

**Wisconsin  
 Related Entity Expenses  
 Disclosure Statement**

**2008**

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

Taxpayer Name

Identifying Number

**Part I: Summary of Related Entity Expenses**

For lines 1. through 3., enter the name and identification number (FEIN or SSN) of each related entity to which the taxpayer paid, accrued, or incurred the described expense during the taxable year, check (✓) the space to indicate the type of related entity, and enter the amount paid, accrued, or incurred to the related entity during the taxable year.

**Note:** For related entity interest and rental expenses (lines 1. and 2.), you must make an addition to federal income when computing your Wisconsin income and complete Part II of Schedule RT. If Part II indicates you are eligible for a deduction for all or a portion of these expenses, you may then make a subtraction for the amount shown in Part II when computing your Wisconsin income.

**1. Interest Expenses**

Name and Type of Payee	Identification Number	Amount
<b>1a</b> _____	<b>1a</b> _____	.00
<input type="checkbox"/> Corporation <input type="checkbox"/> S Corp. <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Fiduciary <input type="checkbox"/> Other:		
<b>1b</b> _____	<b>1b</b> _____	.00
<input type="checkbox"/> Corporation <input type="checkbox"/> S Corp. <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Fiduciary <input type="checkbox"/> Other:		
<b>1c</b> Total from additional payees (attach schedule) . . . . .	<b>1c</b> _____	.00
<b>1d</b> Total related entity interest expenses . . . . .	<b>1d</b> _____	.00

**2. Rental Expenses**

Name and Type of Payee	Identification Number	Amount
<b>2a</b> _____	<b>2a</b> _____	.00
<input type="checkbox"/> Corporation <input type="checkbox"/> S Corp. <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Fiduciary <input type="checkbox"/> Other:		
<b>2b</b> _____	<b>2b</b> _____	.00
<input type="checkbox"/> Corporation <input type="checkbox"/> S Corp. <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Fiduciary <input type="checkbox"/> Other:		
<b>2c</b> Total from additional payees (attach schedule) . . . . .	<b>2c</b> _____	.00
<b>2d</b> Total related entity rental expenses . . . . .	<b>2d</b> _____	.00



Continue to page 2.

**3. Royalty Expenses**

	Name and Type of Payee	Identification Number	Amount
<b>3a</b>	_____	_____	<b>3a</b> _____ .00
	<input type="checkbox"/> Corporation <input type="checkbox"/> S Corp. <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Fiduciary <input type="checkbox"/> Other		
<b>3b</b>	_____	_____	<b>3b</b> _____ .00
	<input type="checkbox"/> Corporation <input type="checkbox"/> S Corp. <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Fiduciary <input type="checkbox"/> Other		
<b>3c</b>	Total from additional payees (attach schedule) . . . . .	<b>3c</b>	_____ .00
<b>3d</b>	<b>Total related entity royalty expenses</b> . . . . .	<b>3d</b>	_____ .00

**4. Other Related Entity Expenses Paid, Accrued, or Incurred During the Taxable Year**

<b>4a</b>	Management and service fee expenses . . . . .	<b>4a</b>	_____ .00
<b>4b</b>	Inventory purchases. . . . .	<b>4b</b>	_____ .00
<b>4c</b>	Other related entity expenses if more than 10% of total expenses (attach schedule). . . . .	<b>4c</b>	_____ .00



**Part II: Additional Information Required for Related Entity Interest and Rental Expenses**

- A.** Check box i., ii., or iii. if the statement is true for any portion of the interest or rental expense you reported in Part I:
- i.  The related entity to which the taxpayer paid, accrued, or incurred the expense was a conduit through which the taxpayer indirectly paid the expense to an unrelated entity or to a qualifying holding company or subsidiary of a qualifying holding company, as described in sec. 71.80(23)(a)1., Wis. Stats. (See *Specific Instructions for Box i. in the Schedule RT instructions for further explanation of sec. 71.80(23)(a)1., Wis. Stats.*)
  - ii.  The related entity to which the taxpayer paid, accrued, or incurred the expense was subject to a tax on or measured by net income or gross receipts in Wisconsin or in another jurisdiction, that tax base included the income received from the taxpayer for the expenses, and all other conditions described in sec. 71.80(23)(a)2., Wis. Stats., are met. (See *Specific Instructions for Box ii. in the Schedule RT instructions for further explanation.*)
  - iii.  All three of the following statements are true:
    - The primary motivation for the transaction was one or more business purposes other than avoiding or reducing state income or franchise taxes,
    - the transaction changed the taxpayer's economic position in a meaningful way apart from tax effects, and
    - the expenses were paid, accrued, or incurred using terms that reflect an arm's-length relationship.
- B.** In the spaces provided below, enter the amount of related entity interest and rental expense that fits the criteria corresponding to box i., ii., or iii. You may deduct this amount in computing your Wisconsin income. However, the Department of Revenue retains the right to make adjustments if the requirements of sec. 71.80(23), Wis. Stats., are not met or if the Department determines an adjustment is necessary under the authority provided in secs. 71.30(2) or 71.80(1)(b), Wis. Stats., as explained in the Schedule RT instructions.

Interest Expense Allowable	Rental Expense Allowable	Total Subtraction Allowable
\$ _____	\$ _____	\$ _____