

## Dairy Manufacturing Facility Investment Credit

2008

Wisconsin Department  
of Revenue

File with Wisconsin Form 1, 1NPR, 2, 3, 4, 4I, 4T, 5, or 5S

*Read instructions before filling in this schedule*

Name	Identifying Number
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- 1 Fill in the amount paid in 2008 for the following items if used exclusively for dairy manufacturing, as shown in your application to the Wisconsin Department of Commerce:
  - a Building construction, including storage and warehouse facilities . . . . . **1a** \_\_\_\_\_
  - b Building additions . . . . . **1b** \_\_\_\_\_
  - c Upgrades to utilities, including water, electric, heat, and waste facilities . . . . . **1c** \_\_\_\_\_
  - d Milk intake and storage equipment . . . . . **1d** \_\_\_\_\_
  - e Processing and manufacturing equipment, including pipes, motors, pumps, valves, pasteurizers, homogenizers, vats, evaporators, dryers, concentrators, and churns. . . . . **1e** \_\_\_\_\_
  - f Packaging and handling equipment, including sealing, bagging, boxing, labeling, conveying, and product movement equipment. . . . . **1f** \_\_\_\_\_
  - g Warehouse equipment, including storage racks . . . . . **1g** \_\_\_\_\_
  - h Waste treatment and waste management equipment, including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products . . . . . **1h** \_\_\_\_\_
  - i Computer software and hardware used for managing the claimant's dairy manufacturing operation, including software and hardware related to logistics, inventory management, and production plant controls. . . . . **1i** \_\_\_\_\_
  - j Other (list) \_\_\_\_\_  
\_\_\_\_\_ **1j** \_\_\_\_\_
- 2 Add lines 1a through 1j . . . . . **2** \_\_\_\_\_
- 3 Amount of credit as allocated by the Wisconsin Department of Commerce for amount on line 2. . . . . **3** \_\_\_\_\_
- 4 Enter dairy manufacturing facility investment credit passed through from other entities **4** \_\_\_\_\_
- 5 Add lines 3 and 4 . . . . . **5** \_\_\_\_\_
- 6 a Maximum credit . . . . . **6a** \$200,000 \_\_\_\_\_
- b Enter credit computed for 2007 (from 2007 Schedule DM, line 6) . . . . . **6b** \_\_\_\_\_
- c Subtract line 6b from 6a. . . . . **6c** \_\_\_\_\_
- 7 Fill in the smaller of line 5 or line 6c. This is the available dairy manufacturing facility investment credit. . . . . **7** \_\_\_\_\_

# Instructions for 2008 Schedule DM

## General Instructions

### Purpose of Schedule DM

Use Schedule DM to claim the dairy manufacturing facility investment credit. This credit is for taxpayers who have invested to modernize or expand dairy manufacturing facilities in Wisconsin and who have been certified by the Wisconsin Department of Commerce. The credit is available for taxable years beginning after December 31, 2006 and before January 1, 2015.

For information on how to become certified by the Department of Commerce, visit the Department of Commerce web site at [www.commerce.wi.gov](http://www.commerce.wi.gov) or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

### Who is Eligible to Claim the Credit

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, or tax-exempt organization that has invested in modernizing or expanding a dairy manufacturing facility in Wisconsin and is certified by the Department of Commerce may be eligible.

Tax-option (S) corporations, partnerships, and LLCs treated as partnerships cannot claim the credit at the entity level. However, the credit attributable to the entity's business operations passes through to the entity's shareholders, partners, or members.

The maximum dairy manufacturing facility investment credit available to all claimants for taxable years beginning in 2008 is \$700,000.

### Caution: Credit is Income

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

### Specific Instructions

**Line 1.** Fill in on lines 1a through 1j the cost of constructing, improving, or acquiring buildings or facilities, or acquiring equipment, related to the claimant's dairy manufacturing operation. The property must have been acquired and placed in service in the taxable year beginning in 2008. The property must be used exclusively for dairy manufacturing.

"Dairy manufacturing" means processing milk into dairy products or processing dairy products for sale commercially.

"Used exclusively" means used to the exclusion of all other uses except for use not exceeding 5 percent of total use.

**Note:** The amounts you enter in line 1 should match the amounts in your application to the Wisconsin Department of Commerce.

**Line 3.** Enter the amount of credit allocated to you by the Wisconsin Department of Commerce based on the amounts you entered above.

**Line 4.** If applicable, fill in the amount of dairy manufacturing facility investment credit passed through from tax-option (S) corporations (from Schedule 5K-1), partnerships and LLCs treated as partnerships (from Schedule 3K-1), and estates and trusts (from Schedule 2K-1).

**Line 7.** Enter the smaller of line 5 or line 6c on line 7. The maximum dairy manufacturing facility investment credit allowed for all property acquired and placed into service after December 31, 2006 and before January 1, 2015, is \$200,000.

For tax-option (S) corporations, partnerships, and LLCs treated as partnerships, each shareholder, partner, or member may claim a credit in proportion to his or her ownership interest, except that the aggregate amount of credits claimed by all persons who own and operate the facility may not exceed \$200,000.

Enter the amount on line 7 as an addition to income on the appropriate line of your Wisconsin franchise or income tax return.

**S corporations, partnerships, and LLCs treated as partnerships:** Prorate the credit on line 7 among the shareholders, partners, or members based on their ownership interests. Show only the credit for each shareholder on Schedule 5K-1 and for each partner or LLC member on Schedule 3K-1

**Estates and trusts:** Prorate the credit that otherwise would be entered on line 7 between the estate or trust itself and its beneficiaries in proportion to the income allocable to each. Show only the estate's or trust's portion of the credit on line 7. Show the beneficiaries' portion of the credit to the left of line 7. Label it "Beneficiaries' portion" and show the credit for each beneficiary on Schedule 2K-1.

If the amount on line 7 exceeds the tax otherwise due, the amount of the claim not used to offset the tax due will be refunded to the claimant.

### Required Attachments to Return

File your completed Schedule DM with your Wisconsin franchise or income tax return. Also, include a copy of your Department of Commerce certification to claim the credit. Shareholders of tax-option (S) corporations, partners of partnerships, members of LLCs treated as partnerships, and beneficiaries of estates or trusts must file a copy of Schedule 5K-1, 3K-1, or 2K-1, as appropriate, with Schedule DM instead of the certification.

### Additional Information

For more information, you may:

- E-mail your question to [corp@revenue.wi.gov](mailto:corp@revenue.wi.gov)
- Call (608) 266-2772 [TTY (608) 267-1049]
- Send a FAX to (608) 267-0834

Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906