

# WISCONSIN TAX UPDATE

Presented by  
WISCONSIN DEPARTMENT OF REVENUE  
Fall 2020

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## Agenda

- Covid-19 Pandemic Relief
- Guidance Documents
- Income/Franchise and Withholding Tax Update
- Sales/Use Tax Update
- Unclaimed Property
- Collection Procedures
- My Tax Account
- My Case Manager
- Other Initiatives & Performance Metrics

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## Covid-19 Pandemic Relief

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**Background**

- On March 13, 2020, President Donald Trump proclaimed a national emergency regarding COVID-19
- The IRS issued several Notices (2020-18 and 2020-23) which postponed the due date for filing federal returns and making federal income tax payments
- The IRS Notices affected WI income/franchise and pass-through withholding tax

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**WI Income/Franchise Tax Effect**

- Many 2019 income/franchise tax returns and payment deadlines extended to July 15, 2020
  - Interest and penalties started July 16, 2020
- Underpayment Interest (UPI) waived entirely on many 2019 income/franchise and pass-through withholding tax returns
- Many 2020 estimated payment deadlines extended to July 15, 2020

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**Other Tax Deadlines**

- DOR provided relief to small businesses during public health emergency from March 12 through May 11, 2020
- Relief included extending filing and payment deadlines and waiving penalties and interest, upon request
- Authority for relief provided by 2019 WI Act 185

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**Other Tax Deadlines**

- If granted, filing and payment deadlines extended to May 11 for the following tax types:
  - Withholding tax
  - State and county sales and use taxes
  - Excise taxes (alcohol, cigarette, tobacco, and vapor products, motor fuel)

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**Other Tax Deadlines**

- If granted, filing and payment deadlines extended to June 10 for the following tax types:
  - Local Exposition District Sales Taxes (Lodging, Rental Car, and Food and Beverage)
  - Premier Resort Area Sales Taxes
  - Limousine Fee
  - Rental Vehicle Fees
  - Dry Cleaning License and Products Fee
  - Police and Fire Protection Fee

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**Audit and Collection Relief (thru July 15)**

- Granted extensions for existing Offers in Compromise on delinquent balances
- Granted more requests to suspend payments under existing payment plans
- Eased automatic collection actions (levies on wages and assets)
- Delayed starting new audits of small businesses
- Granted extensions of existing audits and conducted audits remotely where possible

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**Farm Support Payment**

- \$50 million of federal funds (from CARES Act) given by Wisconsin to farmers with gross income of \$10,000 to \$5 million
- Program administered by DOR (online application, processing, and payments)
- First round of payments made July 15
- Second round of payments made September 18

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**We're All In Small Business Grant**

- Over \$115 million of federal funds (from CARES Act) given by Wisconsin to small businesses to help get back on their feet as they re-emerge from the COVID-19 pandemic, while also encouraging adoption of best practices to keep employees, customers, and communities safe
- Phase 2 is administered by DOR
- Apply online at [revenue.wi.gov](https://revenue.wi.gov) between October 19 and November 2

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**COVID-19 Resources**

- DOR:  
<https://www.revenue.wi.gov/Pages/News/2020/wi-covid-19.aspx>
- IRS:  
<https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>

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## Guidance Documents

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### WI Supreme Court

- *Service Employees International Union, Local 1 v. Robin Vos* (July 9, 2020):
- Court held the provisions of 2017 Wis. Act 369 relating to the procedures to create guidance documents to be facially unconstitutional on the grounds that the provisions intrude upon the core powers of the executive branch
- "We conclude that the creation and dissemination of guidance documents fall within the executive's core authority. Guidance documents, as the legislature has defined them, necessarily exist outside of the legislature's authority because of what they are and who creates them. As we explained above, a guidance document is something created by executive branch employees through the exercise of executive authority native to that branch of government. Creation of a guidance document requires no legislative authority and no legislative personnel. A guidance document cannot affect what the law is, cannot create a policy, cannot impose a standard, and cannot bind anyone to anything."

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### DOR Procedures Updated

- No certification statement from the Secretary of Revenue
- No submission to Legislative Reference Bureau for a 21-day comment period. Comments can be submitted to DOR anytime at: <https://www.revenue.wi.gov/Pages/ContactUs/Proposed-Guidance.aspx>
- Citations will be added when appropriate
- Guidance document numbers added to web pages when updated

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**Income/Franchise and  
Withholding Tax  
Update**

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- Topics**
- Pass-Through Entity-Level Tax Election
  - Internal Revenue Code Updates
  - Individual Income Tax Rates
  - Manufacturing and Agriculture Credit
  - Investment in Wisconsin Qualified Opportunity Fund
  - Litigation Update
  - Forms Update & Filing Tips
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**Pass-Through  
Entity-Level Tax  
Election**

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### Background

- 2017 Wis. Act 368
- Tax-option (S) corporations and partnerships may elect to pay tax on items that would otherwise be reported by the owner(s)
- Must have consent from owners who hold an aggregate of more than 50% of the shares (or capital and profits interest) on the day of election
- Election is made on the entity's Wisconsin tax return
- Election must be made (or revoked) by the extended due date of the return
- S corporations - taxable years beginning on or after January 1, 2018
- Partnerships - taxable years beginning on or after January 1, 2019

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### Entity-Level Tax Filing Statistics (10/16/2020)

2018 Tax-Option (S) Corporations (Form 55)	
Tax-Option (S) Corporation returns filed	79,177
Tax-Option (S) Corporation entity-level tax elections filed	1,610
Percent of entity-level tax elections filed	2.03%
Net Tax received from 2018 S-Corporation entity-level tax elections	156,771,094

2019 Tax-Option (S) Corporations (Form 55)	
Tax-Option (S) Corporation returns filed	77,575
Tax-Option (S) Corporation entity-level tax elections filed	2,487
Percent of entity-level tax elections filed	3.21%
Net Tax received from 2019 S-Corporation entity-level tax elections	177,429,294

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### Entity-Level Tax Filing Statistics (10/16/2020)

2019 Partnerships (Form 3)	
Partnership returns filed	78,272
Partnership entity-level tax elections filed	1,512
Percent of entity-level tax elections filed	1.93%
Net Tax received from 2019 partnership entity-level tax elections	48,852,168*

\* Amount based on 1,184 returns processed of the 1,512 returns received.

