

Wisconsin Internet Equipment Credit

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

2008*Read instructions before filling in this schedule*

Name		Federal Employer ID Number	
1	Enter amount claimed for exemption under sec. 77.54(48), Wis Stats. for Internet equipment used in the broadband market, as certified by the Department of Commerce	1	
2	Enter Internet equipment credit passed through from other entities	2	
3	Add lines 1 and 2. This is your 2008 Internet equipment credit	3	
4	Carryover of unused 2007 Internet equipment credit	4	
5	Add lines 3 and 4. This is the available Internet equipment credit	5	

Instructions for 2008 Schedule IE**Purpose of Schedule IE**

Use Schedule IE to claim the Internet equipment credit, which is available for taxpayers who are certified by the Department of Commerce to claim a sales tax exemption on Internet equipment used in the broadband market. For information regarding how to become certified, 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.

Who Is Eligible to Claim the Credit

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, or tax-exempt organization that is certified to claim the sales tax exemption provided by sec. 77.54(48), Wis. Stats., on Internet equipment used in the broadband market, may be eligible for the credit.

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credits, but the credits attributable to the entity's business operations pass through to the partners, members, or shareholders.

"Internet equipment used in the broadband market" means equipment that is capable of transmitting data packets or Internet signals at speeds of at least 200 kilobits per second in either direction.

No credit is allowed unless the claimant satisfies the following requirements:

- The claimant must certify to the Department of Commerce that the claimant will, within 24 months after July 1, 2007, make an investment that is reasonably calculated to increase broadband Internet availability in Wisconsin.
- Within 60 days after the end of the year in which the investment is made, the claimant files a report with the Department of Commerce that provides a detailed description of the investment, including the amount invested.

The claimant may not claim the credit until the first taxable year following the taxable year in which the claimant claimed the sales tax exemption on Internet equipment used in the broadband market. The sales tax exemption may first be claimed on July 1, 2007.

Specific Line Instructions

Line 1: Enter the amount certified by the Department of Commerce that the claimant claimed as a sales tax exemption under sec. 77.54(48), Wis. Stats., for Internet equipment used in the broadband market.

Line 2: Enter the amount of Internet equipment credit passed through from tax-option (S) corporations, partnerships, LLCs treated as partnerships, estates, or trusts. The pass-through credit is shown on Schedule 5K-1 for shareholders of tax-option (S) corporations, Schedule 3K-1 for partners and LLC members, and Schedule 2K-1 for beneficiaries of estates or trusts.

Line 3: For estates or trusts, show only the estate's or trust's portion of the credit on line 3, and show the beneficiaries' portion of the credit to the left of line 3. Label it "Beneficiaries' portion." Prorate the beneficiaries' portion among the beneficiaries on Schedule 2K-1. For tax-option (S) corporations, partnerships, and LLCs treated as partnerships, show the entire amount of credit on line 3 and prorate that amount among the shareholders, partners, or members on Schedule 5K-1 or 3K-1.

Credit is Income

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

Required Attachments to Return

File your completed Schedule IE with your Wisconsin franchise or income tax return. Also, include a copy of your certification to claim tax benefits and the verification of your expenses, which you obtain from the Department of Commerce. 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 IE instead of the certification to claim tax benefits and verification of expenses.

Carryforward of Unused Credits

The Internet equipment credit is nonrefundable. Any unused credits may be carried forward for 15 years, with certain exceptions.

If your certification to claim this credit is revoked, you may not claim any credits for the taxable year in which your benefits are revoked, nor may you carry over unused credits from previous years.

If there is a reorganization of a corporation claiming an Internet equipment credit, the limitations provided by the Internal Revenue Code (IRC) section 383 may apply to the carryover of any unused credits.

Additional Information

For more information, you may:

- E-mail your question to 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