,100	4,599	79,500	79,600	4,957
57,600	57,700	3,533	63,100	63,200	3,891	68,600	68,700	4,248	74,100	74,200	4,606	79,600	79,700	4,963
57,700	57,800	3,540	63,200	63,300	3,897	68,700	68,800	4,255	74,200	74,300	4,612	79,700	79,800	4,970
57,800	57,900	3,546	63,300	63,400	3,904	68,800	68,900	4,261	74,300	74,400	4,619	79,800	79,900	4,976
57,900	58,000	3,553	63,400	63,500	3,910	68,900	69,000	4,268	74,400	74,500	4,625	79,900	80,000	4,983
58,000	58,100	3,559	63,500	63,600	3,917	69,000	69,100	4,274	74,500	74,600	4,632	80,000	80,100	4,989
58,100	58,200	3,566	63,600	63,700	3,923	69,100	69,200	4,281	74,600	74,700	4,638	80,100	80,200	4,996
58,200	58,300	3,572	63,700	63,800	3,930	69,200	69,300	4,287	74,700	74,800	4,645	80,200	80,300	5,002
58,300	58,400	3,579	63,800	63,900	3,936	69,300	69,400	4,294	74,800	74,900	4,651	80,300	80,400	5,009
58,400	58,500	3,585	63,900	64,000	3,943	69,400	69,500	4,300	74,900	75,000	4,658	80,400	80,500	5,015
58,500	58,600	3,592	64,000	64,100	3,949	69,500	69,600	4,307	75,000	75,100	4,664	80,500	80,600	5,022
58,600	58,700	3,598	64,100	64,200	3,956	69,600	69,700	4,313	75,100	75,200	4,671	80,600	80,700	5,028
58,700	58,800	3,605	64,200	64,300	3,962	69,700	69,800	4,320	75,200	75,300	4,677	80,700	80,800	5,035
58,800	58,900	3,611	64,300	64,400	3,969	69,800	69,900	4,326	75,300	75,400	4,684	80,800	80,900	5,041
58,900	59,000	3,618	64,400	64,500	3,975	69,900	70,000	4,333	75,400	75,500	4,690	80,900	81,000	5,048