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**Lessons Learned**

- Entity submits Schedule 3-ET or 5S-ET which computes tax due, but does not make election on Form 3 or 5S, nor submit payment
- Incorrect deductions claimed when computing taxable income at the entity level (e.g., charitable deductions or 30%/60% capital gain exclusion by S corporations)
- See Schedules 3-ET and 5S-ET Instructions and answers to common questions at [revenue.wi.gov](http://revenue.wi.gov)

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**Lessons Learned**

- Schedule ET-OS, *Credit for Net Tax Paid to Another State*
  - Entity does not attach other state's return to show net tax paid
  - Entity incorrectly computes a limit on the credit for net tax paid to Minnesota, Iowa, Illinois or Michigan

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**2020 Tax Forms**

- New for 2020, Wisconsin residents must report additions and subtractions from federal adjusted gross income on new schedules. This includes the modifications to remove or reverse income, gains, losses, and deductions of entities making the election to pay tax at the entity level on the following lines:
  - Schedule AD, *Additions to Income: lines 29 or 31*
  - Schedule SB, *Subtractions from Income: lines 43 or 45*
- See 2020 tax forms at: [revenue.wi.gov/Pages/Form/2020-TaxForms.aspx](http://revenue.wi.gov/Pages/Form/2020-TaxForms.aspx)

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## Internal Revenue Code Updates

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### IRC Reminder

- Wisconsin follows the IRC as of December 31, 2017, with certain exceptions (see Schedule I instructions)
- Wisconsin computes depreciation and amortization using IRC in effect on January 1, 2014, with certain exceptions
- Wisconsin has not adopted federal bonus depreciation provisions

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### IRC Updates – Section 179 Expense

- Wisconsin follows changes to IRC 179, including the following recent federal changes (sec. 71.98(4), Wis. Stats.)
  - Extended election to expense mine safety equipment to December 31, 2017 (P.L. 115-123)
  - Extended energy efficient commercial building deduction to December 31, 2017 (P.L. 115-123)
  - Extended energy efficient commercial building deduction to December 31, 2020 (P.L. 116-94)

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**IRC Update – Adopted**

- 2019 Wis. Act 185 adopted certain provisions of the federal CARES Act - Public Law 116-136
- The following provisions apply for WI the same time as federal:
  - Temporary waiver of required minimum distribution rules for certain retirement plans and accounts (calendar year 2020)
  - Extension of time to make minimum required contributions to single-employer defined benefit pension plans (until 1/1/21)
  - Eligibility of a cooperative and small employer charity pension plan

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**IRC Update – Adopted**

- Public Law 116-136 – CARES Act (cont.)
  - Distributions from retirement plans
    - Retirement plan early withdrawal penalty exception (up to \$100,000) for distributions made in 2020 for COVID-19 related purposes
    - Withdrawal taxed over 3 years, but treated as tax-free rollover if recontributed within 3 years
  - Extension for repayment of retirement plan loans (up to \$100,000)

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**IRC Update – Adopted**

- Public Law 116-136 – CARES Act (cont.)
  - Small business loan forgiveness (note: cannot deduct costs paid for with loan proceeds that are forgiven)
  - \$300 above-the-line deduction for charitable contributions
  - Limitations on itemized deduction for charitable contributions increased
    - Individuals – 50% AGI limit suspended for 2020
    - Corporations – 10% taxable income limit increased to 25%
    - Food donations – increased from 15% to 25%

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**IRC Update – Adopted**

• **Public Law 116-136 – CARES Act (cont.)**

- Exclusion for employer student loan payments for employees, up to \$5,250, made from 3/21/20 to 12/31/20
- Qualified improvement property classified as 15-year property (previously 39 years) – retroactive to January 1, 2018.
  - if persons amend their federal income tax return, they must amend their Wisconsin tax returns to recompute depreciation on the qualified improvement property
  - persons cannot claim bonus depreciation for Wisconsin

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**IRC Update – Adopted**

• **Public Law 116-136 – CARES Act (cont.)**

- Menstrual care products are considered medical care or qualified expenses for purposes of distributions, withdrawals, or reimbursements from HSAs, Archer MSAs, health FSAs and HRAs.
- Health savings accounts – a health plan will not fail to be treated as a high deductible health plan by reason of failing to have a deductible for telehealth and other remote care services

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**IRC Update – Not Adopted**

• **Public Law 115-123 (Bipartisan Budget Act of 2018) – February 9, 2018**

- Extension of temporary provisions through 2017
  - Qualified principal residence indebtedness
  - Mortgage insurance premiums
  - Tuition and fees
- California wildfire provisions
  - Qualified retirement plan withdrawals
  - Personal casualty loss

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**IRC Update – Not Adopted**

- **Public Law 115-123 (cont.)**
  - Expanded deduction for attorney fees and court costs in connection with certain rewards
  - Foreign earned income and housing cost exclusion – persons serving in combat zone may still qualify if they have an abode in the US
  - Domestic production activities deduction is not repealed for payments from specified agricultural or horticultural cooperative

