

Wisconsin Department of

Revenue

Tax Year 2023

# VITA/TCE Training Guide

Wisconsin Tax Law Information



Providing Wisconsin's older adults, underserved taxpayers, and military personnel and veterans free tax preparation services.

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# Section 1: Form 1 - Preparing the Wisconsin Income Tax Return

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## About This Training Guide

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This manual is divided into two sections: Form 1 and Schedule H. The information provided is meant to assist you while preparing taxes through the VITA/TCE programs. Please retain this Training Guide for reference. It is considered “evergreen” and will only be re-printed each year if there are significant tax law changes.

In addition to this training guide, a VITA/TCE Workbook is available to supplement material in this manual. It contains current tax-year information as well as practice scenarios representative of the types of returns seen at VITA/TCE sites.

### **This training guide is designed to:**

- Be a supplement to Wisconsin Form 1 and Schedule H booklets
- Give interpretations of laws enacted by the Wisconsin Legislature as of January 31, 2024

**This training guide is not designed to** include laws enacted after January 31, 2024. New rules and court decisions may change the interpretations in this manual.

### **Additional information**

Volunteers will not provide assistance to individuals who are married but filing separate federal or Wisconsin Form 1 returns (taxpayers filing status of MFS). Some sites may choose to file homestead only Schedule H returns for taxpayers filing separately. Contact your site coordinator for further information.

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## Quick Tips

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### Filing status

- Wisconsin filing status for VITA/TCE returns will be the same as federal, with the exception of “qualifying widower”
- Federal “qualifying widower” may qualify as “head of household” for Wisconsin income tax purposes

### Tax district

- The mailing address may not be the same as the actual location of the property
- There are 10 high school districts that are “union high schools” and the number of the elementary districts must be used

### General information

- Always check that desired credits are on the printed return prior to transmitting the taxpayer’s return
- Wisconsin capital loss carryforward must be entered on Wisconsin Schedule WD
- There is no deduction/adjustment for gambling losses in Wisconsin. Wisconsin follows the gambling session method to determine the net gains taxable to Wisconsin
- All U. S. government military pensions are exempt from Wisconsin tax. The Form 1099-R is payable from the Defense Finance and Accounting Service. In addition, U.S. government service related to the Coast Guard, the commissioned corps of the National Oceanic Atmospheric Administration or the commissioned corps of the Public Health Service is also exempt from Wisconsin income tax.
- All Social Security income is always exempt from Wisconsin tax
- If an e-filed return is reviewed by Wisconsin Department of Revenue (DOR), it may take up to 12 weeks to process

### Estimated tax payments

- If estimated tax payments claimed on the return do not match estimated tax payments per DOR records, an e-filed return will reject and a paper return will suspend
- To check payments and avoid processing delays, preparers should use the estimated tax look-up application at [www.revenue.wi.gov/Pages/apps/taxpaymentinquiry.aspx](http://www.revenue.wi.gov/Pages/apps/taxpaymentinquiry.aspx). The look-up lists payments made and scheduled payments.

Tab to navigate within form. Use mouse to check applicable boxes, press spacebar or press Enter.

Save Print Clear

1 Wisconsin income tax

2023

For the year Jan. 1-Dec. 31, 2023, or other tax year

Check here if an amended return beginning \_\_\_\_\_, 2023 ending \_\_\_\_\_, 20\_\_\_\_\_.

DO NOT STAPLE See page 5 before assembling return

Form 1 header section including personal information, filing status, and tax district details.

Use BLACK Ink • Print numbers like this -> 0 1 2 3 4 5 6 7 8 9 Not like this -> 0 1 4 7 • NO COMMAS; NO CENTS

Table with 10 rows for tax calculations, including Federal adjusted gross income, adjustments, and exemptions.

PAPER CLIP payment here



		<b>NO COMMAS; NO CENTS</b>	
<b>11</b>	Subtract line 10c from line 9. If line 10c is larger than line 9, fill in 0. This is taxable income . . .	<b>11</b>	.00
<b>12</b>	Tax (see table on page 38) . . . . .	<b>12</b>	.00
<b>13</b>	Itemized deduction credit. Include Schedule 1, page 4 . . . . .	<b>13</b>	.00
<b>14</b>	Additional child and dependent care tax credit (see page 17)		
	Federal credit from Form 2441 . . . . . $\blacktriangleright$ .00 x 50% =	<b>14</b>	.00
<b>15</b>	School property tax credit		
<b>a</b>	Rent paid in 2023 – heat included . . . . . .00	} Find credit from table page 19 .	<b>15a</b> .00
	Rent paid in 2023 – heat not included . . . . . .00		
<b>b</b>	Property taxes paid on home in 2023 . . . . . .00	Find credit from table page 20 .	<b>15b</b> .00
<b>16</b>	Working families tax credit (see page 20) . . . . .	<b>16</b>	.00
<b>17</b>	Married couple credit. Include Schedule 2, page 4 . . . . .	<b>17</b>	.00
<b>18</b>	Nonrefundable credits from line 34 of Schedule CR . . . . .	<b>18</b>	.00
<b>19</b>	Net income tax paid to another state. Include Schedule OS . . . . . <input type="checkbox"/>	<b>19</b>	.00
<b>20</b>	Add lines 13 through 19 . . . . .	<b>20</b>	.00
<b>21</b>	Subtract line 20 from line 12. If line 20 is larger than line 12, fill in 0. This is your net tax . . . . .	<b>21</b>	.00
<b>22</b>	Sales and use tax due on internet, mail order, or other out-of-state purchases (see page 23) <b>22</b> .00		
	If you certify that no sales or use tax is due, check here . . . . . $\blacktriangleright$ <input type="checkbox"/>		
<b>23</b>	Donations (decreases refund or increases amount owed)		
<b>a</b>	Endangered resources . . . . . .00	<b>e</b>	Military family relief . . . . . .00
<b>b</b>	Cancer research . . . . . .00	<b>f</b>	Second Harvest/Feeding Amer. . . . . .00
<b>c</b>	Veterans trust fund . . . . . .00	<b>g</b>	Red Cross WI Disaster Relief . . . . . .00
<b>d</b>	Multiple sclerosis . . . . . .00	<b>h</b>	Special Olympics Wisconsin . . . . . .00
	Total (add lines a through h) . . . $\blacktriangleright$	<b>23i</b>	.00
<b>24</b>	Penalties on IRAs, retirement plans, MSAs, etc. (see page 25) . . . . . .00 x .33 =	<b>24</b>	.00
<b>25</b>	Other penalties (see page 25) . . . . .	<b>25</b>	.00
<b>26</b>	Add lines 21, 22, 23i, 24, and 25 . . . . .	<b>26</b>	.00
<b>27</b>	Wisconsin tax withheld. Include withholding statements . . . . .	<b>27</b>	.00
<b>28</b>	2023 estimated tax payments and amount applied from 2022 return . . .	<b>28</b>	.00
<b>29</b>	Earned income credit. Number of qualifying children . . $\blacktriangleright$ _____		
	Federal credit . . . . . .00 x _____ % = . . . . .	<b>29</b>	.00
<b>30</b>	Farmland preservation credit. <b>a</b> Schedule FC, line 17 . . . . .	<b>30a</b>	.00
	<b>b</b> Schedule FC-A, line 13 . . . . .	<b>30b</b>	.00
<b>31</b>	Repayment credit (see page 27) . . . . .	<b>31</b>	.00



2023 Form 1

Page **3 of 4**

Name(s) shown on Form 1		Your social security number
<b>NO COMMAS; NO CENTS</b>		
<b>32</b>	Homestead credit. Include Schedule H or H-EZ . . . . .	<b>32</b> _____ .00
<b>33</b>	Eligible veterans and surviving spouses property tax credit . .	<b>33</b> _____ .00
<b>34</b>	Refundable credits from Schedule CR, line 40. Include Schedule CR	<b>34</b> _____ .00
<b>35</b>	AMENDED RETURN ONLY—Amounts previously paid (see page 31)	<b>35</b> _____ .00
<b>36</b>	Add lines 27 through 35 . . . . .	<b>36</b> _____ .00
<b>37</b>	AMENDED RETURN ONLY—Amounts previously refunded (see page 31)	<b>37</b> _____ .00
<b>38</b>	Subtract line 37 from line 36 . . . . .	<b>38</b> _____ .00
<b>39</b>	If line 38 is larger than line 26, subtract line 26 from line 38. This is the <b>AMOUNT YOU OVERPAID</b> . . . . .	<b>39</b> _____ .00
<b>40</b>	Amount of line 39 you want <b>REFUNDED TO YOU</b> . . . . .	<b>40</b> _____ .00
<b>41</b>	Amount of line 39 you want <b>APPLIED TO YOUR 2024 ESTIMATED TAX</b> . . . . .	<b>41</b> _____ .00
<b>42</b>	If line 38 is smaller than line 26, subtract line 38 from line 26. This is the <b>AMOUNT YOU UNDERPAID</b> . . . . .	<b>42</b> _____ .00
<b>43</b>	Underpayment interest. Fill in exception code—See Sch. U _____	<b>43</b> _____ .00
<b>44</b>	Add lines 42 and 43. This is the <b>AMOUNT YOU OWE</b> . Paper clip payment to front of return	<b>44</b> _____ .00
<b>45</b>	Interest (see page 34) . . . . .	<b>45</b> _____ .00

**Third Party Designee** Do you want to allow another person to discuss this return with the department (see page 34)?  **Yes** Complete the following.  **No**

Designee's name ▶ \_\_\_\_\_ Phone no. ▶ ( ) \_\_\_\_\_ Personal identification number (PIN) ▶ 

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**Paper clip copies of your federal income tax return and schedules to this return. Assemble your return (pages 1-4) and withholding statements in the order listed on page 5.**

**Sign here**

▼ *Under penalties of law, I declare that this return and all attachments are true, correct, and complete to the best of my knowledge and belief.*

Your signature	Date	Daytime Phone	Wisconsin Identity Protection PIN (7 characters)
_____	_____	( ) _____	_____
Spouse's signature (if filing jointly, BOTH must sign)	Date	Daytime Phone	Wisconsin Identity Protection PIN (7 characters)
_____	_____	( ) _____	_____

I-010ai **Caution:** Only enter a Wisconsin Identity Protection PIN if you received one from the department (see page 34).

Mail your return to: Wisconsin Department of Revenue  
 If tax due.....PO Box 268, Madison WI 53790-0001  
 If refund or no tax due.....PO Box 59, Madison WI 53785-0001  
 If homestead credit claimed.....PO Box 34, Madison WI 53786-0001

**Do Not Submit Photocopies**





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## Wisconsin Income - Special Conditions, Adjustments

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### Special conditions

- Death of a taxpayer and/or spouse requires an entry
- If taxpayer became divorced after June 20, 1996, and their divorce judgment states their former spouse must pay a tax liability owed to DOR, complete the special conditions box with code 04 and attach a copy of the divorce judgment to Form W-RA
- Injured spouse: If taxpayer is filing federal Form 8379, Injured Spouse Allocation, enter code 05
- See Form 1 instructions for a complete list of special conditions

### Federal adjusted gross income - Schedule I adjustments

- This will normally come from line 11 of federal Form 1040 or 1040-SR
- Differences may occur because Wisconsin uses the provision of federal law enacted as of December 31, 2022. Changes made to the Internal Revenue Code (IRC) enacted after December 31, 2022, apply for Wisconsin tax purposes only when adopted by the legislature.
- If the calculation of federal adjusted gross income or itemized deductions reflects any of the differences in Wisconsin and federal law for the current tax year, a Schedule I must be completed

### Items requiring a Schedule I adjustment

- Health savings accounts distribution – see Schedule I instructions
- For a complete list, see Schedule I instructions

### State and municipal interest

- Typically exempt from federal and taxable to Wisconsin; however, in some cases it is exempt from federal and Wisconsin taxes
- Refer to Schedule AD instructions for a list of interest that is exempt from federal and Wisconsin taxes
- If information is not available regarding the source of interest, make it taxable to Wisconsin
- Will carryforward to Schedule AD, line 1 when taxpayer is affected by state and municipal interest
  - » Federal: Always exempt: Enter as tax-exempt interest (Box 8)
  - » Wisconsin – If exempt (on the list in Schedule AD instructions): No entry required
  - » Wisconsin – If taxable (not on list in the Schedule AD instructions) it needs to be added back:
    - Choose “Taxable state interest/add interest items”
    - Select: Wisconsin:
      - Enter amount taxable to Wisconsin

### Capital gain/loss addition

- If federal capital gain/loss does not match Wisconsin amount, an adjustment will be required
- Schedule WD determines whether any capital gain/loss addition must be reported
- Wisconsin capital loss carryovers may have to be entered manually

### State tax refund

- Not taxable for Wisconsin
- A subtraction is allowed if claimed as income on federal Form 1040 or 1040-SR
- Software will automatically take care of this subtraction if refund was claimed as income on federal Form 1040 or 1040-SR

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## **Form 1: Wisconsin Income - Adjustments**

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### **United States government interest**

- Box 3 of Form 1099-INT
- Schedule EE bonds used for education are out-of-scope
- Taxable to federal and exempt from Wisconsin
- Will carryforward from interest worksheet on federal entry screen if entered properly
  - » Federal: Enter in box 3 as U.S. savings bonds interest, which will make them taxable for federal:
  - » Wisconsin: Exempt for Wisconsin:
    - Choose amount of U.S. savings bonds interest you want subtracted from your state
    - Enter amount of U.S. savings bonds interest
    - Select Wisconsin as the state to subtract the interest from

### **Unemployment compensation**

- Depending on the taxpayer's income, a different amount of unemployment may be taxable for Wisconsin than for federal purposes
- Software will calculate any adjustment necessary

### **Social Security adjustment**

- Social Security is not taxable for Wisconsin
- Software will subtract any Social Security taxed for federal purposes

### **Capital gain/loss subtraction**

- Schedule WD determines whether any capital gain/loss subtraction must be reported
- All amounts will carry forward to Wisconsin Schedule SB, line 5
- Wisconsin allows a 30 percent capital gain exclusion, or 60 percent in the case of farm assets

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## **Form 1: Wisconsin Income - Other Subtractions**

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**General information:** Some data will flow from the federal Form 1040 or 1040-SR entries and some data must be manually entered for Wisconsin. The software does not give any indication of what flows automatically. Check each subtraction you expect to see carefully. If you manually enter figures that flow automatically, you could overwrite or create a double subtraction.

