

# Dairy Manufacturing Facility Investment Credits

# 2009

Wisconsin Department  
of Revenue

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

*Read instructions before filling in this schedule*

Name	Identifying Number
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**Part I: Amount of Credit Allocated by Department of Commerce**

- 1 Fill in the amount paid in 2009 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. Continue to Part II or Part III, as applicable . . . . . **3** \_\_\_\_\_

**Part II: Regular Dairy Manufacturing Facility Investment Credit**  
*(Dairy cooperatives should skip Part II and go to Part III)*

- 4 Fill in dairy manufacturing facility investment credit passed through from other entities (Do not include amounts allocated from cooperatives. Include those amounts in Part III.) . . . . . **4** \_\_\_\_\_
- 5 Add lines 3 and 4 . . . . . **5** \_\_\_\_\_

**Part III: Dairy Cooperatives Credit**

- 6 *Dairy cooperatives only:* Fill in the amount from line 3. . . . . **6** \_\_\_\_\_
- 7a *Dairy cooperatives only:* Fill in the dairy manufacturing facility investment credit passed through from entities other than cooperatives (from Schedule(s) 2K-1, 3K-1, or 5K-1). . . . . **7a** \_\_\_\_\_
- 7b *All entities:* Fill in the dairy manufacturing facility investment credit allocated from cooperatives (from Schedule(s) DMK-1) . . . . . **7b** \_\_\_\_\_
- 8 Add lines 6, 7a, and 7b . . . . . **8** \_\_\_\_\_

**Part IV: Application of Limitation**

- 9 Add lines 5 and 8. . . . . **9** \_\_\_\_\_
- 10a Maximum credit . . . . . **10a**           \$200,000
- 10b Fill in the credit computed on Schedule DM for 2007 to 2008 (from 2008 Schedule DM, line 6b plus line 7) . . . . . **10b** \_\_\_\_\_

10c	Subtract line 10b from line 10a . . . . .	10c	_____
11	Fill in the smaller of line 9 or line 10c . . . . .	11	_____
<b>Part V: Available Amount of Each Credit</b>			
12	Divide the amount on line 11 by the amount on line 9 and enter the result as a percentage (if the result is 1, enter 100.0000%) . . . . .	12	_____ %
13	Multiply the amount on line 5 by the amount on line 12 and enter the result. This is the available dairy manufacturing facility investment credit, subject to the limitation provided in the instructions . . . . .	13	_____
14	Multiply the amount on line 8 by the amount on line 12 and enter the result. This is the available dairy cooperatives credit, subject to the limitation provided in the instructions . . . . .	14	_____

## Instructions for 2009 Schedule DM

### General Instructions

#### Purpose of Schedule DM

Use Schedule DM to claim the dairy manufacturing facility investment credit, which includes the dairy cooperatives 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. For dairy manufacturing facilities of entities other than dairy cooperatives, the credit is available for taxable years beginning after December 31, 2006 and before January 1, 2015. For dairy manufacturing facilities of dairy cooperatives, the credit is available for taxable years beginning after December 31, 2008 and before January 1, 2017.

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, tax-exempt organization, or dairy cooperative 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, LLCs treated as partnerships, and dairy cooperatives, 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.

For dairy manufacturing facilities of entities other than dairy cooperatives, the maximum dairy manufacturing facility investment credit available to all claimants for taxable years beginning in 2008 is \$700,000. For dairy manufacturing facilities of dairy cooperatives, the maximum credit available to all claimants for taxable years beginning in 2009 is \$600,000.

### 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 2009. 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).

For dairy manufacturing facilities of dairy cooperatives, the maximum credit available to all claimants for taxable years beginning in 2009 is \$600,000. If you had any credit allocated to you from a dairy cooperative (from Schedule DMK-1), do not include that amount on line 4. Include the amount from Schedule DMK-1 on line 7b instead.

**Line 7a.** If the dairy cooperative had dairy manufacturing facility investment credits passed through from tax-option (S) corporations (from Schedule 5K-1), partnerships of LLCs treated as partnerships (from Schedule 3K-1), or estates and trusts (from Schedule 2K-1), fill in the total of those amounts.

**Line 7b.** This line applies to entities that are members of cooperatives, including cooperatives that are members of other cooperatives.

**Line 11.** The maximum dairy manufacturing facility investment credit, including the dairy cooperatives credit, that is allowed for property acquired and placed into service after December 31, 2006, and before January 1, 2017 (as applicable), is \$200,000.

For facilities owned by tax-option (S) corporations, partnerships, and LLCs treated as partnerships, each shareholder, partner, or member may claim the credit in proportion to her or his ownership interest, but the total amount allowed to all persons who own and operate the facility may not exceed \$200,000.

For facilities owned by dairy cooperatives, each member may claim the credit in proportion to the amount of milk delivered to the dairy cooperative, as allocated by the dairy cooperative, but the total amount allowed to all persons who own and operate the facility may not exceed \$200,000.

**Lines 13 and 14.** The maximum amount of dairy manufacturing facility credit, including the dairy cooperatives credit, that a claimant may claim for all taxable years may not exceed \$200,000.

To the extent not limited as described above, enter the amounts from lines 13 and 14 as an addition to income on the appropriate line of your Wisconsin income or franchise tax return, and as refundable credits on the appropriate lines of Schedule CR. If the claimant is a combined group member, enter the refundable credit amounts on Form 4M instead of Schedule CR.

If the total amount on lines 13 and 14 exceeds the tax otherwise due, the amount of the claim not used to offset the tax due will be refunded to the claimant.

**S corporations, partnerships, and LLCs treated as partnerships:** Prorate the credits on lines 13 and 14 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 lines 13 and 14 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 lines 13 and 14, as applicable. Show the beneficiaries' portion of the credit to the left of each applicable line. Label it "Beneficiaries' portion" and show the credit for each beneficiary on Schedule 2K-1.

**Dairy Cooperatives:** Allocate the credit on line 14 in proportion to the amount of milk delivered to the dairy cooperative by each member. For each member, prepare Schedule DMK-1 to show the amount allocated to that member. For each Schedule DMK-1 you prepare, you must submit a copy to the Department of Revenue and provide another copy to the appropriate member.

If the dairy cooperative is not otherwise required to file a Wisconsin income or franchise tax return, the cooperative must submit Schedule DM and the copies of Schedule DMK-1 with a Wisconsin Partnership Return, Form 3, indicating on line D of Form 3 that the form is being filed by a cooperative for purposes of computing and allocating the dairy cooperatives credit. You do not have to complete any other part of Form 3 or prepare Schedules 3K-1. If the dairy cooperative is already required to file a Wisconsin return, submit Schedule DM and the Schedules DMK-1 to the Department of Revenue with that return.

### Required Attachments to Return

File your completed Schedule DM with your Wisconsin franchise or income tax return. Dairy cooperatives that are not otherwise required to file a Wisconsin franchise or income tax return must submit Schedule DM and copies of Schedule DMK-1 with Wisconsin Form 3, as explained in *Dairy Cooperatives*, above. 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, beneficiaries of estates or trusts, and members of dairy cooperatives must file a copy of Schedule 5K-1, 3K-1, 2K-1, or DMK-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, PO Box 8906, Madison, WI 53708-8906