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**IRC Update – Not Adopted**

- **Public Law 115-141 (Consolidated Appropriations Act, 2018) – March 23, 2018**
  - Real estate investment trusts income tests
  - Clarification on ABLE account distributions
  - Inconsistent estate basis penalty related to post-acquisition events

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**IRC Update – Not Adopted**

- **Public Law 115-141 (cont.)**
  - Rural cooperatives income tax exemption
  - Qualifying small power production facility
  - Numerous other technical changes

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**IRC Update – Not Adopted**

- **Public Law 116-25 (Taxpayer First Act) – July 1, 2019**
  - Limitation for requests for equitable relief from joint liability
- **Public Law 116-91 (FUTURE Act) – December 19, 2019**
  - Federal disclosure requirements - not applicable for Wisconsin

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**IRC Update – Not Adopted**

- **Public Law 116-92 (National Defense Authorization Act for Fiscal Year 2020) – December 20, 2019**
  - Expanded definition of unlawful discrimination for purposes of deduction for costs involving discrimination suits

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**IRC Update – Not Adopted**

- **Public Law 116-94 (Further Consolidated Appropriations Act, 2020) – December 20, 2019**
  - Section 529 plans
    - Apprenticeship programs
    - Qualified student loan repayments (up to \$10,000)
  - Student loan interest deduction limitation

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**IRC Update – Not Adopted**

• **Public Law 116-94 (cont.)**

- Temporary provisions extended thru 2020
  - Discharge of indebtedness on principal residence
  - Tuition and fees
  - Depreciation of race horses
  - Motorsports racing track facility
  - Indian reservation property
  - Film and television productions

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**IRC Update – Not Adopted**

• **Public Law 116-94 (cont.)**

- Temporary provisions (cont.)
  - Empowerment zone tax incentives
  - Depreciation of second generation biofuel plant property
  - Dispositions of transmission property to implement Federal Regulatory Commission or State Electric Restructuring
  - Mortgage insurance premiums
  - Medical expense itemized deduction floor

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**IRC Update – Not Adopted**

• **Public Law 116-94 (cont.)**

- Qualified disaster charitable contributions
- Qualified disaster personal casualty loss
- Qualified disaster retirement plans
  - Withdrawal (up to \$100,000)
  - Withdrawal recontributions for home purchase
  - Loans (up to \$100,000)
- Qualified disaster provision – earned income credit

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**IRC Update – Not Adopted**

- **Public Law 116-98 (Virginia Beach Strong Act) – December 20, 2019**
  - Charitable contributions for victims of Virginia Beach mass shooting, even if for exclusive benefit of a family
- **Public Law 116-127 (Families First Coronavirus Response Act) – March 18, 2020**
  - Not applicable for Wisconsin – relates to federal credits and tax

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**IRC Update – Not Adopted**

- **Public Law 116-136 (Coronavirus Aid, Relief, and Economic Security Act) – March 27, 2020**
  - Excess business loss limitation delayed until tax year 2021
  - Net interest expense deduction limitation increased to 50% for 2019 and 2020

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**Taxable Grants**

- Government grants to businesses are taxable income
- DOR will issue Form 1099-G for payments made by DOR for the following programs:
  - Wisconsin Farm Support Program
  - We're All In Small Business Grant Program – Phase 2

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**Individual Income Tax Rates**

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**2020 Individual Income Tax Rate Decrease**

- **2019 WI Act 10**
  - Rate reductions to first and second tax brackets
  - Two rate reductions: 2019 and 2020. Rate in effect in 2020 will continue thereafter.
  - Rate reductions based on additional estimated sales and use tax revenue from out-of-state retailers and marketplace providers as a result of U.S. Supreme Court decision in *South Dakota v. Wayfair Inc.* and 2019 WI Act 10

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**2020 Individual Income Tax Rate Decrease**

- **2019 WI Act 10 (cont.)**
  - Department determines rate reduction no later than October 20, 2020
  - Review by Legislative Audit Bureau by November 10, 2020
  - No change to withholding tables

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**Individual Income Tax Rates  
&  
Misc. Updates**

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**2020 Individual Income Tax Rate Decrease**

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  - Rate reductions to first and second tax brackets
  - Two rate reductions: 2019 and 2020. Rate in effect in 2020 will continue thereafter.
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  - No change to withholding tables

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**College Savings Account Subtraction**

- Up to \$3,340 per beneficiary (\$1,670 if married filing separately) of contributions into a Wisconsin college savings account (Edvest)
- 2019 amount was \$3,280

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**WI Tuition and Fees Subtraction**

- Subtraction – decreased from \$6,974 to \$6,972
  - Includes fees for course related books if paid to institution as condition of enrollment or attendance
- Subtraction is phased-out for income levels:
  - Single or head of household -- \$56,620 to \$67,940
  - Married filing joint -- \$90,600 to \$113,240
  - Married filing separate -- \$45,300 to \$56,620

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**Mileage Reimbursement Rates**

- **2020**
  - 57.5 cents per mile for business miles, down from 58 cents for 2019
  - 17 cents per mile for medical or moving purposes, down from 20 cents for 2019
  - 14 cents per mile in service of charitable organizations
- **2021**
  - Not announced yet

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## Manufacturing and Agriculture Credit

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### Agriculture Credit

• **Taxable years prior to January 1, 2019:**

- Production gross receipts = gross receipts from the lease, rental, license, sale, exchange, or other disposition of qualified production property
- Qualified production property = tangible personal property produced, grown, or extracted in whole or in part by the claimant on or from property assessed as agricultural property under sec. 70.32(2)(a)4., Wis. Stats.

