

Manufacturing Investment Credit

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

2009

| | |
|------|--------------------|
| Name | Identifying Number |
|------|--------------------|

- 1 Enter the amount of your manufacturer's sales tax credit carryover that was certified by the Department of Commerce **1** _____
- 2 Divide the amount on line 1 by 15 **2** _____
- 3 Enter amount of manufacturing investment credit passed through from tax-option (S) corporations (from Schedule 5K-1, line 13b) **3** _____
- 4 Add lines 2 and 3. This is your 2009 manufacturing investment credit **4** _____
- 5 Carryover of unused manufacturing investment credit (see instructions) **5** _____
- 6 Add lines 4 and 5. This is the available manufacturing investment credit. **6** _____

Instructions for 2009 Schedule MI

Purpose of Schedule MI

Use Schedule MI to claim the manufacturing investment credit. In order for the claimant to receive the credit, the claimant's business must have been certified by the Department of Commerce. For information regarding certification, visit the Department of Commerce website at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, PO Box 7970, Madison WI 53707-7970.

Any individual, estate, trust, corporation, or tax-exempt organization whose business is certified by the Department of Commerce and had a manufacturer's sales tax credit carryover to 2006 of more than \$25,000 may be eligible for the credit.

Credit is Income

The credit computed on line 4 of Schedule MI is income and must be reported on your Wisconsin franchise or income tax return in the year computed. **(Note:** The amount on line 4 must be included in income for each taxable year for taxable years beginning in 2008 through taxable years beginning in 2022.)

Carryforward of Unused Credits

The manufacturing investment credit is nonrefundable. If you don't use your 1/15 share of the credit in a tax year, the unused portion may be carried forward for up to 15 years.

If there is a reorganization of a corporation claiming the manufacturing investment credit, the limitations provided by Internal Revenue Code section 383 may apply to the carryover of any unused credit.

Specific Line Instructions

Line 1. Fill in the amount of your manufacturer's sales tax credit carryover shown on the approved copy of your application to the Department of Commerce (this is your certification).

Line 3. Fill in the amount of manufacturing investment credit passed through from tax-option (S) corporations which computed the credit based on manufacturer's sales tax credit carryover from years when the entity did not pass the credit through to shareholders. This is the amount on Schedule 5K-1, line 13b.

Line 4. This is the amount you must report as an addition to income. For pass-through entities, special instructions apply to the amount on line 4:

Tax-option (S) corporations: For the portion of the amount on line 4 attributable to manufacturer's sales tax credit from taxable years beginning prior to January 1, 1998, prorate the credit among the shareholders based on their ownership interests. For the portion of the amount on line 4 attributable to manufacturer's sales tax credit from taxable years beginning on or after January 1, 1998, allocate the credit only among the shareholders that had more than \$25,000 in manufacturer's sales tax credit carryforward for their first taxable year beginning after December 31, 2005. Make this allocation in proportion to each shareholder's manufacturer's sales tax credit carryforward for its first taxable year beginning after December 31, 2005.

Partnerships and LLCs treated as partnerships: Allocate the credit only among the partners or members that had more than \$25,000 in manufacturer's sales tax credit carryforward for their first taxable year beginning after December 31, 2005. Make this allocation in proportion to each partner's or member's manufacturer's sales tax credit carryforward for its first taxable year beginning after December 31, 2005.

Estates and trusts: Allocate the credit between the estate or trust itself and its beneficiaries in proportion to their unused manufacturer's sales tax credit carryforward for their first taxable year beginning after December 31, 2005. Do not allocate the credit to any taxpayer (whether the taxpayer is an estate, trust, or beneficiary) that had \$25,000 or less in unused manufacturer's sales tax credit carryforward for its

first taxable year beginning after December 31, 2005. Show only the estate's or trust's portion of the credit on line 4. Show the beneficiaries' portion of the credit to the left of line 4. Label it "Beneficiaries' portion" and show the credit for each applicable beneficiary on Schedule 2K-1.

Line 5. Fill in the amount of manufacturing investment credit you computed in 2008 which you could not use to offset your 2008 tax liability. This is the amount from your 2008 Schedule MI, line 4.

Required Attachments to Return

File your completed Schedule MI with your Wisconsin franchise or income tax return. Also, include a copy of your Department of Commerce certification to claim the credit.

For any amounts included on line 4 which are attributable to a business that is a tax-option (S) corporation, partnership, limited liability company treated as a partnership, or a trust, file a copy of the Schedule 5K-1, 3K-1, or 2K-1, as appropriate, with Schedule MI instead of the certification.

Additional Information

For more information, you may:

- E-mail your questions 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, PO Box 8906, Madison WI 53708-8906