### **Medical care insurance (post-tax premiums only)**

- If employer-provided insurance premiums are not included in an employee's wages in box 1 of their Form W-2 (i.e. they are already being taken with a pre-tax benefit), no deduction can be made
- Amounts identified in box 12 of the Form W-2 using code DD, or amounts identified as Internal Revenue Code sec. 125 or as a pre-tax deduction cannot be used for the medical care insurance subtraction
- Medicare payments entered with the Form SSA-1099 will flow to federal Schedule A (Form 1040) and line 6 of Schedule SB
- Other post-tax premiums (e.g. Medicare Supplemental) entered separately on the federal Schedule A (Form 1040) will also flow to line 6 of Schedule SB
- The subtraction for medical care insurance is adjusted for any federal premium tax credit (PTC) received. Use the medical insurance worksheet in the Form 1 instructions and enter the net premium cost on federal Schedule A (Form 1040), which will flow to line 6 of Schedule SB.
- If the subtraction is taken, an adjustment is needed for medical expenses claimed for the itemized deduction credit

### **Long-term care insurance**

- Wisconsin allows a 100 percent deduction
- "Long-term care policy" does not include a Medicare supplement policy, Medicare replacement policy or a continuing care contract

### **Tuition and fee expenses**

- This always requires manual entry
- The subtraction for tuition and fees is \$6,974 per student. The phase-out range has been increased. See page 4 of the Schedule SB instructions
- Classes must be taken at a qualified or approved post-secondary school in Wisconsin or Minnesota, under the tuition reciprocity agreement
- Classes may be taken outside Wisconsin, provided the tuition is paid to a qualified school located in Wisconsin
- Tuition and mandatory fees paid for correspondence or online courses received via the internet or other electronic transmission qualify as long as taken in Wisconsin and presented by a qualified or approved school located in or outside Wisconsin
- A subtraction cannot be claimed for tuition and fees paid with certain tax-free funds
- A subtraction cannot be claimed if the source of the payment is an amount withdrawn from a Wisconsin state-sponsored college savings program or college tuition and expenses program (ex: EdVest or Tomorrow's Scholar)
- Book fees only qualify if required to be paid to the school in order to attend class
- Subtraction is subject to limitations and phases-out based on adjusted gross income (see Schedule SB instructions)

## Military pensions

- Never taxable in Wisconsin
- Form 1099-R for U. S. military retirement is payable from Defense Finance and Accounting Service
- Enter any military pension taxed on federal Form 1040 or 1040-SR as a subtraction for Wisconsin

## Local and state retirement benefits

- Includes city and county of Milwaukee retirement and Wisconsin State Teachers retirement
- Must have been a member and receiving payments from an account established prior to January 1, 1964
- Enter any benefits taxed on the federal Form 1040 or 1040-SR as a subtraction

## Federal retirement benefits

- Must have been a member prior to January 1, 1964
- Form 1099-R will be from U.S. Office of Personnel Management
- Enter any benefits taxed on federal return as a subtraction

## Railroad retirement

- Tier 1 benefits should be treated the same as Social Security benefits and should be entered as a Form SSA-1099 in the federal income screen. Social Security benefits are not taxable to Wisconsin, and TaxSlayer will automatically subtract any portion that was taxed on federal.
- Tier 2 benefits are always exempt from state income tax. Enter information manually as a subtraction.

## Native Americans

- Certain income earned by Native Americans working and living on their tribal reservation or trust land is not subject to Wisconsin income tax and may be subtracted. "Tribal reservation" means the reservation of the tribe of which a Native American is an enrolled member (ex: the tribal reservation for an enrolled member of the Oneida Tribe is the Oneida reservation).
- For specific income items, see the chart on pages 3, 4 and 5 of Publication 405, "Wisconsin Taxation Related to Native Americans," <https://www.revenue.wi.gov/DOR%20Publications/pb405.pdf>

## Contributions to state-sponsored college savings programs

- Edvest or Tomorrow's Scholar
- \$3,860 per taxpayer, spouse—if married filing jointly—or by any other person
- The subtraction is equal to the amount taxpayer contributed to the account during the tax year, but not more than \$3,860 per beneficiary
- Total subtraction for a married couple may not exceed \$3,860 per beneficiary or \$1,930 per beneficiary, if taxpayer is married filing a separate return or a divorced parent
- Must complete Schedule CS

## Distributions from Edvest

- Only applies if earnings were included from a Wisconsin Edvest tuition unit account and a refund was received because the beneficiary either:
  - » Completed the program and had not used all of the tuition units purchased; or
  - » Was awarded a scholarship, tuition waiver or similar subsidy that could not be converted to cash

### Disability income exclusion

- Applies to permanent and totally disabled taxpayers who included disability income on line 1 of Form 1 and met a sequence of tests found on Wisconsin Schedule 2440W
- Subtraction is up to \$5,200
- Subject to federal adjusted gross income limitations

### Repayment of income previously taxed

- This subtraction is not allowed for taxable years 2018 through 2025
- **Caution:** Only amounts previously included in Wisconsin income may be claimed as a subtraction. If the amount repaid exceeded \$3,000, you may be able to subtract the repayment as a tax credit. See Form 1 instructions.
- Note: Some sites consider this item out-of-scope. See your site coordinator

### Costs related to human organ donation

- Maximum subtraction is \$10,000 for claimant, spouse or a person who is claimed as a dependent on a federal tax return who donates
- May only claim once
- Unreimbursed expenses that may be claimed include travel and lodging expenses and lost wages

### Military pay received by members of Reserve and National Guard

- Must be received from the federal government, received after being called into active federal service under 10 USC 12302(a), 10 USC 12304 or 10 USC 12304b, or into special state service authorized under 32 USC 502(f) by the federal Department of Defense and paid to the person for the time during which they are on active duty.
- See Schedule SB instructions for limitations

### U.S. Armed Forces Active Duty Pay

- Only allowed for basic, special and incentive pay received from the federal government under 37 USC chapters 3 and 5
- Must be on active duty
- Must be a member of the U.S. armed forces

See Schedule SB instructions for more information

### Private school tuition

- Subtraction for tuition paid to send your dependent child to a private school
- Maximum subtraction is \$4,000 for an elementary pupil and \$10,000 for a secondary pupil
- Schedule PS must be included
- Does not apply to tuition paid with a voucher
- Subtraction not allowed for amounts paid for tuition withdrawn from an Edvest or Tomorrow's Scholar college savings account

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**ABLE accounts**

- Subtraction may be claimed for the amount contributed to a qualified Achieve a Better Life Experience (ABLE) account during the year
- Owner (beneficiary) of the ABLE account must be disabled
- Distributions must be used to pay the qualified disability expenses of the disabled person
- Total maximum subtraction claimed by all contributors to the account for the tax year may not exceed annual gift tax exclusion limit. Owner of account may qualify for larger subtraction. See Schedule SB instructions.

**Retirement income subtraction**

- This subtraction is claimed prior to the income limited subtractions (e.g., medical care insurance and tuition and fees)
- Up to \$5,000 per recipient who is at least 65 years old on December 31 of the tax year and federal adjusted gross income was less than \$15,000, or \$30,000 for married filing jointly

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## **Form 1: Wisconsin Tax Credits**

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### **Itemized deduction credit**

- Use Schedule 1 of Form 1 to adjust for interest paid on a second home located outside Wisconsin or on a boat and for interest paid to purchase or hold U.S. government securities
- Based on the subtractions taken on Schedule SB, there may be adjustments to the deductible medical expenses
- See Form 1 instructions for a list of adjustments relating to the itemized deduction credit

### **Renter's and homeowner's school property tax credit**

- These are property taxes and rent actually paid during the tax year for the taxpayer's principal residence. It does not include taxes on property that is not a primary residence, such as a cottage or vacant land.
- Do not include charges for special assessments, delinquent interest or services that may be included on the tax bill, such as trash removal, recycling fee or a water bill
- For an owner of a mobile or manufactured home and land, property taxes include municipal permit fees paid to a municipality, personal property taxes paid on the mobile home and real estate taxes paid on land owned
- For a renter of a mobile or manufactured home and land, personal property taxes, municipal fees or real estate taxes paid to the landlord are considered rent
- If property is owned jointly with others, the taxpayer may only use that portion of the property taxes paid reflecting their ownership percentage
- If taxpayer bought or sold their home during the tax year, the property taxes of the seller and buyer are those set forth in the closing agreement made at the sale or purchase. If the closing agreement does not divide the property taxes between them, divide on the basis of number of months each owned the property.
- If property taxes are entered correctly on federal Schedule A (Form 1040), they will carry forward to this line
- Rent must be entered manually
- Neither rent nor property tax information will carry to homestead credit
- Credit is not available for taxpayers claiming the veterans and surviving spouses property tax credit. May claim credit for up to \$300.

### **Working families tax credit**

- Due to the increase in the standard deduction, taxpayers may no longer receive a benefit from this credit unless they are married filing a joint return on Form 1NPR
- Credit remains on Form 1 and in the instructions

### Married couple credit

- Must be married and filing a joint return
- Both spouses must have Wisconsin taxable earned income
- Credit is based on the lowest earning spouse's income and subject to a maximum amount of \$480

### Credit for net tax paid to another state

- Taxes paid on income earned as an employee (ex., wages, salaries, tips, commissions, bonuses) in Illinois, Indiana, Kentucky, and/or Michigan cannot be used to claim the credit
- Schedule OS is made available to claim credit for such taxes paid on the same income taxable to Wisconsin and earned in multiple states
- The credit is the lesser of:
  1. Wisconsin net tax liability
  2. Amount of tax paid to the other state(s) on income taxable to Wisconsin
  3. Amount of Wisconsin tax paid on the income subject to tax in the other state
- The third limitation does not apply to income that is taxed by Minnesota, Illinois, Iowa and Michigan

### Earned income credit

- Wisconsin earned income credit (EIC) will automatically calculate based on the federal EIC
- No credit is available if the taxpayer does not have any qualifying children
- Wisconsin credit will be a percentage of federal credit based on number of qualifying children as follows:

Qualifying Children	0	1	2	3+
Percentages	none	4%	11%	34%

For Wisconsin, a married individual must file a joint return with their spouse or meet the federal requirements to file as head of household when filing a separate return to claim the credit. A married individual using the married filing separately filing status is ineligible for the Wisconsin earned income credit.

**Homestead credit** (see section 2 also).

- If household income is less than \$24,680, the taxpayer may qualify for homestead credit. Household income is calculated on the Schedule H.  
**Note:** Federal adjusted gross income is not necessarily income for Wisconsin purposes
- Indicate “yes” in TaxSlayer to complete the homestead return and to start homestead credit with the questions on Schedule H, page 1

**Eligible veterans and surviving spouses property tax credit**

- To claim this credit, a veteran or an un-remarried surviving spouse must have certification from the Wisconsin Department of Veterans Affairs
- If this credit is claimed, the taxpayer cannot claim the homestead credit, school property tax/rent credit or farmland preservation credit
- Property tax must be paid to claim this credit and is available only for the net tax paid
- Credit must be adjusted for property that is more than one acre by completing the worksheet

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## Section 2: Schedule H - General Instructions

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### What is the Homestead Credit?

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- The homestead credit is a refundable credit that may be available to individuals with household income less than \$24,680. The credit is on a sliding scale, which compares household income to the amount of property taxes and/or rent paid. The maximum credit is \$1,168.

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### Homestead Credit Qualifications

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#### Claimant qualifying factors

- Be age 18 or older as of December 31 of the claim year
- Claimant or claimant's spouse must meet **one** of the following conditions:
  - » Earned income during the year
  - » Be disabled
  - » Be 62 years of age or older as of December 31 of the claim year
- Be a legal resident of Wisconsin for the entire year (January 1 to December 31). Only full calendar-year residents of Wisconsin may claim homestead credit.
- Household income must be less than \$24,680
- Owned or rented the Wisconsin homestead they lived in during the claim year

#### Conditions that will disqualify a claimant

- Claimed as a dependent on anyone else's federal return, unless claimant is age 62 or older on December 31 of the claim year. The homestead credit is also allowed to claimants who were:
  - » Improperly claimed as a dependent on a federal income tax return
  - » Properly claimed, but an amended return was filed on which the claimant is no longer claimed
  - » Claimed but the federal tax of the person claiming the exemption is unaffected by claiming
- Currently residing in a nursing home and receiving Title XIX medical assistance
- Received Wisconsin Works (W2) payments of any amount or county relief payments of \$400 or more for all 12 months of the calendar tax year

**Note:** Kinship Care and foster care payments are not considered Wisconsin Works payments when determining if a claimant is qualified

- Lived in tax-exempt housing for the entire year, unless:
  - » The tax-exempt housing is owned by a municipal housing authority that makes payments in place of property taxes, or
  - » Taxes on a former residence are being claimed under the exception for a move to tax-exempt housing in place of property taxes
- Claiming farmland preservation credit for the same claim year
- Claiming the veterans and surviving spouses property tax credit for the same claim year
- Filing more than one claim per household, based on the household as of December 31 of claim year
- Claimant is deceased. They must be alive at the time the claim is filed.

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## General Definitions

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### Claimant

- The person listed on the top line of a Schedule H
- Either spouse may be the claimant
- The homestead credit claim is based on the claimant's household income

### Homestead

- A claimant's homestead is the Wisconsin home they occupy, whether the claimant owns or rents it. It includes either of the following:
  - » Up to one acre of land adjoining it
  - » Up to 120 acres, if the homestead is part of a farm
  - » May be a house, an apartment, a rented room, a mobile home, a farm or a nursing home
- Unless a homestead is part of a farm, it does not include any part that is used for business or rental purposes where a deduction is allowed or allowable for federal income tax purposes, or a separate unit occupied by others rent free

### Household

- A household is a claimant and their spouse living in the claimant's homestead
- If the claimant is single, the claimant is a household, whether they live alone or with others
- If the claimant is married, the claimant and their spouse are a household if they live together
- If the claimant is married, but the claimant and their spouse maintained separate homes on December 31 of the claim year, they are each considered a separate household

### Earned income

- Earned income includes
  - Wages
  - Salaries
  - Tips
  - Other employee compensation
  - Net earnings from self employment
- **Note:** Additional definitions are provided within each topic.  
Earned income does not include unemployment compensation.

Tab to navigate within form. Use mouse to check applicable boxes, press spacebar or press Enter.

Save Print Clear

H Wisconsin homestead credit

Check here if an amended return 2023

Form with fields for Claimant's social security number, Spouse's social security number, Claimant's legal last name, Spouse's legal last name, Current home address, City or post office, State, Zip code, and Special conditions.

For questions 1a through 1d, see pages 4 and 10 of the instructions.

- 1a What was your age as of December 31, 2023?
1b What was your spouse's age as of December 31, 2023?
1c If you and your spouse were under age 62 as of December 31, 2023, were you or your spouse disabled?
1d If you and your spouse were not disabled, and under age 62, did you or your spouse have positive earned income (see page 7) in 2023?
2 Were you a legal resident of Wisconsin from 1-1-23 through 12-31-23?
3 Were you claimed or will you be claimed as a dependent on someone else's 2023 federal income tax return?
4a Are you now living in a nursing home?
4b If "Yes," are you receiving medical assistance under Title XIX?
5 Did you become married or divorced in 2023?
6a If married for any part of 2023, did you and your spouse maintain separate homes during any part of the year?
6b If you and your spouse maintained separate homes while married during 2023, did either spouse notify the other of their marital property income?