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### Agriculture Credit

- 2019 Wis. Act 167
- Effective for taxable years beginning on or after January 1, 2019
- Production gross receipts includes insurance proceeds received as a result of the destruction of, or damage to, crops to the extent the proceeds are included in federal income for the taxable year

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## Investment in Wisconsin Qualified Opportunity Fund

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### Federal Opportunity Zone Benefits

- IRC 1400Z-1 and 1400Z-2 created by sec. 13823 of P.L. 115-97 (December 22, 2017)
- A taxpayer may defer capital gains if the gains are reinvested in a qualified opportunity zone fund within 180 days
- Gains may be deferred until the earlier of the date the investment is sold or December 31, 2026

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### Federal Opportunity Zone Benefits

- At the end of the deferral date, deferred gains are recognized but an increase in basis (i.e., excluded gain amount) is allowed for:
  - 10% of the deferred gains if held for at least 5 years
  - 15% of the deferred gains if held for at least 7 years
- If the investment is sold after holding it for 10 years, up to 100% of the qualified investment gains (appreciated value) may be excluded from income by electing to increase the basis in the investment to its fair market value on the date that the investment is sold or exchanged

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**Wisconsin Opportunity Fund**

- The federal benefits apply for WI, as sec. 13823 of P.L. 115-97 was adopted in 2017 Wis. Act 231
- 2019 Wis. Act 136 provides additional Wisconsin benefits effective for taxable years beginning on or after January 1, 2020
- Must invest in a Wisconsin qualified opportunity fund

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**Definitions**

- **Wisconsin qualified opportunity fund** = a fund defined in sec. 1400Z-2(d)(1), IRC, that holds at least 90% of its assets in WI qualified opportunity zone property, measured by the average of the last day of the first six-month period of the fund’s taxable year and the last day of the fund’s taxable year
  - Fund must file as a partnership or corporation
  - Fund cannot invest in another qualified opportunity fund

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**Definitions**

- **Wisconsin qualified opportunity zone** = a population census tract located in Wisconsin that is designated as a qualified opportunity zone under sec. 1400Z-1, IRC
  - Governor or chief executive nominates
  - 120 zones in WI - 44 counties, 60 municipalities, 2 tribal reservations
  - Look-up map: [wheda.com/Opportunity-Zones/](http://wheda.com/Opportunity-Zones/)

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**Definitions**

- **Wisconsin qualified opportunity zone property** = property defined in sec. 1400Z-2(d)(2), IRC, except that qualified opportunity zone business property, as defined in secs. 1400Z-2 (d)(2)(D) and (3)(A)(i), IRC, must be located in a Wisconsin qualified opportunity zone
  - Qualified opportunity zone stock
  - Qualified opportunity zone partnership interest
  - Qualified opportunity zone business property

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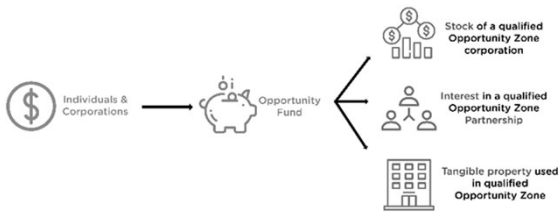
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**Example:**



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**Wisconsin Benefits**

- A subtraction may be allowed (in addition to the similar federal benefit) for:
  - 10% of the deferred gains from investment in a WI qualified opportunity fund if held for at least 5 years
  - 15% of the deferred gains from investment in a WI qualified opportunity fund if held for at least 7 years

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**Wisconsin Benefits**

- Subtraction may be claimed by:
  - individuals, including individual partners or members of a partnership, limited liability company, or limited liability partnership, and shareholders of a tax-option (S) corporation
  - S corporations
  - insurance companies
- Corporations (other than S corporations) may not claim a subtraction, but can increase their basis in the property to an amount that is twice the federal adjustment in IRC 1400Z-2 <sup>67</sup>

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**Individuals, Tax-Option (S) Corporations, and Insurance Companies**

- An individual may claim the 30% long-term capital gain exclusion in sec. 71.05(6)(b)9., Wis. Stats., in addition to the Wisconsin subtraction described above
- The subtraction from income does not apply to capital gains excluded or deferred under the qualified WI business program described in secs. 71.05(25) and (26), Wis. Stats.
- An individual partner, member, or shareholder may not claim the Wisconsin subtractions if the partnership or tax-option (S) corporation makes the election to pay tax at the entity level

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**Penalty**

- If a Wisconsin qualified opportunity fund is liable for a penalty under sec. 1400Z-2(f), IRC, the fund is also liable for a Wisconsin penalty equal to 33% of the federal penalty

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**Certification**

- A Wisconsin qualified opportunity fund must annually certify to each investor and DOR that it is a qualified fund for the fund's taxable year
- This must be completed by January 31 following the end of the fund's taxable year
- DOR developing certification form to submit to DOR

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**Reporting Subtraction on Tax Return**

- WI form revisions needed to apply subtraction similar to the federal capital gain exclusion (possibly 2023 tax year)

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**Additional Resources**

- DOR Fact Sheet 1121: [revenue.wi.gov/DOR%20Publications/1121opportunityzone.pdf](http://revenue.wi.gov/DOR%20Publications/1121opportunityzone.pdf)
- Wisconsin Housing and Economic Development Authority: [wheda.com/Opportunity-Zones/](http://wheda.com/Opportunity-Zones/)
- Internal Revenue Service: [irs.gov/credits-deductions/opportunity-zones-frequently-asked-questions](http://irs.gov/credits-deductions/opportunity-zones-frequently-asked-questions)
- IRS Fact Sheet: [irs.gov/newsroom/opportunity-zones](http://irs.gov/newsroom/opportunity-zones)

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# Litigation Update

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**Litigation**

- *Kristian L. and Justina R. Harnage v. Wisconsin Department of Revenue* (WTAC, April 27, 2020)
  - Issue: whether an eligible veteran may file amended income tax returns to claim the veterans and surviving spouses property tax credit more than 4 years after the unextended due date of the return
  - Taxpayer was waiting for a disability determination from the United States Veteran Affairs (VA). While waiting for the determination, the statute of limitations expired for the taxpayer to claim a credit on their 2012 and 2013 tax returns.

