

Wisconsin Department of Revenue

Name

Identifying Number

<b>1</b>	Fill in the amount paid in 2011 for the following items if used exclusively for dairy or livestock farm modernization or expansion:	
<b>a</b>	Freestall barns . . . . .	<b>1a</b>
<b>b</b>	Fences . . . . .	<b>1b</b>
<b>c</b>	Watering facilities . . . . .	<b>1c</b>
<b>d</b>	Feed storage and handling equipment . . . . .	<b>1d</b>
<b>e</b>	Milking parlors . . . . .	<b>1e</b>
<b>f</b>	Robotic equipment . . . . .	<b>1f</b>
<b>g</b>	Scales . . . . .	<b>1g</b>
<b>h</b>	Milk storage and cooling facilities . . . . .	<b>1h</b>
<b>i</b>	Bulk tanks . . . . .	<b>1i</b>
<b>j</b>	Manure pumping and storage facilities . . . . .	<b>1j</b>
<b>k</b>	Digesters . . . . .	<b>1k</b>
<b>l</b>	Equipment used to produce energy . . . . .	<b>1l</b>
<b>m</b>	Birthing and rearing structures . . . . .	<b>1m</b>
<b>n</b>	Feedlot structures . . . . .	<b>1n</b>
<b>o</b>	Fish hatchery buildings, fish processing buildings, and fish rearing ponds . . . . .	<b>1o</b>
<b>p</b>	Other ( <i>list</i> ) _____	<b>1p</b>
<b>2</b>	Add lines 1a through 1p . . . . .	<b>2</b>
<b>3</b>	Multiply line 2 by 10% (0.10) . . . . .	<b>3</b>
<b>4</b>	Fill in 2011 dairy and livestock farm investment credit passed through from other entities . . . . .	<b>4</b>
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>
<b>6a</b>	Maximum credit . . . . .	<b>6a</b> \$75,000
<b>6b</b>	Enter credit computed for 2004 to 2010 (from 2010 Schedule DI, line 6b plus line 7) . . . . .	<b>6b</b>
<b>6c</b>	Subtract line 6b from line 6a . . . . .	<b>6c</b>
<b>7</b>	Fill in the smaller of line 5 or line 6c. See instructions . . . . .	<b>7</b>
<b>7a</b>	Fiduciaries - Enter amount of credit from line 7 allocated to beneficiaries . . . . .	<b>7a</b>
<b>7b</b>	Fiduciaries - Subtract line 7a from line 7. . . . .	<b>7b</b>
<b>8</b>	Carryover of unused 2004 to 2010 dairy and livestock farm investment credit . . . . .	<b>8</b>
<b>9</b>	Add lines 7 and 8. (lines 7b and 8 for fiduciaries) . . . . .	<b>9</b>

**Instructions for 2011 Schedule DI**

**General Instructions**

**Purpose of Schedule DI**

Use Schedule DI to claim the dairy and livestock farm investment credit. The dairy investment credit is available for taxable years beginning on or after January 1, 2004, and before January 1, 2017. The livestock farm investment credit is available for taxable years beginning on or after January 1, 2006, and before January 1, 2017. The maximum dairy and livestock farm investment credit available during this period is \$75,000, except that no more than \$50,000 of this amount may be based on costs incurred prior to May 27, 2010.

The aggregate amount of credit that a partnership, limited liability company treated as a partnership, or tax-option (S) corporation may compute may not exceed \$75,000. If two or more persons own and operate the dairy or livestock farm, each person 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 farm may not exceed \$75,000.

**Who is Eligible to Claim the Credit**

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, tax-option (S) corporation, insurance company, or tax-exempt organization that acquires depreciable property for dairy farm or livestock farm modernization or expansion may be eligible for the credit.

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credit; instead, the credit flows through to the partners, members, or shareholders based on their ownership interests.

Estates and trusts share the credit with their beneficiaries in proportion to the income allocable to each.