Print numbers like this -> 0 1 2 3 4 5 6 7 8 9 Not like this -> 0147 NO COMMAS; NO CENTS

Household Income Include all 2023 income as listed below. If married, include the incomes of both spouses. See pages 10 to 17.

Table with 2 columns: Question number and Amount. Rows include Wisconsin income from 2023 income tax return, Wages, Other taxable income, Medical and long-term care insurance subtraction, Nontaxable household income (Unemployment compensation, Social security, Railroad retirement benefits, Pensions and annuities, Contributions to deferred compensation plans, Contributions to IRA, Interest on United States securities, Scholarships, Child support, Wisconsin Works), and Add lines 7 through 9j.



2023 Schedule H	Name	SSN	Page 2 of 4
<b>11 a</b>	Enter amount from line 10 here	<b>11a</b>	.00
<b>b</b>	Workers' compensation, income continuation, and loss of time insurance (e.g., sick pay)	<b>11b</b>	.00
<b>c</b>	Gain from sale of home excluded for federal tax purposes (see page 14)	<b>11c</b>	.00
<b>d</b>	Other capital gains not taxable (see page 14)	<b>11d</b>	.00
<b>e</b>	Net operating loss carryforward or carryback and capital loss carryforward (see page 14)	<b>11e</b>	.00
<b>f</b>	Income of nonresident spouse or part-year resident spouse; nontaxable income from sources outside Wisconsin; resident manager's rent reduction; clergy housing allowance; and nontaxable Native American income	<b>11f</b>	.00
<b>g</b>	Partner's, LLC member's, and tax-option (S) corporation shareholder's distributive share of depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs. If none was claimed, write "None" on federal Schedule E, Part II, near the entity's name	<b>11g</b>	.00
<b>h</b>	Car or truck depreciation (standard mileage rate) (see page 15)	<b>11h</b>	.00
<b>i</b>	Other depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs	<b>11i</b>	.00
<b>j</b>	Disqualified losses (see Schedule 4, on page 4 of Schedule H)	<b>11j</b>	.00
<b>12 a</b>	Subtotal. Add lines 11a through 11j (if less than the total of lines 13, 14a, and 14c, see page 16)	<b>12a</b>	.00
<b>b</b>	Number of qualifying dependents. Do not count yourself or your spouse (see page 17) _____ x \$500 =	<b>12b</b>	.00
<b>c</b>	Household income. Subtract line 12b from line 12a (if \$24,680 or more, no credit is allowed)	<b>12c</b>	.00

<b>Taxes and/or Rent</b>		See pages 17 to 20.	
<b>A</b>	Check here if your home was located on more than one acre of land and <b>was not</b> part of a farm; <b>see Schedule 1, on page 3 of Schedule H</b>	<b>A</b>	<input type="checkbox"/>
<b>B</b>	Check here if your home was located on more than one acre of land and <b>was</b> part of a farm	<b>B</b>	<input type="checkbox"/>
<b>C</b>	Check here if your home was used for other than personal or farm purposes while you lived there in 2023; <b>see Schedule 2, on page 3 of Schedule H</b>	<b>C</b>	<input type="checkbox"/>
<b>D</b>	Check here if you received Wisconsin Works (W2) payments or county relief during 2023; <b>see Schedule 3, on page 4 of Schedule H</b>	<b>D</b>	<input type="checkbox"/>
<b>13</b>	Homeowners – Net <b>2023</b> property taxes on your homestead, whether paid or <b>not</b>	<b>13</b>	.00
<b>14</b>	Renters–Rent from your rent certificate(s), line 8a (or Shared Living Expenses Schedule). <b>See pages 18 to 20.</b>		
	Heat included (8b of rent certificate is "Yes")	<b>14a</b>	.00 x .20 (20%) = <b>14b</b> .00
	Heat not included (8b of rent certificate is "No")	<b>14c</b>	.00 x .25 (25%) = <b>14d</b> .00
<b>15</b>	Total of lines 13, 14b, and 14d (or amount from line 6 of Schedule 3)	<b>15</b>	.00

**Don't delay your refund. Attach all necessary documents. See page 21.**

<b>Credit Computation</b>			
<b>16</b>	Fill in the <b>smaller</b> of (a) amount on line 15 or (b) \$1,460	<b>16</b>	.00
<b>17</b>	Using the amount on line 12c, fill in the appropriate amount from <b>Table A</b> (page 25)	<b>17</b>	.00
<b>18</b>	Subtract line 17 from line 16 ( <b>if line 17 is more than line 16, fill in 0</b> ; no credit is allowable)	<b>18</b>	.00
<b>19</b>	Homestead credit – Using the amount on line 18, fill in the credit from <b>Table B</b> (page 26)	<b>19</b>	.00
If filing a Wisconsin income tax return, fill in your homestead credit (line 19) on line 32 of Form 1 or line 63 of Form 1NPR.			

**STOP** DON'T file this claim UNLESS a rent certificate or property tax bill (or closing statement) is included.

**Caution:** Sign the return on page 3 and mail complete return to department



Under penalties of law, I declare this homestead credit claim and all attachments are true, correct, and complete to the best of my knowledge and belief.

<b>Sign here</b> ▶	Claimant's signature	Date	Daytime phone number ( )	Wisconsin Identity Protection PIN (7 characters) _____
	Spouse's signature	Date	Daytime phone number ( )	Wisconsin Identity Protection PIN (7 characters) _____

**Caution:** Only enter a Wisconsin Identity Protection PIN if you received one from the department (see page 21).

**Mail to:**

Wisconsin Department of Revenue  
PO Box 34  
Madison WI 53786-0001

*For Department Use Only*

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**Schedule 1 Allowable Taxes – Home on More Than One Acre of Land**

<ul style="list-style-type: none"> <li><b>Homeowners:</b> Complete this schedule if your home was on more than one acre of land and was not part of a farm (as defined on page 7 of the instructions). Claim only the property taxes on one acre of land and the buildings on it.</li> <li><b>Renters:</b> If your home was on more than one acre of land and was not part of a farm, do not complete Schedule 1, but see exception 4 under "Exceptions: Homeowners and/or Renters" (page 20) for instructions.</li> <li>Do <b>not</b> complete this schedule if your home was part of a farm. You may claim the property taxes on up to 120 acres of land adjoining your home and all improvements on those 120 acres.</li> <li>If you wish to use a different method to prorate your property taxes, attach to Schedule H your computation of allowable property taxes.</li> </ul>	<u>1</u>	Assessed value of land (from tax bill) . . . . .	1	_____	.00
	<u>2</u>	Number of acres of land . . . . .	2	_____	_____
	<u>3</u>	Divide line 1 by line 2 . . . . .	3	_____	.00
	<u>4</u>	Assessed value of improvements (from tax bill) . . . . .	4	_____	.00
	<u>5</u>	Add line 3 and line 4 . . . . .	5	_____	.00
	<u>6</u>	Add line 1 and line 4 (total assessed value) . . . . .	6	_____	.00
	<u>7</u>	Divide line 5 by line 6 (carry the decimal to four places) . . . . .	7	_____	_____
	<u>8</u>	Net 2023 property taxes (see instructions for line 13 of Schedule H, on page 17) . . . . .	8	_____	.00
	<u>9</u>	Multiply line 8 by line 7. Fill in here and on line 13 of Schedule H or line 1 of Schedule 2 or 3 below . . . . .	9	_____	.00

**Schedule 2 Allowable Taxes/Rent – Home Used Partly for Purposes Other Than Farm or Personal Use**

<ul style="list-style-type: none"> <li>Complete this schedule if your homestead (as defined on page 8 of the instructions) was not part of a farm but was used partly for purposes other than personal use while you lived there in 2023. Only the personal portion of your property taxes/rent may be claimed.</li> <li>"Other uses" include part business or rental use where a deduction is allowed or allowable for tax purposes, and a separate unit occupied by others rent free. See paragraph 3 under "Exceptions: Homeowners and/or Renters" (page 20) for examples and additional information.</li> </ul>	<u>1</u>	Net 2023 property taxes/rent or amount from line 9 of Schedule 1 (see pages 18 to 20) . . . . .	1	_____	.00
	<u>2</u>	Percentage of homestead used solely for personal purposes . . . . .	2	_____	%
	<u>3</u>	Multiply line 1 by line 2. Fill in here and on line 13, 14a, or 14c of Schedule H, or on line 1 or 2 of Schedule 3 on page 4 . . . . .	3	_____	.00



**Schedule 3 Taxes/Rent Reduction – Wisconsin Works (W2) or County Relief Recipients**

Complete this schedule if, for any month of 2023, you received a) Wisconsin Works (W2) payments of any amount, or b) county relief payments of \$400 or more. If you received these payments for all 12 months of 2023, do not complete Schedule H; you do not qualify for homestead credit.

**Example:** You received Wisconsin Works payments for 4 months in 2023. Rent paid for 2023 was \$4,500, and heat was included.

**Line**

2	20% of rent paid (\$4,500 x .20) . . . . .	\$900
4	Monthly rent (\$900 ÷ 12) . . . . .	\$ 75
5	Number of months <b>no</b> Wisconsin Works received . . . . .	8
6	Reduced rent (\$75 x 8 months) . . . . .	\$600

In this example, "600" would be filled in on line 15 of Schedule H.

<u>1</u>	Homeowners – fill in the net 2023 property taxes on your homestead or the amount from line 3 of Schedule 2 . . . . .	1	_____	.00
<u>2</u>	Renters – if heat <b>was</b> included, fill in 20% (.20), or if heat <b>was not</b> included, fill in 25% (.25), of rent from line 8a of the rent certificate(s) or line 3 of Schedule 2 . . . . .	2	_____	.00
<u>3</u>	Add line 1 and line 2; fill in the <b>smaller</b> of a) the total of lines 1 and 2, or b) \$1,460 . . . . .	3	_____	.00
<u>4</u>	Divide line 3 by 12. . . . .	4	_____	.00
<u>5</u>	Number of months in 2023 for which you did <b>not</b> receive a) any Wisconsin Works (W2) payments, or b) county relief payments of \$400 or more . . . . .	5	_____	
<u>6</u>	Multiply line 4 by line 5. Fill in here and on line 15 of Schedule H. Do not fill in line 13 or 14 . . . . .	6	_____	.00

**Schedule 4 Disqualified Losses**

Complete this schedule if you had any disqualified losses. Disqualified losses are losses indicated on lines 2-10 below (see the instructions for line 11j on page 16). Disqualified losses are required to be added back to household income for homestead credit purposes. A disqualified loss does not include net gains from the sale or exchange of capital or business assets or net profits. **Enter all amounts as positive numbers.**

<u>1</u>	If your primary income was from farming, did the farm generate less than \$250,000 in gross receipts in 2023? . . . . . (if yes, do not complete this schedule. Your net losses do not have to be added back.)	1	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>2</u>	Net business loss from a sole proprietorship . . . . .	2	_____	.00
<u>3</u>	Net capital loss (Include only current year capital losses on this line. Do not include any capital loss carryforward) . . . . .	3	_____	.00
<u>4</u>	Net rental real estate and royalty loss . . . . .	4	_____	.00
<u>5</u>	Net loss from a partnership . . . . .	5	_____	.00
<u>6</u>	Net loss from a tax-option (S) corporation . . . . .	6	_____	.00
<u>7</u>	Net loss from a trust or estate . . . . .	7	_____	.00
<u>8</u>	Net loss from a real estate mortgage investment conduit . . . . .	8	_____	.00
<u>9</u>	Net loss from the sale of business property (not including losses from involuntary conversions) . . . . .	9	_____	.00
<u>10</u>	Net farm loss . . . . .	10	_____	.00
<u>11</u>	Subtotal (add lines 2 through 10) . . . . .	11	_____	.00
<u>12</u>	Amount of depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs reported on lines 11g, 11h, and 11i which is included on lines 2 through 10 above . . . . .	12	_____	.00
<u>13</u>	Total (Subtract line 12 from line 11). If zero or less, enter 0 (zero). Fill in here and on line 11j of Schedule H . . . . .	13	_____	.00

**Note Homeowners Age 65 or Older**

The **Property Tax Deferral Loan Program** provides loans to help individuals age 65 or older pay their property taxes. Qualified applicants may participate even if they receive homestead credit. For more information, contact the Wisconsin Housing and Economic Development Authority at (608) 266-7884 (Madison), (414) 227-4039 (Milwaukee), or 1-800-755-7835.



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## **Schedule H - Overview**

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- For purposes of calculating the homestead credit, the claimant will need to include taxable and nontaxable income types in their household income
- Some income will flow automatically from Form 1 to Schedule H
- Some nontaxable income types must be manually entered into the software
- The homestead credit questions on the Wisconsin intake form are for income items that must be manually entered into the Schedule H
- These instructions are for returns prepared with a Form 1 software
- If you are preparing a paper return or using the WisTax application, see the Schedule H instruction booklet

## Section 2.1: Schedule H - Basic Information

### Line References: Claimant Information

#### Name and address area

- Either spouse may be the claimant
- Do not enter the lot number or suite number as an apartment number in the apt. no. box. Include these numbers as part of the street address when entering the information in the federal screen

#### Special conditions - Refunds of divorced claimants

- If a claimant divorces after June 20, 1996, and their divorce judgement states that their former spouse must pay a tax liability owed to the Department of Revenue, complete special conditions box with code 04 and attach a copy of the divorce judgement to Form W-RA

### Line References 1a-6b

#### Line 1a: What was your age as of December 31, 2023?

- The software will auto calculate the age of claimant and spouse based on the birthdate(s) entered in the federal return section
- If claimant is younger than 18 years old, they are not eligible for homestead credit and the credit will not calculate
- If claimant is younger than age 62, see 1c and 1d below.

#### Lines 1c and 1d: 1c: If you and your spouse were younger than age 62, were you or your spouse disabled? 1d: If you and your spouse were not disabled and younger than age 62, did you or your spouse have positive earned income?

- If claimant is **younger than age 62**, they must have **either earned income** in the form of wages, salaries, other employee compensation, net earnings from self-employment **or be considered disabled**  
**Exception:** If married filing jointly, only one spouse needs to have earned income or be disabled regardless of age
- Disabled is defined as an individual who is unable to engage in any substantial gainful employment by reason of a medically determinable physical or mental impairment, which has lasted or is reasonably expected to last for a continuous period of not fewer than 12 months
- If claimant(s) is younger than age 62 and has no earned income but is disabled, one of the following documents must be submitted to the Wisconsin Department of Revenue to verify disability:
  - » Physician's statement: Statement from their physician, which states the beginning date of the disability and that they meet the definition of disabled, as described above
  - » Veteran's statement: Statement from the Veteran's Administration certifying that the claimant is receiving a disability due to 100 percent disability  
**Note:** If this applies, make sure to **double-check** that the taxpayer does not meet the requirements to receive the veterans and surviving spouse property tax credit instead
  - » Social Security Administration document: Document or copy from the Social Security Administration stating the date the disability began.