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**Litigation**

- *Kristian L. and Justina R. Harnage v. Wisconsin Department of Revenue* (con't)
  - The Commission concluded that the taxpayer's claims for the veterans and surviving spouses property tax credit were untimely under secs. 71.07(6e)(c)1. and 71.75(2), Wis. Stats.
  - DOR published Fact Sheet 1122, which describes how veterans and surviving spouses can request an agreement with DOR to extend the statute of limitations for filing a claim for credit if they are awaiting their disability determination

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**Litigation**

- *Carol J. Reinhardt v. Wisconsin Department of Revenue* (WTAC, July 2, 2020)
  - Issue: Whether a taxpayer with a farm loss has "earned income" to claim the Wisconsin homestead credit
  - Individuals must have earned income to claim the homestead credit if under age 62 and not disabled, pursuant to sec. 71.54(1)(g)7., Wis. Stats.

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**Litigation**

- *Carol J. Reinhardt v. Wisconsin Department of Revenue* (con't)
  - Taxpayer argued that the taxpayer has earned income under the farm optional method for computing federal self-employment tax
  - The Commission concluded the homestead credit statutes do not incorporate the expanded definition of "earned income" from the federal self-employment tax; therefore, the taxpayer does not meet the earned income requirement for the homestead credit

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**Litigation**

- *Deere & Company v. Wisconsin Department of Revenue*
  - Dividends received deduction
  - Issue: whether Deere & Company is allowed to claim the dividends received deduction under sec. 71.26(3)(j), Wis. Stats., for distributions it received and included in income from a foreign limited partnership that made the election to be treated as a corporation for federal income tax purposes
  - Wisconsin Tax Appeals Commission determined a partnership's election to be treated as a corporation for federal income tax purposes results in partnership interest being considered exchanged for stock for tax purposes. And because there was no indication that more than one class of stock was created, the stock is considered common stock.

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**Litigation**

- ***Deere & Company v. Wisconsin Department of Revenue (con't)***
  - Wisconsin Tax Appeals Commission, August 21, 2019, concluded that the dividends received deduction under sec. 71.26(3)(j), Wis. Stats., should be allowed
    - Department appealed the decision
  - Dane County Circuit Court, March 9, 2020, affirmed the decision from the Wisconsin Tax Appeals Commission
    - Department is appealing this decision

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**Notable Court Case Decisions**

- ***Microsoft Corporation v. Wisconsin Department of Revenue***
  - Allocation and apportionment – sales factor – licensing software
  - Issue: whether the royalties paid to Microsoft by original equipment manufacturers (OEMs) located outside Wisconsin are gross receipts from the use of computer software by the OEMs
  - Microsoft entered into licensing agreements with OEMs to install Microsoft products on computers that the OEMs resells to end-users domiciled in Wisconsin

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**Litigation**

- ***Microsoft Corporation v. Wisconsin Department of Revenue (con't)***
  - Wisconsin Tax Appeals Commission, August 10, 2017, concluded the royalty payments are sourced based on the domicile of the OEM and not the end-user of the Microsoft software
    - Department appealed the decision
  - Dane County Circuit Court, August 13, 2018, affirmed the decision from the Wisconsin Tax Appeals Commission
    - Department appealed the decision
  - Court of Appeals, District IV, October 31, 2019, affirmed the decision of the Dane County Circuit Court
    - Department did not appeal the decision

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### Litigation

- **Intersystems Corporation v. Wisconsin Department of Revenue**
  - Allocation and apportionment – sales factor – licensing software
  - Issue: whether the fees paid to Intersystems from a Wisconsin software company that sublicenses the software to end-users are gross receipts from the use of computer software by the Wisconsin software company
  - Intersystems argues the fees should be sourced based on where the end-user of the software is domiciled, not where the Wisconsin software company is domiciled
  - The case appears to be similar facts, but in direct opposition to the recent court decisions made in *Microsoft Corporation v. Wisconsin Department of Revenue*

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## 2020 Forms Update & Filing Tips

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### Filing Season Opening

- The IRS has not yet announced the opening dates for Modernized e-File (MeF)
- 2020 Wisconsin forms are posted on our website:  
<https://www.revenue.wi.gov/Pages/Form/2020-TaxForms.aspx>

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### 2019 Processing Statistics

Tax Type	Returns Filed	Efile Rate
Corporation Income/Franchise Tax (4, 4H, 5, 6)	42,585	84.9%
Fiduciary (2, 4T, Schedule CC)	63,863	69.3%
Individual Income (1, 1A, 1NPR, WI-Z, Schedule H, H-EZ, & X-NOL)	3,153,648	87.7%
Pass-Through (1CNS/1CNP, 3, 5S, PW-1)	195,940	90.2%
Sales (ST-12)	883,131	95.3%
Withholding (WT-6, WT-7)	277,883	94.5%