### Credit Is Income

The credit that you compute on Schedule DI is income and must be reported on your Wisconsin franchise or income tax return in the year computed. This is true even if you cannot use the full amount of a credit computed this year to offset tax liability for this year and must carry part or all of it forward to future years.

### Carryover of Unused Credit

The dairy and livestock farm investment credit is nonrefundable. Any unused credit may be carried forward for 15 years. If there is a reorganization of a corporation claiming the dairy and livestock farm investment credit, the limitations provided by Internal Revenue Code section 383 may apply to the carryover of any unused Wisconsin dairy and livestock farm investment credit.

### Specific Instructions

**Line 1:** Fill in on lines 1a to 1p the cost of depreciable property acquired for dairy farm modernization or expansion or livestock farm modernization or expansion. The property must have been acquired and placed in service in the taxable year beginning in 2011. The property must be used exclusively related to dairy animals, livestock, or both, in Wisconsin.

“Dairy farm modernization or expansion” means the construction, the improvement, or the acquisition of buildings or facilities, or the acquisition of equipment, for dairy animal housing, confinement, animal feeding, milk production, or waste management, if exclusively related to dairy animals on the claimant’s dairy farm and if acquired and placed in service in Wisconsin.

“Milk production” means the activity of producing and handling milk on the claimant’s dairy farm in Wisconsin for human consumption. It does not include activities such as transporting, pasteurizing, or homogenizing milk or making butter, cheese, ice cream, or other dairy products.

“Dairy farm” includes a facility in Wisconsin used to raise heifers as replacement dairy animals. “Dairy animals” include heifers raised as replacement dairy animals.

“Livestock farm modernization or expansion” means the construction, the improvement, or the acquisition of buildings or facilities, or the acquisition of equipment, for livestock housing, confinement, feeding, or waste management, if used exclusively related to livestock on the claimant’s livestock farm and if acquired and placed in service in Wisconsin.

“Livestock” means cattle, not including dairy animals; swine; poultry, including farm-raised pheasants, but not including other farm-raised game birds or ratites (such as emu, ostrich, and rhea); fish that are raised in aquaculture facilities; sheep; and goats.

The terms “dairy farm modernization or expansion” and “livestock farm modernization or expansion” do not include the purchase of equipment used for raising crops for sale or vehicles licensed for highway use, snowmobiles, or all-terrain vehicles. “Used exclusively” related to dairy animals, livestock, or both, means used to the exclusion of all other uses except for other uses not exceeding 5% of total use.

**Line 4:** Fill in the amount of dairy and livestock farm investment credit passed through from tax-option (S) corporations, partnerships, LLCs treated as partnerships, estates, and 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 and trusts.

**Line 6: Caution** - If your 2011 credit is based on costs incurred prior to May 27, 2010, the maximum credit is \$50,000 instead of \$75,000.

**Line 7:** Fill in the smaller of line 5 or line 6c. This is the total current year dairy and livestock farm investment credit.

Fiduciaries - Complete lines 7a and 7b.

**Line 7a: Fiduciaries** - Prorate the credit from line 7 between the entity and its beneficiaries in proportion to the income allocable to each. Show the beneficiaries’ portion of the credit on line 7a. Show the credit for each beneficiary on Schedule 2K-1.

**Line 7b: Fiduciaries** - Subtract line 7a from line 7. This is the estate’s or trust’s portion of the credit.

**Line 9:** Enter the amount of credit from line 9 on line 10 of Schedule CR. See the following exceptions:

- If the claimant is a combined group member, enter the amount of credit on Form 4M instead of Schedule CR.
- Tax-option (S) corporations, partnerships, and LLCs treated as partnerships should prorate the amount of credit on line 7 among the shareholders, partners, or members based on their ownership interest. Show the credit for each shareholder on Schedule 5K-1 and for each partner or member on Schedule 3K-1.

### Additional Information

For more information, you may:

- E-mail your questions to [corp@revenue.wi.gov](mailto:corp@revenue.wi.gov)
- Call (608) 266-2772 [TTY: Call the Wisconsin Telecommunications Relay System at 711. If no answer, dial 1-800-947-3529]
- 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