**Line 2: Were you a legal resident of Wisconsin from January 1 to December 31 of current tax year?**

- Legal resident
  - » A person who maintains their domicile in Wisconsin, whether or not they are physically present in Wisconsin or living outside the state
  - » A “domicile” is a person’s true, fixed and permanent home where a person intends to remain permanently and indefinitely, and to which a person has the intention of returning, whenever absent. A domicile is often referred to as “legal residence.” A person may be physically present or living in one place but maintain a domicile in another. A person has only one domicile at any point.
  - » A person’s domicile depends on many things, including where they work, vote, register vehicles, or own or rent property.
  - » A person’s domicile, once established, does not change unless all three of the following circumstances occur or exist:
    - They intend to abandon their old domicile and take action consistent with that intent
    - They intend to acquire a new domicile and take action consistent with that intent
    - They are physically present in a new domicile
- Armed forces personnel
  - » Armed forces personnel stationed outside of Wisconsin who retain their Wisconsin residency and a Wisconsin homestead may qualify for the homestead credit.
  - » The Wisconsin property must be maintained as a homestead (e.g., the armed forces member has a family living there, possessions stored there, or goes there during leave).
  - » The claim would be based on property taxes or rent for the Wisconsin homestead, not property taxes or rent for non-Wisconsin property.
  - » If veteran is married and both spouses elect to be residents of a state other than Wisconsin, the taxpayer is ineligible for the credit.
- Temporary absence from a homestead
  - » If a person is away from their homestead at the end of the year, and it can be reasonably assumed the absence is temporary, that person is treated as a member of the homestead they previously occupied for purposes of determining both income and taxes/rent.
  - » This is true even if the claimant rented their Wisconsin homestead during a planned temporary absence.
- Not a legal resident
  - » A claimant is not a legal Wisconsin resident if they:
    - Moved here from another state after January 1 of the current tax year
    - Moved here from another state for educational purposes only and have not abandoned their other state’s residence
    - Are not a U.S. citizen and:
      1. Are not a lawful permanent resident of the U.S. (have not been issued a green card or permanent residence card); not a refugee or have not been granted asylum

2. Do not intend to remain permanently and indefinitely in Wisconsin

**Line 3: Were you claimed or will you be claimed as a dependent on someone else's current tax year federal income tax return?**

- Homestead credit will not be allowed to any claimant who was claimed or will be claimed as a dependent on another person's current tax year federal income tax return, unless the claimant is 62 years old or older as of December 31 of the tax year
- However, homestead credit is allowed to claimants who were:
  - » Improperly claimed as a dependent on a federal income tax return
  - » Properly claimed but an amended return was filed on which the claimant is no longer claimed
  - » Claimed but the federal tax of the person claiming the exemption is unaffected by claiming the claimant

**Line 4a: Are you now living in a nursing home?**

- Majority of nursing home and other long-term care facility residents do not qualify for homestead credit because:
  - The facility is not subject to property taxes
  - All or part of the cost of their care is paid by medical assistance under Title XIX
  - Many of the "private pay" residents have household income exceeding \$24,680
- If none of these apply, claimant may be eligible

**Note:** The question is if the claimant is now in a nursing home which means when the claim is being filed

**Line 4b: If "yes," are you receiving medical assistance under Title XIX?**

- Taxpayers living in a nursing home and receiving Title XIX benefits do not qualify for homestead credit
- If taxpayer is uncertain of whether they receive Title XIX benefits, they should contact the nursing home to find out

**Line 5: Did you become married or divorced during the tax year?**

- If yes, indicate the marriage or divorce date
- Some sites do not prepare tax returns in the year of divorce or for couples who became married during the year and maintained separate homes (lines 6a and 6b below). See your site coordinator if this applies.

**Lines 6a and 6b: Did you and your spouse maintain separate homes? If you and your spouse maintained separate homes, did either spouse notify the other of their marital property income?**

- If claimant and spouse maintained separate homes prior to marriage, some sites may consider the return out-of-scope

- See homestead credit instructions if this is in-scope for your site

## Section 2.2: Schedule H - Household Income

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### Line References: 7-12c

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**Important note:** The following instructions are for returns where a claimant is single or married and lived with their spouse during all of the tax year and for returns prepared with Form 1 software

#### Household income defined

- Household income is all of the claimant's income reportable for Wisconsin income tax purposes (line 7 of Form 1) and all the items identified on lines 9a through 11j of Schedule H, less a deduction of \$500 for each qualifying dependent
- If claimant was married and lived with their spouse during all of the claim year, the claimant must combine both incomes to determine household income
- If the spouse died during the year, the surviving spouse (claimant) must report their own income for the entire year, plus the income of the deceased spouse up to the date of death
- If during the claim year, the claimant was separated from their spouse for all or part of the year (including spouse living in a nursing home) or the claimant became married or divorced, see the Schedule H instructions. Some situations may be out-of-scope, depending on site. Contact your site coordinator if these situations apply.

#### Line 7 - Income from tax return

- This will flow from line 7 of Wisconsin Form 1
- If scholarship or fellowship income is included on line 7, enter as a subtraction any portion of that income included in household income on the claimant's prior-year Schedule H on line 9h

#### Line 8 - Income

- Lines 8a, 8b and 8c will not be filled in for returns prepared with Form 1 software

#### Line 9a - Unemployment compensation

- Both taxable and nontaxable unemployment compensation must be included in household income

- TaxSlayer will add back any unemployment compensation subtracted on line 3 of Schedule SB

### **Line 9b - Social Security, SSI, SSI-E, SSD and caretaker supplement**

- Taxable and nontaxable Social Security and caretaker supplement benefits are included in household income
- TaxSlayer will add back any Social Security (including SSDI) entered on federal Form SSA-1099
- Since information statements are not issued for supplemental security income (SSI), supplemental security income – exceptional needs (SSI-E) and caretaker supplement payments, the claimant must provide this information. The federal Social Security office and/or Wisconsin Department of Health Services can provide letters on request from the taxpayer, which will give the annual amount(s) received during the tax year. Another option is to obtain statements from the financial institution/claimant payee showing amounts received during the tax year.
- Enter any federal and Wisconsin SSI, SSI-E and caretaker supplement payments (\$250 per month for the first child and \$150 per month per additional child) the taxpayer and spouse received during the tax year
- Do not include Title XX benefits (payments for services) of the Federal Social Security Act, which are benefits received for certain services provided to low-income and needy persons
- Do not include the claimant's children's Social Security or SSI benefits, whether paid to them directly or to the claimant on their behalf
- Do not include any spouse's Social Security benefits paid to claimant, under the Spousal Impoverishment Program

### **Line 9c - Railroad retirement**

- Software will automatically add back any retirement benefits

### **Line 9d - Pensions and annuities, including IRA, SEP, SIMPLE, and qualified plan distributions**

- Include both taxable and nontaxable amounts received by the claimant during the tax year
- Include all payments/contributions deducted or excluded from Wisconsin taxable income
- Nontaxable veterans' pensions and disability payments must be added to household income. Manually enter these amounts in the software.
- Taxable rollovers or conversions from one retirement plan to another, such as from a traditional IRA to a Roth IRA, should be included as income on the claimant's Wisconsin return and may not be subtracted in determining household income
- **Exception:** Do not include nontaxable rollovers (amounts transferred from one retirement plan to another) or tax-free section 1035 insurance contract exchanges

### **Line 9e - Contributions to deferred compensation plans**

- Software will automatically add back amounts entered on Form W-2, box 12
- Does not include nondeductible contributions

### **Line 9f - Contributions to IRA, self-employed SEP, SIMPLE, and qualified plans**

- Software automatically fills in amounts that were deducted from income on the tax return
- Rollover contributions or nondeductible contributions will not be included

### **Line 9g - Interest on United States securities and state and municipal bonds**

- Software automatically adds back any interest that was subtracted from income for Wisconsin on line 2 of Schedule SB or not added back on line 1 of Schedule AD

### **Line 9h – Scholarships, fellowships, grants, and military compensation**

- Manually enter the following nontaxable items received during the tax year:
  - » Scholarship and fellowship income (e.g., scholarships or fellowships used for books or tuition)
  - » Educational grants
  - » Military compensation:
    - Example: Basic quarters and subsistence allowances, Veterans Educational Assistance Program payments (only the portion from the military's contribution is includable; the veteran's contribution portion is not includable), G.I. Bill benefits, pay from duty in a combat zone, pay received by certain members of an armed forces reserve component or certain U.S. armed forces active duty pay
    - Nontaxable pay from duty in a combat zone is generally reported in box 12 of the wage and tax statement, Form W-2, preceded by the prefix Q
  - » **Note:** Do not include student loans or amounts included elsewhere

### **Line 9i - Child support, maintenance payments, and other support**

- Enter the total amount of any court-ordered support payments received in the tax year, including child support and family maintenance, but not foster care, voluntary support or amounts included elsewhere

- Voluntary contributions are considered gifts from a nongovernmental source and are not includable
- Claimant should obtain a printout from child support agency

### **Line 9j - Wisconsin Works (W2), county relief, kinship care, and other cash public assistance**

- A Wisconsin Works (W2) payment is a payment received under the Wisconsin Works assistance program for participating in a community service job or a transitional placement, or as a caretaker of a newborn child
- Amounts received under the W2 program for trial jobs are taxable wages and are not included in the definition of a W2 payment for homestead credit purposes. The claimant would have received a Form W-2 from the employer for those wages.
- Amounts received for job access loans, healthcare coverage, child care subsidies, and transportation assistance are also not included in the W2 payment definition and are not includable in household income
- Since no tax forms are issued for W2 payments, ask the claimant to get a printout from the agency showing the amount and dates of W2 payments received in the tax year
- Enter the total amount of any W2, county relief of \$400 or more in any one month, kinship care and other cash public assistance payments, such as:
  - » Adoption assistance
  - » Federal or state disaster grants
  - » Payments made directly to the claimant by the Dept of Housing and Urban Development
  - » Cash reimbursement by a governmental agency for benefits (not including Title XX payments)
- If the claimant received W2 payments of any amount or county relief payments of \$400 or more in any month, you must also do the following:
  - » Check the Box D
  - » Complete Schedule 3 of Schedule H indicating the number of months that the taxpayer did not receive payments
- Do not include as other cash assistance the following items:
  - » Prior-year's homestead credit
  - » Nontaxable foster care
  - » Gifts
  - » Food stamps
  - » Nontaxable community options program payments
  - » Fuel or energy assistance:
    - Paid to a fuel supplier or utility
    - Provided under the federal Low-Income Home Energy Assistance Act

### **Line 11b - Workers' compensation, income continuation, loss of time insurance (e.g., sick pay)**

- Enter the total amount received during the tax year from these sources
- **Note:** Income continuation or loss-of-time insurance paid for by the taxpayer with no subsidies from their employer may be excluded (ex: Taxpayer purchased a private Aflac plan from which they received loss of time insurance benefits. These benefit amounts do not need to be reported.)
- Nontaxable sick pay is generally reported in box 12 of the wage and tax statement, Form W-2, preceded by the prefix J

### **Line 11c - Gain from sale of home**

- Enter the gain from the sale or exchange of a principal residence excluded for federal tax purposes
- Complete Schedule GL showing the calculation of the gain. If the software does not support the Schedule GL, submit the schedule with the Form W-RA, "Required Attachments for Electronic Filing."

- **Caution:** Do not include a non-recognized gain from an involuntary conversion (e.g. destruction or condemnation) of a principal residence

### Line 11d - Other capital gains not taxable

- TaxSlayer should include the capital gain exclusion on assets held more than one year, gain deferred on sale of capital assets, plus any other nontaxable capital gains not reported elsewhere. If the software does not record the entry correctly, you need to enter the adjustment in the household income screen.

**Example:** The claimant reported net long-term capital gains of \$3,000 on federal Schedule D. In calculating Wisconsin taxable income, the claimant subtracted \$900 ( $\$3,000 \times 30\%$ ) of this gain.

You should show "900" on line 11d.

### Line 11e - Net operating loss carryforward or carryback and capital loss carryforward

- Include any net operating loss carryforward or capital loss carryforward (one incurred in a prior year and not used in that year to offset taxable income) or net operating loss carryback deducted when computing the current tax year Wisconsin taxable income. If the software does not record the entry correctly, you must enter the adjustment in the household income screen.

#### Example

The claimant has a \$2,000 capital loss carryforward from the prior tax year to the current tax year and a \$1,900 capital gain for the current tax year. On Schedule WD, the claimant calculated a \$100 net capital loss deduction of \$2,000 carryforward less \$1,900 gain.

You should show "2000" on line 11e, which is the \$1,900 loss offset against capital gain, plus the \$100 loss applied against other income.

### Line 11f - Income of nonresident spouse or part-year resident spouse and nontaxable income from sources outside Wisconsin, resident manager's rent reduction and nontaxable Native American income

- See homestead instructions for income of a non-resident spouse or part-year resident spouse and nontaxable income from sources outside Wisconsin, if that applies. Some sites may consider these out of scope.
- Clergy housing allowance is out of scope
- For a resident manager's rent reduction, enter the amount rent is reduced in return for services
- Enter any nontaxable income of a Native American

**Line 11g – Partners, LLC members, and tax-option (S) corporation shareholders (out-of-scope for VITA/TCE)****Line 11h – Car or truck depreciation (standard mileage rate) only for Schedule C**

- Only Schedule C is considered in-scope for VITA/TCE. Schedules E and F are out-of-scope.
- If car or truck expenses were claimed using the standard mileage rate on Schedule C, use the portion of the standard mileage rate considered depreciation for the current tax year and multiply that amount by the business miles. This amount should then be added back to household income.

**Example**

On a Schedule C, the taxpayer claimed automobile expenses based on the standard mileage rate for 5,000 business miles.

You should enter \$1,400 (5,000 miles x \$0.28) on line 11h.

- **Note:** The depreciation adjustment is not required for miles claimed after the adjusted basis of the claimant's car or truck reaches zero. If this applies to the claimant, attach a note explaining the situation.