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### Schedules AD and SB

- New schedules for 2020 to report all WI additions and subtractions from federal adjusted gross income
- Specific additions and subtractions are removed from Form 1 (lines 2-4 and 6-11 of 2019 Form 1) and placed on Schedules AD and SB
- Total additions and subtractions from Schedules AD and SB flow to Form 1, line 2 or line 4

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### 2019 Form 1

1 Federal adjusted gross income (see page 12)	1	00
Form W-2 wages included in line 1		00
2 State and municipal interest (see page 13)	2	00
3 Capital gain/loss addition (see page 14)	3	00
4 Other additions (see page 14)	4	00
5 Add the amounts in the right column for lines 1 through 4	5	00
6 Taxable refund of state income tax (from federal Form 1040 or 1040-SI, Schedule 1, line 1)	6	00
7 United States government interest	7	00
8 Unemployment compensation (see page 16)	8	00
9 Social security adjustment (see page 17)	9	00
10 Capital gain/loss subtraction (see page 17)	10	00
11 Other subtractions (see page 18)	11	00
12 Add lines 6 through 11	12	00
13 Subtract line 12 from line 5. This is your Wisconsin income	13	00

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### 2020 Form 1

1	Federal adjusted gross income (see page 12)	1	.00
	Form W-2 wages included in line 1		.00
2	Total additions to income from Schedule AD, line 33 (see page 13)	2	.00
3	Add lines 1 and 2	3	.00
4	Total subtractions from income from Schedule SB, line 47. Enter as a positive number	4	.00
5	Subtract line 4 from line 3. This is your Wisconsin income.	5	.00

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### 2020 Schedule AD

**Schedule AD** | **Form 1 – Additions to Income** | **2020**  
 Wisconsin Department of Revenue | File with Wisconsin Form 1

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

See the instructions for additional information on the additions listed below.

**Additions to Income**

1	State and municipal interest (see page 1)	1	.00
2	Capital gain/loss addition (see page 2)	2	.00
3	Nonqualified distributions from Edvest and Tomorrow's Scholar college savings account	3	.00
4	Nonqualified distributions from ABLE accounts	4	.00
5	Federal net operating loss deduction	5	.00
6	Income (lump-sum distributions) reported on federal form 4972	6	.00
7	Excess distribution from a passive foreign investment company	7	.00
8	Expenses paid to or incurred with related entities	8	.00
9	Expenses for moving business outside of Wisconsin or the United States	9	.00
10	Differences in federal and Wisconsin basis of assets	10	.00

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### 2020 Schedule SB

**Schedule SB** | **Form 1 – Subtractions from Income** | **2020**  
 Wisconsin Department of Revenue | File with Wisconsin Form 1

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

See the instructions for additional information on the subtractions listed below. Enter all amounts as positive numbers.

**Subtractions from Income**

1	Taxable refund of state income tax (from line 1 of federal Schedule 1 (Form 1040) or Form 1040-SR)	1	.00
2	United States government interest	2	.00
3	Unemployment compensation	3	.00
4	Social security adjustment	4	.00
5	Capital gain/loss subtraction	5	.00
6	Medical care insurance	6	.00
7	Long-term care insurance	7	.00
8	Tuition and fee expenses	8	.00
9	Private school tuition	9	.00
10	Contributions to an Edvest or Tomorrow's Scholar college savings account	10	.00
11	Distributions of certain earnings from Wisconsin state-sponsored college tuition programs	11	.00
12	Child and dependent care expenses	12	.00

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**Wisconsin Tax Forms Accepted Via Electronic Submission Only**

Form Name	Electronic Filing Options
<b>Form 3</b> , Wisconsin Partnership Return	<ul style="list-style-type: none"> <li>Approved Third Party Software</li> </ul>
<b>Form 55</b> , Wisconsin Tax-Option (S) Corporation Franchise or Income Tax Return	<ul style="list-style-type: none"> <li>Approved Third Party Software</li> </ul>
<b>Form 6</b> , Wisconsin Combined Corporation Franchise or Income Tax Return	<ul style="list-style-type: none"> <li>Approved Third Party Software</li> </ul>
<b>Form 1CNS</b> , Composite Wisconsin Individual Income Tax Return for Nonresident Tax-Option (S) Corporation Shareholders	<ul style="list-style-type: none"> <li>Approved Third Party Software</li> <li>My Tax Account</li> </ul>
<b>Form 1CNP</b> , Composite Wisconsin Individual Income Tax Return for Nonresident Partners	<ul style="list-style-type: none"> <li>Approved Third Party Software</li> <li>My Tax Account</li> </ul>

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**Wisconsin Tax Forms Accepted Via Electronic Submission Only**

Form Name	Electronic Filing Options
<b>Form PW-1</b> , Wisconsin Nonresident Income or Franchise Tax Withholding on Pass-Through Entity Income	<ul style="list-style-type: none"> <li>Approved Third Party Software</li> <li>My Tax Account</li> </ul>
<b>Form WT-6</b> , Withholding Tax Deposit Report	<ul style="list-style-type: none"> <li>ACH Credit – through your financial institution</li> <li>Credit Card – through Official Payments 1-800-272-9829; use code 5800</li> <li>XML File Transmission</li> <li>My Tax Account</li> <li>Telefile</li> </ul>
<b>Form WT-7</b> , Employers Annual Reconciliation of Wisconsin Income Tax Withheld	<ul style="list-style-type: none"> <li>XML File Transmission</li> <li>My Tax Account</li> <li>Telefile</li> </ul>
<b>Form ST-12</b> , Wisconsin Sales and Use Tax Return	<ul style="list-style-type: none"> <li>XML File Transmission</li> <li>My Tax Account</li> <li>Telefile</li> </ul>