### Line 11i – Other depreciation, section 179 expense, depletion, amortization and intangible drilling costs (out-of-scope for VITA/TCE)

### Line 11j – Disqualified losses

- Enter any disqualified losses on Schedule 4 that were reported on the claimant's Wisconsin income tax return and included in their Wisconsin income on line 7 or 8b of Schedule H
- Disqualified losses means sum of the following amounts, exclusive of (1) net gains from sale or exchange of capital or business assets and (2) net profits:
  - » Net loss from sole proprietorships
  - » Net capital loss
  - » Net loss of sales of business property, not including losses from involuntary conversions\*
  - » Net loss from rental real estate, royalties, partnerships, tax-option (S) corporations, trusts, estates, and real estate mortgage investment conduits\*
  - » Net farm loss\*

\* Indicates out of scope for VITA/TCE

#### Example 1

The taxpayer:

- Sold 100 shares of XYZ stock – gain of \$1,000
- Sold 150 shares of ABC stock – loss of <\$4,000>
- Entered a capital loss deduction of <\$3,000> on federal return

You should enter \$4,000 of disqualified loss on Schedule H - \$3,000 + \$1,000 current-year loss used to offset gains.

#### Example 2

The taxpayer:

- Sold 100 shares of ABC stock with a \$10,000 gain
- Sold 150 shares of XYZ stock with a <\$4,000> loss
- Has a Wisconsin capital loss carryover of <\$7,000>
- Has a federal return capital loss deduction of <\$1,000>

You should enter \$4,000 of disqualified loss on Schedule H, which is the 150 shares of XYZ stock. Add back \$7,000 capital loss carryover (\$7,000 Wisconsin capital loss carryover taken against \$10,000 gain of ABC stock less \$1,000 to household income, if the software fails to do calculation.

- **Note:** There are exceptions for farming concerning disqualified losses; however, since Schedule F is out of scope for VITA/TCE, these will not apply since we will not be preparing those returns.

### Line 12b - Number of qualifying dependents

- The taxpayer may claim a \$500 “dependent deduction” for each “qualifying dependent” who occupied the claimant’s homestead for more than six months during the year
- **Note:** Temporary absences for reasons such as school, illness or vacations count towards residency
- The dependent must qualify as the claimant’s dependent for federal tax purposes
- TaxSlayer automatically uses the number of dependents claimed on the federal Form 1040
- Dependents do not include the claimant or their spouse

### Line 12c - Household income

- TaxSlayer will automatically subtract the amount on line 12b from the amount on line 12a and fill in the total on line 12c. This is the claimant’s total household income.
- **Note:** See also Section 5: Homestead Credit Notes Attachments Checklist:
  - » If the claimant’s household income is less than their rent or property taxes, attach a note explaining how they paid their rent or property taxes and other living expenses like food, utilities and clothing
  - » If the claimant received loans—including student loans—or gifts, attach a note indicating the approximate amount received but do not include these in household income
  - » If the claimant or their spouse is age 65 or older and received no Social Security, supplemental security income or railroad retirement benefits during the tax year, attach a note stating that the claimant or their spouse did not receive income from any of these sources

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## Household Income: Items Not Included

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### Capital gain

- Nonrecognized capital gain from involuntary conversion

### Cash public assistance and county relief

- Relief in kind is not included in household income:
  - » Amounts paid by a governmental agency to a supplier of goods or services rather than to a claimant are considered “relief in kind”
  - » Food stamps are also considered “relief in kind” and are not includable in household income
  - » Nontaxable foster care payments and nontaxable community options program payments

### Funeral trust interest

- Individuals may create a pre-need funeral trust, also referred to as a burial agreement, to prepay costs of funeral and burial services and merchandise
- Investment earnings (e.g., interest) that accrue from a pre-need funeral trust are taxable
- The earnings may be includable in taxable income of the trust or in taxable income of the purchaser/grantor, depending on whether the trustee made an election under IRC sec. 685
- If the trustee of a pre-need funeral elects to have the trust treated as a qualified funeral trust (QFT) under IRC sec. 685, the trust is taxed on the investment earnings generated by the trust
- **Not includable:** In this case, the earnings are not includable in the purchaser/grantor's taxable income or household income for homestead credit purposes
- **Includable:** In all other cases, when an IRC sec. 685 election is not made, the investment earnings from a pre-need funeral trust are includable in the purchaser/grantor's taxable income (or household income for homestead credit purposes)
- See pages 5 and 6 of Wisconsin Tax Bulletin 134 (April 2003) for additional information regarding funeral trust interest

### Homestead credit

- Homestead credit benefits from a prior year
- If only a Schedule H is filed, no depreciation may be claimed in calculating household income

### Home care payments

- These are payments made under Title XX of the federal Social Security Act to a partially disabled, incompetent or other needy person to be turned over directly to another individual in exchange for providing care:
  - » The recipient may not keep any of the money
  - » This money is called wages, out of which Social Security must be taken
- **Not includable:** The payments are not includable in household income by the disabled person, as they are funded by Title XX
- **Includable:** The payments are includable in taxable and household income by the caretaker, reduced by the employer's Social Security share

### Medicaid waiver payments excluded on federal return

- **Not includable:** If claimant excluded payments received as Medicaid waiver for federal purposes, those payments will also not be included in household income for homestead credit
- **Difference between home care payments and Medicaid waiver payments**
  - » Medicaid waiver payments are **paid by Medicaid**, often indirectly through IRIS (MCFI Fiscal Agent or ILIFE). Payments received outside Medicaid from **any** other sources are not Medicaid waiver payments. Examples of non-Medicaid payors are a care recipient, long-term care insurance company, employer disability policy or any other state or federal program not run by Medicaid.
  - » Medicaid waiver payments are only for non-medical tasks. For example: grooming, feeding and janitorial work often required by the incapacitated
  - » To exclude Medicaid waiver payments from income, you **must** live with the individual who you provide care to
  - » All Medicaid waiver payments are home care payments, but not all home care payments are Medicaid waiver payments

**Receipts not considered household income**

- A gift from an individual or other nongovernmental source
- An inheritance
- A divorce property settlement
- Nontaxable income from an insurance settlement
- An insurance payment received for a loss of limb or other disability under a personal insurance policy
- Life insurance paid to a beneficiary of a deceased person
- Foster grandparents program payments

**Support money**

- Voluntary contributions would be considered as gifts from a nongovernmental source and are not includable as household income

**Social security items not reportable as household income include:**

- Social Security and SSI benefits received in the name of a claimant's child
- Cash reimbursement payments under Title XX of the Federal Social Security Act, which are benefits received for certain services provided for low-income and needy persons
- Spouse's Social Security benefits paid to the claimant under the Spousal Impoverishment Program

**Pensions, annuities and rollovers**

- Do not include nontaxable rollovers (amounts transferred from one retirement plan to another) or tax-free section 1035 insurance contract exchanges in household income

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## Section 2.3: Schedule H - Check Boxes A, C and D

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### General Instructions

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- Only boxes A, C and D could apply to VITA/TCE, since Box B applies to farms and federal Schedule F for farms is out of scope
- Property used for other than personal purposes (i.e. business) and as recreation is not considered a farm and could be in scope for the VITA/TCE program
- If in-scope statements above line 13 apply to the claimant, check the designated boxes that apply and, if applicable, refer to the schedules 1 and 3 on page 3 of Schedule H
- The definitions and examples below will help you determine if you have a return that is a farm and considered out of scope

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### Definitions

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#### Farm

- A farm is property used for agricultural purposes. Your homestead generally is considered part of a farm if the current or most recent use of the property while owned by you was for agricultural purposes.
- **Note:** If the current or most recent use of the land was non-agricultural, such as use for recreational purposes, the property would not be considered a farm. Homestead located on such land would be limited to one acre.

#### Farmer

- A farmer is any person engaged in farming

#### Farming

- The operation of farm premises is owned or rented by the operator

## Farm premises

- Areas used for operations of:
  - » Soil planting and cultivation
  - » Raising and harvesting of agricultural, horticultural, or arboricultural crops
  - » Raising, breeding, tending, training and management of livestock, bees, poultry, fur-bearing animals, wildlife or aquatic life, or their products
  - » Processing; drying; packing; packaging; freezing; grading; storing; delivering to storage, market, or a carrier for transportation to market; distributing directly to consumer; or marketing any of the above-named commodities, substantially all of which have been planted or produced
  - » Clearing of such premises, and timber salvaging, and management and use of wood thereafter, but not including logging, lumbering or wood cutting operations, unless conducted as an accessory to other farming operations
  - » Managing; conserving; improvement; and maintaining of such farm premises or the tools, equipment, and improvements thereafter; and the exchange of labor, services, or the exchange of equipment use with other farmers in pursuing such activities
- For any person deriving their principal income from farming, the operation of farm machinery in performing farming services for other farmers for a consideration, other than exchange of labor, shall be deemed farming if it does not exceed 30 days during the tax year. This operation shall be deemed to include any other activities commonly considered farming, whether conducted on or off such premises by the farm operator.
- **Note:** Areas used for operations do not include other areas, greenhouses or other similar structures, unless used principally for the production of food and farm plants

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## Line References: Boxes A-D

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### Box A: Check here if your home was located on more than one acre of land and was not part of a farm and complete Schedule 1

- If the claimant's home was on more than one acre of land and was not part of a farm, they may claim only the property taxes on the home and one acre of land
- Examples of non-farm in-scope scenarios:
  1. In-scope -- not a farm: A claimant bought a 10-acre tract of land from a farmer and built her residence on it two years ago. This land was not used for commercial agricultural purposes since she purchased it. The claimant is entitled to base her claim on her residence and up to only one acre of land.
  2. In-scope – not a farm: A claimant's homestead is located on a 40-acre tract of land where, up until his retirement five years ago, he grew crops. During the last five years he leased this land to an organization using it for recreational purposes. The claimant is entitled to base his claim on his residence and up to only one acre of land.  
**Note:** Some sites may consider this out-of-scope for rental income. See site coordinator.

### **Box B (out-of-scope): Check here if your home was located on more than one acre and part of a farm**

- Examples of farm out-of-scope scenarios:
  1. Out-of-scope for VITA/TCE: A claimant's homestead is located on a 120-acre tract of land where he is currently growing crops. He is entitled to base his claim on the 120 acres, including his residence and other improvements on the property.
  2. Out-of-scope for VITA/TCE: A claimant's homestead is located on a 200-acre tract of land, which he rents to his neighbor. His neighbor grows crops on the land. The claimant is entitled to base his claim on the 120 acres, which includes his residence and other improvements.
  3. Out-of-scope for VITA/TCE: A claimant's homestead is located on a 40-acre tract of land, which is currently sitting idle. He previously grew crops on this land, but since his retirement three years ago the land was not used. He is entitled to base his claim on the 40 acres, including his residence and other improvements.

### **Box C: Check here if your home was used for other than personal or farm purposes while you lived there during the tax year**

- If the claimant's home or property was not used solely for personal purposes while they lived there and was not part of a farm, the claimant must:
  - » Allocate property taxes or rent between personal use and business or rental use for which a deduction is allowed or allowable for federal tax purposes, or use of a separate unit by others rent free
    - Place a check mark in the designated area above line 13, and complete Schedule 2 on page 3 of Schedule H
    - Claim only the personal portion of property taxes or rent
  - » Examples of part business use:
    - Having a store or office on the same property as the claimant's home
    - Using one room of the claimant's home exclusively for storing products they sell
    - Providing child care for others in their home
- Example:** During the tax year the claimant owned a triplex and lived in one of the three equal sized units. Net property taxes were \$3,000.
  - » Claim \$1,000 of property taxes (one-third of \$3,000) on line 13, whether the other units were rented out, available for rent or used by others rent free
- Example:** In the tax year the claimant used one room of their five-room house exclusively for business. Net property taxes were \$1,500.
  - » Since one-fifth of the total property taxes are for business use, claim \$1,200 of property taxes (four-fifths of \$1,500) on line 13
- If the claimant's home or property was not part of a farm but was on more than one acre of land, and it was not used solely for personal purposes, see paragraphs above regarding personal use and do the following:
  - » Check A and C in the designated areas above line 13
  - » Complete both Schedule 1 and Schedule 2 on page 3 of Schedule H
  - » Fill in the amount from line 9 of Schedule 1 on line 1 of Schedule 2

**Box D: Check here if you received Wisconsin Works (W2) payments or county relief during the tax year and complete Schedule 3**

- Check box D and complete Schedule 3 with number of months claimant did not receive W2 payments. The software will then take care of the calculation adjustments below.
- If for any month the claimant received either W-2 payments of any amount or county relief of \$400 or more, the claimant's property taxes or rent will be reduced by one-twelfth for each month a payment is received
- The one-twelfth reduction is not applied if the claimant received only kinship care payments
- If taxes and/or rent total more than \$1,460, the one-twelfth reduction will be calculated on the \$1,460
- These benefits are included in household income, regardless of whether the one-twelfth reduction is required
- If the benefits are repaid later in the same year as received, the amount to include in household income should be reduced by the amount repaid and the one-twelfth reduction for each month received is reduced

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## Section 2.4: Schedule H - Homeowner

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### Line References: Line 13

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#### Line 13 – Homeowner

- If the claimant or the claimant and their spouse lived in the claimant’s homestead during all of the tax year and were the sole owner(s), complete the property tax bill entries in the software
- Net property taxes means the net taxes after:
  - » State aids and school tax credits
  - » The first dollar credit
  - » The lottery and gaming credit, if applicable\*
- Net property taxes do not include:
  - » Special assessments or charges
  - » Delinquent interest
  - » Woodland, forest croplands, or managed forest land taxes
- If the property tax bill for the homestead does not show any lottery and gaming credit, do one of the following:
  - » If the claimant received or will receive a lottery and gaming credit separately, subtract the credit from the amount shown on the property tax bill. Include only the net amount on line 13 (line 8 of Schedule H-EZ). Attach a note indicating the amount of the lottery and gaming credit.
  - » If the claimant did not and will not receive a lottery and gaming credit, use the net property tax amount as shown on the property tax bill.

#### Real estate tax bills

- Use a legible copy of the current-tax-year property tax bill(s) (payable in the following calendar year) for the claimant’s homestead or a computer printout obtained directly from the county or municipal treasurer, or their website. The tax bill does not need to be paid to receive the credit.
- The property tax bill copy or computer printout must show all of the following:
  - » The year
  - » Name of the owner(s)
  - » Assessed value of land and improvements
  - » Legal description of property address
  - » Taxes before and after state aids and credits
  - » Lines for special assessments, and the lottery and gaming credit
- If the claimant’s home was on more than one acre of land and was not part of a farm, they may claim only the property taxes on the home and one acre of land. You will need to check Box A and complete Schedule 1.
- If real estate bill does not show acreage and the taxpayer is unsure if the land is more than one acre, the website may contain the assessor information showing acreage.
- A copy of the tax bill will need to be submitted to Wisconsin DOR. Wisconsin DOR **cannot** accept a mortgage statement, canceled check, installment tax stub or money order receipt as a substitute for the property tax bill.

### Secondary parcels

- Taxes on secondary parcels for homesteads other than a farm are not allowed, unless:
  - » The land totals one acre or less (acre: 43,560 sq. ft.; lot is approximately 208 x 209 ft.)
  - » The secondary parcels are adjacent to the homestead parcel, and are an integral or necessary part of the homestead
  - » Parcels separated by a street, river, utility easement, etc., are considered to be adjacent
- If the claimant submits two or more property tax bills for one homestead, a drawing must be attached showing the description, size and location of each parcel

### Personal property taxes on leased land

- If the claimant's homestead is built on leased land and is assessed as personal property rather than real estate, the personal property taxes on the homestead are allowable

### Manufactured and mobile home situations

- Personal property taxes are allowable if assessed on a mobile or manufactured home used as a homestead by the mobile home owner
- If the claimant owned and lived in a mobile or manufactured home during the tax year:
  - » Enter the current tax year personal property tax bill—payable in a future calendar year—in TaxSlayer
  - » Write "mobile home" or "manufactured home" on the property tax bill and submit a copy to Wisconsin DOR with a homestead note
  - » If the claimant owned the land where the mobile or manufactured home was located, enter the tax-year net property taxes for the land
- Besides personal property taxes, municipal fees paid to the municipality—or to the owner of the land if the claimant rented the land—are considered property taxes, if the mobile home is owned by the claimant
- In addition to the full amount of personal property taxes or municipal fees, a claimant is allowed to claim real estate taxes for land owned for the homestead. See "rent" (line 14) below if the claimant does not own the land and/or the mobile home.

### Tax payment on behalf of a claimant

- If a claimant owns their homestead and another person (e.g. a relative) pays the property taxes for the claimant, the other person is considered to have made a gift to the claimant and the claimant is considered to have paid the tax and owns the property
- Property taxes are not required to be paid in order to claim the homestead credit; however, if claimant has low or no income, attach a note explaining how they paid the property taxes or living expenses

### Multiple owners – Multiple names on the property tax bill

- If there are names on the property tax bill other than the claimant's, or their spouse's if the claimant was married and lived with their spouse during all of the tax year:
  - » Determine what ownership type the claimant has and their percentage of ownership. (see "homeowner: ownership defined" below). This will affect the amount of property tax they may claim.
  - » Use only the portion of the net property taxes that reflects the claimant's percentage of ownership, unless one of the following situations applies:
    - If the other owner was the claimant's spouse who lived with the claimant during all of the tax year, use all of the net property taxes

- If the other owner did not live in the homestead and the claimant paid or will pay all the property taxes, they are entitled to not only their share of the taxes, but also the other owner's share as rent  
**Note:** This rent is not allowed if the other joint owner also occupies the homestead
- If the claimant inherited a partial ownership interest and is required by the terms of the decedent's will to pay all the property taxes, the claimant may use all the property taxes from the date of death regardless of their ownership percentage. Submit a copy of the will to verify the requirement.
- Attach a copy of the document showing the claimant's ownership percentage or life estate, if not already submitted to Wisconsin DOR. The document could be a deed, land contract, divorce judgment, final judgment in an estate, or trust instrument. If Wisconsin DOR previously received this document, you do not need to re-file it.

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## Homeowner: Ownership Defined

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**Important note:** The following is a summary of when a claimant is and is not the legal owner of their homestead. These definitions are for owners who are not married during the tax year. For married persons, the marital property law must also be considered to determine ownership.

### Deeds

- A deed (e.g., warranty deed, quit claim deed, personal representative deed) becomes effective as soon as it's executed (signed by the grantors and delivered to the purchaser)
- It is not necessary for the deed to be recorded in the register of deeds office for it to be a valid document

### Joint tenants and tenants in common

- **Joint tenants**
  - » If title to property is held by two persons as joint tenants, the surviving joint tenant automatically becomes the sole owner upon the death of the other joint tenant
- **Tenants in common**
  - » If title is held as tenants in common and one of the co-owners dies, title to the decedent's share passes to the estate and ownership is not transferred until final judgment is granted
- **Note:**
  - » The joint tenant language must be stated on the legal ownership document, except for a married couple
  - » If not stated on the document, the title is considered to be held as tenants in common

### Estates

- Title to solely owned property or property owned as a tenant in common is vested in the estate of the decedent immediately upon their death
- Title passes to heirs only upon granting of the final judgment in the estate
- A claimant who lives in a homestead owned by an estate may claim taxes paid as rent only, even if they are the sole heir of the decedent

- **Exceptions are allowed** under the following circumstances:
  1. If property was solely owned by a deceased spouse, the last will gives the property to the surviving spouse, and the final judgment gives the property to the surviving spouse, taxes are allowed in full to the surviving spouse calculated from the spouse's date of death
  2. If property was solely owned by a deceased spouse, the spouse died intestate (no will), there are no children of a former marriage of the decedent, and the final judgment gives the property to the surviving spouse, taxes are allowed in full to the surviving spouse calculated from the spouse's date of death

### Life estate

- A claimant who has a written life estate may claim all of the taxes on the homestead, even if the tax bill is in someone else's name
- A written life estate must be signed and dated by both the person allowing the life estate and the person receiving it
- It is not necessary to indicate the life estate on the deed or record in the register of deeds office
- A life estate containing provisions terminating it, which are controlled by the claimant (e.g., marriage or failing to reside in the residence for six months), are still considered a life estate
- It is also considered a life estate if it can be terminated by a third party (e.g., doctor) who determines the claimant is medically or physically incapacitated and unable to reside in the residence

### Life lease

- A life lease, whereby a lessor and a lessee signed an agreement to lease property for the life of the lessor or the lessee at a nominal rent, is to be treated the same as a life estate
- The lease must be for life; not for a specified time
- A life lease containing provisions terminating it, which are controlled by the claimant (e.g., marriage or failing to reside in the residence for six months), are still considered a life lease
- It is also considered a life lease if it can be terminated by a third party (e.g., doctor) who determines the claimant is medically or physically incapacitated and unable to reside in the residence

### Divorce

- If a divorce judgment specifies a division of property, title to the property is transferred as of the date the divorce is granted by the judge, according to the provisions therein, regardless of whether a quit claim deed was executed (unless the quit claim deed is executed before the date of divorce)
- If the judgment stipulates a tenancy in common but that one of the parties (the claimant) may live there and pay all of the taxes, etc., until certain conditions occur (e.g., remarriage or 18th birthday of a child), the claimant may claim only their one-half share of the taxes, plus the balance as rent
- The only time the effective date of a divorce judgment would be other than the date of the judgment itself would be if the judgment was appealed by one of the parties and the appeals court granted a stay in the proceedings
- When a divorce is granted during the claim year, the claimant's ownership interest prior to the judgment must be established and the claim allowed accordingly

**Note:** Most sites do not prepare returns in the year of divorce. Contact your site coordinator if you encounter this situation

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## Land contracts

- A vendee (buyer) in possession under a land contract signed by both parties is considered the legal owner of a homestead, regardless of whether the land contract was recorded with the register of deeds
- A vendor (seller) who reclaimed physical possession because of default by the vendee may not claim the taxes unless the property was re-conveyed by the vendee or unless a judgment was entered against the vendee

## Corporations/limited liability companies/partnerships

- If title to property is held by a corporation or limited liability company (LLC), a claimant may not claim the taxes
- If a claimant individually (not as a corporation or LLC) pays the taxes, they may only claim the taxes paid as rent.
- A claimant who is the sole member of a disregarded LLC may claim the taxes
- If title to property is held by a partnership, a claimant may claim the portion of the taxes which reflects their ownership percentage in the partnership
- **Note:** This is out of scope for VITA/TCE since partnership returns are out of scope

## Trusts

- There are two broad classifications of trusts, “testamentary” and “inter vivos” or “living”
  - » A trust may be either “revocable” or “irrevocable”
  - » Title to property in a trust is held by the trust and not by the beneficiary
- A claimant (grantor) may claim property taxes as property taxes if either a) or b) are met:
  - a) The home is owned by the trust; however, the claimant has reserved a life estate unto themselves
  - b) The trust, which owns the home, is a “revocable inter vivos” or a “revocable living” trust
- If a) or b) are not met, then the claimant may only claim property taxes as rent:
  - Examples:
    - » An irrevocable testamentary trust
    - » An irrevocable inter vivos / living trust

Tab to navigate within form. Use mouse to check applicable boxes, press spacebar or press Enter.

**Instructions**

**Save**

**Print**

**Clear**

# Rent Certificate

# 2023

Wisconsin Department of Revenue

**NOTE:**

- Attach to Schedule H or H-EZ
- Alterations (whiteouts, erasures, etc.) or errors **void** this rent certificate.
- Only attach rent certificate if filing a homestead credit claim



**Renter (Claimant) – Enter Social Security Number AFTER your landlord fills in section below and signs.**

Legal last name	Legal first name	M.I.	Social security number	
Address of rental property (property must be in Wisconsin)		City	State	Zip

Time you actually lived at this address in 2023 From             2023 To             2023

Do NOT sign your rent certificate.

If your landlord won't sign, complete fields above and below and lines 1 to 8, attach rent verification (see instructions), and check here.

**Landlord or Authorized Representative**

Name of property owner		Telephone number (    )	
Address	City	State	Zip

- 1 Is the rental property a long-term care facility, CBRF, or nursing home? 1  Yes  No
- 2a Is the above rental property subject to property taxes? 2a  Yes  No
- b If 2a is "No" and you are a sec. 66.1201 municipal housing authority that makes payments in lieu of taxes, check here ..... 2b
- 3 Is this certificate for rent of a mobile/manufactured: a Home? 3a  Yes  No
- b Home site/Lot? 3b  Yes  No
- c Mobile or manufactured home taxes or municipal permit fees you collected from this renter for 2023 ..... 3c \_\_\_\_\_ .00
- 4a Total rent collected for this rental unit for 2023 - do NOT include amounts received directly from a governmental agency, Wisconsin rental assistance program payments, security deposits, or late fees 4a \_\_\_\_\_ .00
- b If monthly rent paid didn't change during 2023, enter monthly rent paid ..... 4b \_\_\_\_\_ .00
- c If monthly rent changed during 2023, enter rent paid for each month below. Do not include security deposits or late fees.
- Jan. \_\_\_\_\_ .00 Feb. \_\_\_\_\_ .00 Mar. \_\_\_\_\_ .00 Apr. \_\_\_\_\_ .00
- May \_\_\_\_\_ .00 June \_\_\_\_\_ .00 July \_\_\_\_\_ .00 Aug. \_\_\_\_\_ .00
- Sept. \_\_\_\_\_ .00 Oct. \_\_\_\_\_ .00 Nov. \_\_\_\_\_ .00 Dec. \_\_\_\_\_ .00
- 5a Number of occupants in this rental unit – do NOT count spouse or children under 18 ..... 5a \_\_\_\_\_
- b Renters, if line 5a is more than 1, did each occupant pay an equal share of living expenses? (if no, complete shared living expenses schedule on page 2) 5b  Yes  No
- 6 This renter's share of total 2023 rent ..... 6 \_\_\_\_\_ .00
- 7 Value of food and services provided by landlord (this renter's share) ..... 7 \_\_\_\_\_ .00
- 8a Rent paid for occupancy only – Subtract line 7 from line 6 ..... 8a \_\_\_\_\_ .00
- b Was heat included in the rent? ..... 8b  Yes  No

I certify that the information shown on this rent certificate is true, correct, and complete to the best of my knowledge.

Signature (by hand) of landlord or authorized representative	Date	Print name (must match signature)
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I-0171

2023 Rent Certificate	Renter's name Address of rental property	Renter's SSN	Page 2 of 2
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**Shared Living Expenses Schedule** – To be completed by renter **only** if line 5b on page one is “No.”

**Step 1:** List name(s) of other occupants:  
 \_\_\_\_\_  
 \_\_\_\_\_

**Step 2:** List the total amount (not the monthly amount) of all shared living expenses (rent, food, utilities, and other) paid by all occupants and the amount that you paid:

Shared Living Expenses	Total Paid by All Occupants		Amount You Paid
Rent	1a) .00	1b)	.00
Food	2a) .00	2b)	.00
Utilities	3a) .00	3b)	.00
Other	4a) .00	4b)	.00
Total	5a) .00	5b)	.00

**Step 3:** Using the amounts listed in Step 2, compute your allowable rent paid for occupancy only:

1 Total rent paid (line 1a) . . . . .	1	.00
2 Shared living expenses you paid (line 5b) . . . . .	2	.00
3 Total shared living expenses (line 5a) . . . . .	3	.00
4 Divide line 2 by line 3. Fill in decimal amount . . . . .	4	. . . . .
5 Multiply line 1 by line 4. . . . .	5	.00
6 Value of food and services provided by landlord (line 7 of page 1). . . . .	6	.00
7 Subtract line 6 from line 5. This is your allowable rent. Fill in here and on the applicable rent line of Schedule H or Schedule H-EZ . . . . .	7	.00

**Instructions for Renter (Claimant)**

Complete all fields in the “Renter (Claimant)” section except the social security number. Then give to your landlord to complete and sign.

If your landlord won't sign, place a checkmark in the designated area. Complete the “Landlord or Authorized Representative” section, and attach a copy of each canceled check or bank money order you have to verify your rent. Any portion not verified will not be allowed.

**Note:** Do NOT sign the rent certificate yourself. Rent certificates signed by you or someone other than the landlord or his/her authorized representative will not be accepted.

After your landlord returns the completed rent certificate, enter your social security number, complete line 5b if applicable, and then fill in the allowable amounts from lines 3c and 8a (or line 7 of the above Shared Living Expenses Schedule – see instructions below) on Schedule H or H-EZ, as appropriate.

**Renter Instructions for Shared Living Expenses Schedule**

Complete this schedule if line 5b on page 1 is “No.” All lines on the schedule must be filled in. If all lines on the schedule are not filled in, paid rent will be divided by the number of occupants.

**Instructions for Landlord/Authorized Representative**

**Lines 2a and 2b** If you checked “No” on line 2a, do **not** complete the rent certificate unless line 2b applies.

**Line 4a** Fill in the total rent collected from all occupants for this unit for the time occupied by this renter in 2023. Include any separate amounts the renter paid to you for items such as parking, a garage, utilities, appliances, or furnishings. Do not include rent for a prior year, late fees, security deposit paid during the year, or amounts you received directly from a governmental agency through a subsidy, voucher, grant, etc., or Wisconsin rental assistance program payments for the unit (except amounts an agency paid as a claimant's representative payee).

**Line 5a** Fill in the number of adult occupants who lived in this rental unit during the rental period. Do not count the renter's spouse or children under age 18 as of December 31, 2023.

**Line 5b** Do not complete this line. This will be completed by the renter.

**Line 7** Fill in this renter's share of the value of food and personal services (medical, laundry, transportation, counseling, grooming, recreational, therapeutic, etc.) you provided for this rental unit.

**Signature** Review the rent certificate to be sure that all applicable fields and lines have an entry. Sign (by hand) and date, print your name, and return the rent certificate to the renter. Only an original signature is acceptable.

**Applicable Laws and Rules**

This document provides statements or interpretations of the following laws and regulations enacted as of August 15, 2023: ch. 71, Wis. Stats.