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**Software Vendors**

- Approved software vendors must support most Wisconsin tax forms and schedules
- Software must also allow PDF attachments to e-filed return

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### Software Vendor Update

- DOR asked software vendors to use a clearer message to users when their software hasn't been approved OR isn't ready for release:  
*"We are working to get forms ready for filing in Wisconsin. Please check again later."*

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### Filing Tips – General

- Do not use partial Social Security Numbers / FEINs on returns, schedules, or vouchers submitted to DOR
- Do not submit \$0 vouchers
- E-file original and amended returns. Note: You can now e-file Form 1040-X with the IRS.
- If you must paper file, include a paper copy of the federal return

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### Filing Tips – General

- Monitor the email inbox where the e-file return acknowledgement will be sent, as that is where you will receive a notification if the return is rejected
  - Some returns are rejected by the software vendor because of the software vendor's schema or other validation rules
  - Other returns may be rejected because of rules established by the IRS or DOR
- Verify estimated and extension payments online:  
<https://www.revenue.wi.gov/Pages/Apps/TaxPaymentInquiry.aspx>

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### Filing Tips – Payments and Refunds

- Verify bank information for direct deposit refunds. We saw an increase in refunds deposited into incorrectly-supplied bank accounts.
- Make return payments electronically, whenever possible
  - Pay online using My Tax Account. Use correct tax type, payment type, and period.
  - Submit voucher with paper checks (Form EPV). Make sure vouchers contain all information, including the scanline.
- Create and print individual estimated tax payment vouchers using DOR's interactive voucher:  
<https://www.revenue.wi.gov/Pages/OnlineServices/voucher-1es.aspx>

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### Filing Tips - General

- 3<sup>rd</sup> party designee name and PIN fields must be completed on the WI return (not just federal) for DOR employee to discuss return with designee
- Designee powers are more limited than that of a Power of Attorney (POA) and expire after one year
  - DOR can discuss information about the return with designee but designee is not authorized to make changes to the return

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### Filing Tips – Individual Income Tax

- Only use Form W-RA to submit documents that cannot be attached as PDFs to e-filed returns (e.g., jpeg). Use the online W-RA submission tool at: [https://tap.revenue.wi.gov/WRA/\\_/](https://tap.revenue.wi.gov/WRA/_/)
- Do not submit Form W-RA with e-filed returns when you can attach documentation as a PDF
- Do not submit Form W-RA with paper returns

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### Filing Tips – Individual Income Tax

- Use **My Tax Account** to:
  - Pay online
  - Submit additional information
    - Allow up to 3 weeks for review
    - If you receive confirmation number, we have the documents
  - Appeal a bill or notice (must have letter ID)
  - Print or view most letters (must have letter ID)

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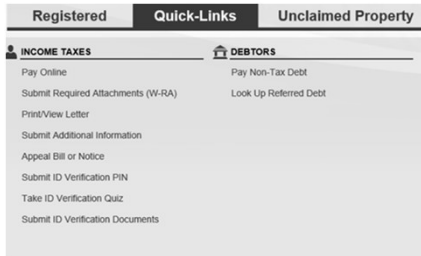
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### Filing Tips – Individual Income Tax



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### MTA – Individual Income Tax

- My Tax Account can also be used to (individual must be registered in MTA):
  - Schedule (or cancel) estimated payments
  - Check on refund status
  - Print or view most letters (don't need letter ID)
- More functionality will be added in future – stay tuned!

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**Filing Tips – Individual Income Tax**

- Credit for tax paid to other state (TPOS credit)
  - Attach PDF copies of other states' returns with the e-file transmission (rather than using Form W-RA)
  - Software vendors are required to support PDF attachments
  - Include all schedules and worksheets filed with the other states' tax return, including any supplemental income allocation worksheet

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**Filing Tips – Credit Schedules**

- Submit proper credit schedules when required to claim EACH credit (e.g., Schedule OS, Schedule MA-M, Schedule HR)
  - Submit Schedule CR, when required, to show credits available and credits used
  - Submit Schedule CF to show carryforwards of unused credits

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**Filing Tips – Credit Schedules**

- Fill in amounts on credit schedules, do not write "See statement"
  - If submitting supporting statements with the return, include name(s) of credit in the title of the supporting statements
- Attach PDF of credit verifications (e.g., from WEDC or WHEDA)
- Attach PDF of Schedules 2K-1, 3K-1, or 5K-1 if claiming credits passed through from other entity

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**Filing Tips – Corporate Franchise**

- Form 6 returns must include the designated agent as a member, and all other members
- Do not use prior year's tax forms to file current year's tax return
- Do not send checks without payment voucher
- When claiming Wisconsin's dividends received deduction, you must include Form 6Y

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**Filing Tips – Corporate Franchise**

- Include appropriate apportionment schedules with return
  - Enter sales amounts in the Total Company column, even when reporting zero sales in the Wisconsin column
- If claiming Wisconsin tax withheld on income received from pass-through entities, attach PDF copies of Schedules 2K-1, 3-K1, or 5-K1
- If claiming Wisconsin tax withheld on income received as a nonresident entertainer, attach PDF copies of Form WT-11

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**Withholding Update**

- Software companies are required to submit test files and be approved by DOR in order to submit electronic returns
- Payroll service providers are also required to undergo similar testing and be approved by DOR in order to submit electronic returns
- The software testing process is the same as what is required for software companies to submit individual income and other business tax returns