[Return to Form](#)

## Section 2.5: Schedule H - Renter

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### Line References: Line 14

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#### Line 14

- All items must be completed and entered on the rent certificate, except landlord signature if landlord will not sign
- If any items are not completed in landlord or authorized representative section, ask claimant to get a new rent certificate
- **Altered rent certificates**
  - » Rent certificates are prepared by the claimant's landlord. None of the information the landlord filled out may be changed on the rent certificate
  - » Wisconsin DOR will not accept altered rent certificates
  - » If any information was or needs to be changed, the claimant's landlord should be asked to prepare a new rent certificate
  - » VITA/TCE volunteers must not fill out a claimant's rent certificate
- A separate rent certificate must be entered for each homestead for which the taxpayer claims homestead credit
- The original rent certificate(s), not the computer-generated form(s), must be submitted—either via Form W-RA or scanned—to DOR

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### Line References: Rent Certificate

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#### Rent certificate: Claimant section

- Enter name, Social Security number and address of rental property
- Claimant cannot have more than 12 months of rent/property taxes combined. If the claimant paid property taxes and/or rent for two dwellings for the same period, claim only the amount for where the claimant actually lived.
- Only rent paid for the tax year may be used to determine claimant's homestead credit
- If claimant is unable to obtain a rent certificate from the landlord or the landlord won't sign rent certificate, claimant should:
  - » Complete lines 1-8 on the rent certificate and indicate if heat, services and/or food were provided by the landlord
  - » If food or services were provided by the landlord, indicate what items were provided and fill in the claimant's estimated value of these items on line 7 of the rent certificate. If the value of food provided is not known, 50 percent of the total rent should be subtracted if all food was provided (or a smaller estimated percentage if all the food was not provided).
  - » Enter zero if no food was provided
  - » Leave the signature line on the rent certificate blank and place a check mark in the box in the renter's section indicating the landlord won't sign
  - » Make copies of each cancelled check (front and back) or bank money order the claimant has to verify their rent. Any portion of the claimant's rent paid that is not verified will not be allowed.

### **Rent Certificate: Landlord or authorized representative information**

- Enter name of property owner, address and phone

### **Line 1: Is the rental property a long-term care facility, CBRF or nursing home?**

- The majority of nursing home and other long-term care facility residents do not qualify for homestead credit because:
  - » All or part of the cost of their care is being paid by medical assistance under Title XIX
  - » Many of the “private pay” residents have household income in excess of \$24,680
- For those residents who do qualify for the homestead credit:
  - » Most facilities have been contacted by Wisconsin DOR regarding how to complete the rent certificate
  - » A list is kept in the Wisconsin DOR’s homestead processing unit of what optional method they selected
- The facility has three options available to determine rent paid for occupancy only:
  - » A standard rate of \$100 per week
  - » The percentage of building occupancy expenses
  - » Any other method the facility feels is appropriate (subject to the DOR’s approval)

### **Lines 2a and 2b: Is the rental subject to property taxes? If not, is it a municipal housing authority that makes payment in lieu of taxes?**

- If landlord pays property taxes, line 2b does not need to be answered
- Rent paid to a facility that is not subject to property tax (tax-exempt housing) may not be claimed unless the facility is a housing authority that makes payments in lieu of property taxes to the municipality in accordance with state law (sec. 66.1201(22), Wis. Stats.)
- Most, but not all, housing authorities make such payments and only housing authorities make payments in lieu of taxes under state law (sec. 66.1201(22), Wis. Stats.)
- Most housing authorities have been contacted by the DOR regarding whether they make payments in lieu of property taxes
- A claimant who lived part of the year in tax-exempt housing and part of the year in nontax-exempt housing may file a claim based on rent paid for the taxable housing only (see Section 2.6: Schedule H - Homeowner, Renter Special Situations for instructions)
- Types of tax-exempt housing besides housing authorities include, but are not limited to:
  - » University housing
  - » YMCAs and YWCAs
  - » Charitable
  - » Nonprofit or municipally owned nursing homes
  - » Certain other types of housing with religious affiliations

### **Lines 3a, 3b and 3c mobile or manufactured homes**

- A renter of a mobile/manufactured home, may claim municipal permit fees paid as rent
- A renter of a home site/lot is allowed to claim as rent the space rental fees paid to a landlord for parking a mobile home
- Whatever the claimant owns, either land (real estate taxes) and/or mobile home (personal property taxes/ municipal fees), can be claimed for property taxes rather than rent

**Line 4a: Total rent collected for the rental unit during the tax year**

- Should be the total rent collected from all occupants for the unit
- It includes amounts received for:
  - » Parking
  - » Garage
  - » Utilities
  - » Pets
  - » Appliances
  - » Furnishings
- Rent collected does not include governmental assistance – For example, a renter whose rent is subsidized from a housing authority would only have the amount actually paid out of pocket
- Items that are considered rent paid in the equivalent of cash include:
  - » The cost of paint or supplies paid by a tenant for their apartment and deducted from the monthly rent, but not the value of labor performed by the tenant and deducted from the rent
  - » The only time the value of services provided by a tenant would be considered rent is when a resident manager receives a reduction in rent or free rent as a part of a negotiated agreement with the landlord, where a specified amount is considered to be compensation in lieu of rent. The amount a resident manager's rent is reduced in return for services must be included in household income. The full amount of the rent would then be included for homestead credit.
- Total rent should not include rent for a prior year, late fees, security deposit, or amounts received from a governmental agency through a subsidy, voucher, grant etc., for the unit (except amounts an agency paid as a claimant's representative payee)

**Line 4b: If the monthly rent paid didn't change during the tax year, enter monthly rent paid**

- May be based on a partial year
- **Example:** Rent for the tax year in the amount of \$300 was collected for April-December. Total rent on line 4a is \$2,700 and line 4b is \$300. You do not need to enter the individual months since the rent did not change during any of the nine months covered on the rent certificate.

**Line 4c: If monthly rent changed during the tax year, enter monthly rent paid for each month**

- Enter amounts individually only if any month covered by the rent certificate has a different amount

**Line 5a: Number of occupants**

- Number of adult occupants who lived in this rental unit during the rental period
- Do not count the renter's spouse or children younger than age 18, as of December 31 of the tax year

**Line 5b: More than one occupant**

- If more than one occupant and claimant paid more than their proportionate share of the rent and living expenses, they may complete the shared living expenses worksheet to calculate the amount of rent for line 6

**Line 6: This renter’s share of total tax-year rent**

- Amount paid by renter for unit

**Line 7: Value of food and services provided by landlord (this renter’s share)**

- Renter’s share of food and personal services (medical, laundry, transportation, counseling, grooming, recreational, therapeutic, etc) landlord provided for the rental unit
- Most often seen with nursing homes that provide both rent and services to tenants

**Line 8a: Rent paid for occupancy only**

- Amount that will be used for line 14 of Schedule H

**Line 8b: Was heat included in the rent?**

- Claimant will receive a higher percentage factor (25 percent) for rent paid without heat included
- Rent that includes heat has a factor of 20 percent

**Rent certificate: Shared living expenses schedule (page 2)**

- Shared living expenses:
  - » If the number of occupants on line 5a of the rent certificate is more than one (the claimant’s spouse and minor children should not be included); and
  - » If each occupant did not pay an equal share of the living expenses, the claimant may complete the shared living expenses schedule on page two of the rent certificate to calculate the claimant’s share of allowable rent paid for occupancy only
- The claimant may claim only the portion of rent that reflects the percentage of shared living expenses they paid
- **Example:** The claimant and his roommate paid shared living expenses as shown below. His landlord provided services and filled in \$300 as the claimant’s share on line 7 of the rent certificate.

Share living expenses	Total paid by all occupants	Amount claimant paid
Rent	1a) \$4,800	1b) \$4,800
Food	2a) \$2,400	2b) \$1,200
Utilities	3a) \$600	3b) 0
Other	4a) \$200	4b) 0
Total	5a) \$8,000	5b) \$6,000

Claimant’s allowable rent for occupancy is \$3,300

1. Total rent paid (line 1a).....1	\$4,800
2. Shared living expenses claimant paid (line 5b).....2	\$6,000
3. Total shared living expenses (line 5a).....3	\$8,000
4. Divide line 2 by line 3	
Fill in decimal amount.....4	x .75
5. Multiply line 1 by line 4.....5	\$3,600
6. Value of food and services provided by landlord (line 7 on page 1).....6	\$ 300
7. Subtract line 6 from line 5. This is claimant’s allowable rent.	
Fill in here and on line 14a or 14c of Schedule H.....7	\$3,300

## Section 2.6 - Schedule H: Homeowner, Renter Special Situations

### More than one homestead during the year

- If a household owns two or more homesteads during the year, taxes on each homestead must be prorated for the time the claimant owned and occupied each one
- If a household owns a homestead for part of the year and rents a homestead for part of the year, the claim is based on the prorated taxes for the time the home is owned and occupied and the prorated rent for the time the rental dwelling is rented and occupied
- A homestead is a claimant's principal dwelling only. Taxes and/or rent cannot be allowed for two dwellings occupied concurrently, such as:
  - » A claimant moving to a new apartment and paying rent at the old apartment for an overlapping period
  - » Residing in a nursing home temporarily
  - » Staying at a summer cottage while maintaining a permanent residence
- Only the taxes/rent for the dwelling which the claimant considers to be their principal dwelling may be claimed
- Do not claim more than 12 months of property taxes and/or rent. If the claimant paid property taxes and/or rent for two dwellings for the same period, claim only the amount for where the claimant actually lived.

### Calculation of property taxes if homestead sold/purchased during tax year

- Seller
  - » The seller of a homestead sold during the tax year may use the closing statement, the prior year property tax bill or the tax year property tax bill as the basis for calculating property taxes accrued
  - » If a homestead is sold during the year, the seller is entitled to the pro-rata portion of taxes on the homestead sold, prorated to the earlier of the date-of-sale or the date they moved
    - The closing statement may be used to verify the allowable taxes; however, since the taxes on a closing statement are calculated to the date of closing, it will be necessary to recalculate the pro-rata taxes if the claimant moved prior to the date of closing
    - A copy of the closing statement should be sent to the Wisconsin DOR to verify ownership of sold homestead; pro-rated property taxes; and date of sale (see line 11c income instructions)
- Buyer
  - » The buyer of a homestead bought during the tax year must use the tax year property tax bill as the basis for calculating property taxes accrued
- Both the seller and the buyer
  - » Must prorate the taxes based on the time each actually owned and occupied the homestead during tax year

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### Exception for move to tax-exempt housing

- If a person moves from a homestead they own to tax-exempt housing, they may be able to claim up to 12 months of the property taxes on the former homestead if they have tried to sell their former homestead
- The property taxes on the former homestead are allowable for up to 12 months, calculated from the date of the move, provided:
  - » The tax-exempt housing is not a municipal housing authority that makes payments in lieu of taxes, or is not a correctional or detention facility
  - » The claimant does not rent or lease the former homestead to another person
  - » If their claim is based on this provision, attach a complete explanation, indicating that:
    - The claimant has not rented or leased the homestead
    - The date the claimant moved to the tax-exempt housing
    - What attempts were made to sell the homestead

### Co-operative apartments

- A claimant who lives in a co-operative apartment building and owns either equity in the co-op or a part of the building is entitled to the portion of taxes that represents their ownership interest in either the capital equity or in the real estate
- The taxes would be further limited to those pertaining to the claimant's personal residence portion of the property

## Section 2.7: Schedule H - Calculations of Credit and Signature

### Lines 16 through 19: Credit computation

- TaxSlayer automatically calculates this entry using the tables A and B in the Schedule H instruction booklet

### Signature and date of claim

- Claimant (and spouse if residing together) will sign the federal Form 8879 to e-file the return
- If a claimant is unable to sign their own claim, the claimant may fill in an "X" or other mark, and a person who witnesses the mark must sign the claim
- When a legally authorized representative (e.g. guardian, attorney-in-fact, power of attorney) signs the claim, the claimant's mark is not required
- A personal representative, executor or administrator's signature generally indicates the claimant is deceased and, if so, the claim would not be allowable. A homestead credit claim may not be signed for or filed on behalf of a deceased person. The claimant must be living at the time the claim is filed.
- A conservator's signature generally indicates the claimant is alive and the claim is allowable
- A homestead credit claim may not be signed for or filed on behalf of a deceased person. The claimant must be living at the time the claim is filed.

### Wisconsin Identity Protection PIN

If the claimant received a Wisconsin Identity Protection PIN from the Wisconsin Department of Revenue, enter it in the Wisconsin Identity Protection PIN spaces provided to the right of the signature area. If the claimant and the claimant's spouse received a Wisconsin Identity Protection PIN, both PINs must be entered. If a PIN was received by either the claimant or the claimant's spouse and is not entered on the return, the return will be rejected.

## Section 2.8: Schedule H - HC Notes Attachments Checklist

See list below. Be sure to include a homestead credit note for any items that apply.

1. Check all boxes that apply.
2. Fill in appropriate spaces.
3. Enter required notes and explanations in #31 data field.
4. When copies of documents are required, attach them to the Form W-RA, "Required Attachments for Electronic Filing," that must be submitted.

The Schedule H instruction booklet page number for the description is indicated in the page column.

Description	Page
1. Former spouse must pay a tax liability owed to the Department of Revenue per attached divorce judgement .....	6
2. Sources of income reported on Line 8b of Schedule H note is attached .....	11
3. The distributive share of partnership, limited liability company (LLC), and tax-option (S) corporation depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs is "None" .....	15
4. Car or truck expenses claimed using the standard mileage rate. <b>Fill in the number of miles</b> .....	15
5. Adjusted basis of car or truck reached zero using standard mileage rate.....	15
6. Car or truck expenses claimed using the actual expense method .....	15
7. The computation of gain from the sale or exchange of a principal residence excluded from taxable income under Section 121 of the Internal Revenue Code note is attached .....	14
8. Claimant or spouse are age 65 or over and received no social security, SSI, or railroad retirement benefits .....	13
9. All or part of a pension or annuity distribution includes a rollover or a tax-free exchange .....	13
10. Nontaxable repaid amounts note is attached .....	12
11. Very little or no household income note is attached.....	16
12. Ownership of property document is attached.....	17
13. Partial ownership interest was inherited with terms of the will requiring payment of all the property taxes. Copy of will is attached .....	17
14. Personal property tax bill is for a mobile or manufactured home.....	17
15. Two or more property tax bills. Drawing showing description, size, and location of each parcel is attached .....	17
16. No lottery and gaming credit on property tax bill. <b>Fill in the amount claimed \$</b> .....	18
17. No lottery and gaming credit on property tax bill. Lottery and gaming credit not claimed by homeowner .....	18
18. Landlord will not sign rent certificate. Rent verification is attached .....	18
19. Claimant moved during the year. Note of the address of each dwelling and the dates lived there is attached .....	18
20. Less than 12 month's property taxes and/or rent are claimed. Note of where claimant lived for the balance of the year is attached.....	19
21. When more than one acre of land is rented, note from landlord indicating the amount of rent for home and one acre of land is attached .....	19
22. Moved to tax-exempt housing. Claiming property taxes for up to 12 months after the move note is attached.....	19
23. <b>Married but separated all year:</b> Claimant and spouse did not reside together at all during the year and neither the claimant nor claimant's spouse notified each other of marital property income .....	22
24. <b>Married but separated all year:</b> Claimant and spouse did not reside together at all during the year and one or both spouses notified the other spouse of marital property income. Required information is attached.....	22
25. <b>Married but separated part of year:</b> Required information is attached.....	22
26. <b>Marriage took place during year:</b> Required information is attached.....	23
27. <b>Divorce took place during year:</b> Claimant and spouse did not reside together at all during the year and neither the claimant nor claimant's spouse notified each other of marital property income .....	24
28. <b>Divorce took place during year:</b> Claimant and spouse did reside together for part of the year and/or one or both spouses notified the other spouse of marital property income. Required information is attached .....	24
29. <b>Spouse died during year:</b> Date of death - ___/___/2023 .....	24
30. Claimant resided in property address shown on tax bill but used a different mailing address on tax return. ....	-
31. Required notes and explanations in following data fields .....	-

## Section 2.9: Schedule H - Using WisTax

- There may be instances where e-filing through VITA/TCE software will not be available, such as prior year homestead returns. In these cases, the VITA/TCE site may choose to e-file the return via the WisTax option.
- WisTax is the Wisconsin Department of Revenue's new electronic filing system and has replaced WI e-file.

### WisTax Requirements and Limitations

WisTax is available for homestead credit claimants who meet the following requirements::

- Have Wisconsin tax or homestead credit filing history
- Have a valid Wisconsin driver license or Wisconsin ID card
- Not living in a nursing home
- No more than four rent certificates and six property tax bills
- No divorce during the claim year
- If filing a Wisconsin individual income tax return, must file that first, and must be filing Form 1
- Only used home for personal or farm use during the claim year (no business use)
- No Wisconsin Works or county relief payments during claim year (Schedule 3)
- No disqualified losses during claim year (Schedule 4)
- No income to report on lines 11a – 11j of Schedule H

WisTax is available for taxpayers who have already completed their federal Form 1040 or 1040-SR and meet the following requirements:

- Have Wisconsin tax filing history
- File a full-year resident return (Form 1)
- Have a valid Wisconsin driver license or Wisconsin ID card
- Not claiming any of the following credits on Form 1:
  - Credits on Schedule CR
  - Credit for tax paid to other states
  - Farmland preservation credit
  - Repayment credit
- Homestead credit (note: this may still be filed as a separate claim – see homestead credit information)
- If filing additional schedules with Form 1, only the following schedules are allowed:
 

• Schedule 1	• Schedule SB
• Schedule 2	• Schedule CS
• Schedule I	• Schedule PS
• Schedule AD	• Schedule WD

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## What you need before beginning to use WisTax

- A completed federal income tax return
- All W-2's, W-2G's and 1099 forms
- Financial institution account number and routing number, if you choose direct deposit for the refund or direct withdrawal for an amount owed
- Credit card information, if taxpayer chose to pay an amount owed by credit card. Accepted cards are American Express, Discover, MasterCard and VISA.
- A completed and signed rent certificate and/or property tax bill, if taxpayer is claiming homestead credit

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## Forms available to file using WisTax:

- Income tax (Form 1) is available for 2023
- Homestead credit (Schedule H) is available for 2022 and 2023

## After submitting the electronic return

- Print and/or save a copy of the return
- Keep copies of the forms W-2, 1099 and other documents used to complete the return
- Tell taxpayer to keep all tax records and documents at least four years

## How to begin using WisTax

- Go to the [DOR website](#)
- Under **online services**, click on the WisTax link. From the list, choose the form you would like to complete, and start the filing process.
- There is no registration process to use WisTax
- You may use WisTax if you have a valid Social Security number or individual tax identification number (ITIN)

## Ways to pay if an amount is owed

- You have to decide by choosing one of the following ways to pay the amount owed before you can e-file the return:
  - » Direct Debit/withdrawal: You must provide the routing number of the financial institution, the account number and the date taxpayer wants to make the payment, up to April 15. If it's after April 15, taxpayer has to pay on the day the return is filed.
  - » Pay Online: Payment can be made using the department's free, online service
  - » Pay by credit card: American Express, Discover, MasterCard or VISA can be used. A convenience fee will be charged (none of the fee goes to DOR). Payment must be made the same day you set up the credit card payment.
  - » Pay by check or money order: Complete and print an electronic payment voucher. Send this form, along with the payment, to the address listed on the form.

### What happens if you make a mistake using WisTax

- You can correct mistakes before submitting the tax return. Go back to the appropriate screen and enter the correct information.
- If you realize you have made a mistake after submitting the return, an amended return must be filed.  
**Note:** Amended returns, prior-year returns, and nonresident/part-year resident income tax returns (Form 1NPR) must be filed through a tax professional, using third-party software, or on paper. Visit our Forms page for printable fill-in forms and instructions.
- **You must** round to the nearest dollar amount as follows:
  - » Drop amounts under 50 cents
  - » Increase amounts 50 cents to 99 cents to the next whole dollar

### How to sign the income tax return using WisTax

- Taxpayer (and spouse, if married filing joint) have to:
  - » Read the signature statement on the last page of the application
  - » Click the “Yes” button
- To know the Wisconsin Department of Revenue received the income tax return, you have to click the “submit return” button after mistakes are fixed and return is ready to e-file
- You will receive a confirmation number after the return is successfully submitted. The return has not been e-filed until you receive a confirmation number. You should print and tell taxpayer to save this number for four years.
- Before you close the e-filed tax return, you should print and/or save the return summary in a PDF to your computer or other storage device (disk, CD, flash drive, etc.) by clicking “File” and “Save as”

### If you have a question while using WisTax, you can either contact:

- Reach us at [dorelectronicfiling@wisconsin.gov](mailto:dorelectronicfiling@wisconsin.gov).
- Submit a question at <https://www.revenue.wi.gov/Pages/ContactUs/dorhelp.aspx?subject=dorelectronicfiling> and include your name and daytime phone number
- Phone: (608) 264-6886 - 7:45 a.m.-4:30 p.m. Monday-Friday
- Visit: DOR Offices <https://www.revenue.wi.gov/Pages/FAQS/ise-address.aspx>

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## Section 2.10: Schedule H - Assembling Instructions

- Make a complete copy before assembling the taxpayer's Wisconsin income tax return (if they are filing one) and their homestead credit claim and give the taxpayer a copy for their records.

### Paper return

- If filing a paper return, paper clip the tax return and the homestead credit claim together in the **following order**:
  1. Wisconsin income tax Form 1 or 1NPR
  2. Schedule H
  3. Completed tax year rent certificate(s) and/or copy of tax year property tax bill(s) payable in next calendar year
  4. Other homestead credit notes and schedules
  5. Other Wisconsin schedules (e.g., Schedule WD, GL, AR, or I)
  6. Forms 1099-R and 1098-T (whether Wisconsin return is necessary or not)
  7. Wage statements
  8. Records of Wisconsin SSI payments, if available
  9. Copy of federal income tax return and schedules

## Electronic return

- If filing an electronic return, send Form W-RA with the following attachments:
  1. Completed tax year rent certificate(s) and/or a copy of tax year property tax bill(s) payable in next calendar year
  2. Other homestead credit notes and schedules, such as schedules AR and GL
  3. Forms 1099-R and 1098-T (whether or not Wisconsin return is necessary)
  4. Wage statements
- If taxpayer is claiming disability for homestead credit, either:
  - » A statement from the physician that they are disabled, the date that they became disabled, and whether the disability is permanent or temporary
  - » A statement from the Veterans Administration certifying that they are receiving a disability benefit due to 100 percent disability
  - » A document or copy of a document from the Social Security Administration stating the date the disability began
- Wisconsin DOR **cannot** accept a mortgage statement, canceled check, installment tax stub or money order receipt as a substitute for the property tax bill
- The property tax bill copy or computer printout must show all of the following:
  - » The Year
  - » Name of the owner(s)
  - » Assessed value of land and improvements
  - » Legal description or property address
  - » Taxes before and after state aids and credits
  - » Lines for special assessments and the lottery and gaming credit owner(s)
- Rent certificates
  - » Rent certificates are prepared by the claimant's landlord. None of the information the landlord filled out may be changed on the rent certificate.
  - » The Wisconsin DOR will not accept altered rent certificates.
  - » If any information was or needs to be changed, the claimant's landlord should be asked to prepare a new rent certificate.

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## Section 2.11: Schedule H - Filing Instructions

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### Which Schedule To File

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- VITA/TCE sites should only prepare Schedule H and not Schedule H-EZ

### Filing Checklist

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- Complete necessary lines on Schedule H
- Have taxpayer sign and date the schedule or Form 8879 if e-filing
- Attach property tax bill(s) or rent certificate(s)
- Attach any other needed documents (see “Assembling Instructions” on page 2.10-1)
- Include record of any SSI payments received in the tax year

### How, When And Where To File

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#### How to file

- If a Wisconsin income tax return is required:
  - » File Schedule H with Form 1 or Form 1NPR
- If a Wisconsin income tax return is not required:
  - » Schedule H can be filed by itself
- If a taxpayer previously filed a Wisconsin income tax return without a Schedule H, the Schedule H should be filed by itself while doing the following:
  - » Write “Income tax return separately filed” at the top of the Schedule H
  - » Do not check the box at the top of the Schedule H that designates it as an amended return. It is the original Schedule H filed.
  - » Attach wage statements, Form 1099-R and Form 1098-T

#### When to file - filing deadline

- The deadline for filing Schedule H is 4 years, 3 1/2 months after the end of the tax year to which the claim relates. For example, a claim for 2023 is due by April 15, 2028.

#### Where to file

- Mail Schedule H and the attached tax return(s) to:  
Wisconsin Department of Revenue  
PO Box 34  
Madison, WI 53786-0001

Tab to navigate within form. Use mouse to check applicable boxes, press spacebar or press Enter.

Schedule **AR**

Wisconsin  
Department of Revenue

Explanation of  
Amended Return

File with Amended Form 1, 1CNS, 1CNP, 1NPR, 2, 3, 4, 4T, 5S, 6, PW-1, or X-NOL or Schedule H or H-EZ

**2023**

Your name (if an estate, decedent's name)	Social security number
Spouse's name if filing a joint amended return	Spouse's social security number
Estate's or trust's legal name	Estate's or trust's federal EIN
Entity name	Identifying number

Explanation of Changes on the Amended Return

If you are amending your return for any of the reasons below, place a check mark in the space indicated.

- |  |  |   |
|--|--|---|
| <p><i>Check here</i><br/>▼</p> <p>01 <input type="checkbox"/> Dependent change</p> <p>02 <input type="checkbox"/> Pass-through entity (partnership, tax-option (S) corporation, estate, or trust) change</p> <p><i>Also check if apply (see instructions):</i></p> <p>02a <input type="checkbox"/> Claim for overpayment or credit under s. 71.745(2)(b) or (3)(b), Wis. Stats.</p> <p>02b <input type="checkbox"/> Amend for election under s. 71.745(8), Wis. Stats.</p> <p>02c <input type="checkbox"/> Nonresident Schedule K-1 income allocation</p> <p>03 <input type="checkbox"/> Form W-2 / 1099 change</p> <p>04 <input type="checkbox"/> Tuition expense subtraction</p> | <p><i>Check here</i><br/>▼</p> <p>05 <input type="checkbox"/> Interest/dividends change</p> <p>06 <input type="checkbox"/> Filing status change</p> <p>07 <input type="checkbox"/> Wisconsin modifications to federal income</p> <p>08 <input type="checkbox"/> Exempt pensions</p> <p>09 <input type="checkbox"/> Repayment of income previously taxed</p> <p>10 <input type="checkbox"/> Apportionment percentage</p> <p>11 <input type="checkbox"/> Non-unitary income/ separate accounting</p> <p>12 <input type="checkbox"/> Protective claim</p> | <p><i>Check here</i><br/>▼</p> <p>13 <input type="checkbox"/> Net business loss</p> <p>14 <input type="checkbox"/> Tax credits</p> <p>15 <input type="checkbox"/> Federal audit</p> <p>16 <input type="checkbox"/> Federal amended return</p> <p>17 <input type="checkbox"/> Adding or removing members of combined group</p> <p>18 <input type="checkbox"/> IRA change</p> <p>19 <input type="checkbox"/> P.L. 86-272</p> <p>20 <input type="checkbox"/> Other</p> |
|--|--|---|

Indicate the line reference(s) from the form or schedule for which you are reporting a change and explain in detail the reason for the change.

Include Schedule AR and all supporting documentation with your amended return. Do not include your original return and schedules. **CAUTION:** Schedule AR must be filed with one of the amended forms or schedules listed on the top of this schedule.



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## Section 2.12: Amending Schedule H

### General information for an amended Schedule H

- If there is an error on the original Schedule H, another one needs to be filled out
- Check the box at the top of the new Schedule H designating it as an amended return
- Fill in lines 1a-19 using the corrected amounts of household income, property taxes and rent
- Include a copy of the claimant's property tax bill(s) and/or the original rent certificate(s) for any additional property taxes and/or rent that is claimed
- Include Schedule AR, "Explanation of Amended Return," to explain changes made to the return

### If the claimant only files a Schedule H

- The amended Schedule H needs to be signed and dated
- If married couple resided together, both must sign
- If the amended Schedule H increases the amount of the homestead credit, the claimant will receive a refund for the additional amount
- If the amended Schedule H decreases the amount of the homestead credit, the claimant will owe the difference between the amount shown on the amended Schedule H and the amount of the homestead credit previously refunded
- If the claimant owes an additional amount, a check or money order made payable to the Wisconsin Department of Revenue should be mailed with the amended Schedule H to:  
Wisconsin Department of Revenue  
PO Box 34  
Madison, WI 53786-0001

### If the claimant also filed a Form 1 or Form 1NPR

- The amended Schedule H must be attached to a completed amended Form 1 or Form 1NPR
- For instructions on filing an amended return, visit the individuals income tax forms page, and look for Form 1 or Form 1NPR instructions



Tax Year 2023

# VITA/TCE Training Guide

Wisconsin Tax Law Information

## Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of February 15, 2024: ch. 71, Wis. Stats., and chs. Tax 1, 2, 3, and 14, Wis. Adm. Code.

Laws enacted and in effect after this date, new administrative rules and court decisions may change the interpretations in this document. Guidance issued prior to this date that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.

Guidance Document Number: 100243

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