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**Withholding Update**

- DOR automatically sends letter when counts reported on Form WT-7 do not match # of Forms W-2 or 1099 submitted
- DOR updated the "Missing Information Returns" letter to provide better information on what is missing or incomplete
- \$10 penalty may be assessed for each Form W-2 or 1099 not filed, filed late, or filed incorrectly with DOR
  - Filing incorrectly includes filing paper returns when required to file electronically

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**Withholding Update**

- Form 1099-NEC is a new IRS form for 2020 tax year
- For tax year 2020, Form 1099-NEC may be filed with Wisconsin or you may submit Form 1099-MISC
- Line 2 of the 2020 Form WT-7 will be changed to accommodate Form 1099-NEC
  - NOTE: The count on Lines 2 & 3 should only include Forms 1099 with withholding

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**Information Returns – 2018 - 2020**

	2018	2019	2020
January only	5.88 million	6.21 million	6.50 million
January – September	7.08 million	7.38 million	7.33 million
eFile Rate	94.5%	96.5%	97.1%

- In 2018, e-file threshold changed from 50 to 10 and changed due date to January 31 for ALL Forms W-2 & 1099.

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## Sales and Use Tax Update

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**Exemption - TPP Temporarily Stored in WI**

- **2019 Wis. Act 181**
  - Created sec. 77.54(69), Wis. Stats., effective June 1, 2020
  - Exemption for sales of tangible personal property that is not stored more than 120 days in Wisconsin

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**Exemption - TPP Temporarily Stored in WI**

- Property must be used in fulfillment of a real property construction activity that occurs solely outside Wisconsin
- Exemption does not apply if property is subsequently returned to Wisconsin
- Property can be altered by converting, fabricating, manufacturing, printing, processing, or shaping before its use outside Wisconsin

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**Exemption - TPP Temporarily Stored in WI**

- Real property construction activity outside WI must be at one of the following:
  - A nonprofit organization
  - A public school district
  - A business district where business tax incentives have been granted
- Property must be used by a person engaged in an activity classified as construction under sector 23 of the North American Industry Classification System, 2017 edition, published by the federal office of management and budget.

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**Baseball Stadium Sales Tax Ended**

- **2019 Wis. Act 28**
- Effective April 1, 2020, sellers can no longer collect the 0.1% tax in the 5-county stadium district
- Sellers that collect the tax in error must return the tax to the buyer or if the buyer cannot be located, to DOR
  - If not submitted to the buyer or DOR, subject to a 25% penalty of amount not submitted or, in case of fraud, a penalty equal to amount not submitted (sec. 77.59(5m), Wis. Stats.)

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**Baseball Stadium Sales Tax Ended**

- For periods prior to April 1, 2020, DOR continues to:
  - Process tax returns (e.g., annual filers)
  - Complete audits
  - Process refund claims
- DOR cannot assess or process refund claims after December 31, 2024

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### Local Exposition District Room Tax

- **Basic Room Tax in Milwaukee County Increases**

- Effective January 1, 2021
- Rate increases to 3% (up from 2.5%)
- Other local exposition district taxes continue:
  - Additional room tax – 7% (City of Milwaukee only)
  - Food and beverage tax – 0.5%
  - Rental car tax – 3%

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### County Taxes

- **Recent county taxes adopted:**

- Outagamie County - effective January 1, 2020
- Menominee County – effective April 1, 2020
- Remaining 4 counties without a county sales/use tax:
  - Manitowoc
  - Racine
  - Waukesha
  - Winnebago

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### Other Law Changes

- **Internet Access Services**

- No longer taxable as of July 1, 2020
- Published guidance:
  - Bundled Services (Wisconsin Tax Bulletin 207 – November 2019)
  - Related Services (Wisconsin Tax Bulletin 210 – July 2020)
    - Required installation charges by internet service provider
    - Third-party installation of data cabling
    - Modem rentals
    - Email services

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**Wisconsin Court Cases**

- *Citation Partners, Inc (Circuit Court 8/20/2020)*
  - Issue –Must Citation, a lessor of aircraft, pay sales tax on the charges to Citation's customers for the reimbursement of aircraft maintenance, engine maintenance, and parts costs?
  - Tax Appeals Commission (TAC) ruled the cost of maintenance services and repair parts is an expense of the lessor, which is included in the "sales price" of the leases.
  - Circuit Court overturned TAC decision
  - DOR is appealing

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**Wisconsin Court Cases**

- *Brown County vs. Brown County Taxpayers Assn*
  - Issue – Is the 0.5% Brown County sales and use tax ordinance valid?
  - Association argued the ordinance is void because the property tax levy did not decrease by the amount of sales and use tax raised.
  - Circuit Court ruled sec. 77.70 is an enabling statute whose purpose is to directly reduce property tax levy, not a restriction on how sales and use tax revenue is to be spent and pointed to revenue spending limitations the Legislatures imposed on two tax districts, noting it did not place such restrictions on counties.
  - Association is appealing

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**Marketplace Providers and Sellers**

- **2019 Wis. Act 10**
  - Effective January 1, 2020
  - Sections 77.52(3m) and 77.523, Wis. Stats.

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**Marketplace - Definitions**

“Marketplace provider” means any person who facilitates a retail sale by a seller by listing or advertising for sale by the seller, in any manner, tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or a service specified under s. 77.52 (2) (a) and, who directly or indirectly, through agreements or arrangements with 3rd parties, processes the payment from the purchaser for the retail sale, regardless of whether the person receives compensation or other consideration in exchange for the services provided by the person.

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**Marketplace - Definitions**

“Marketplace seller” means a seller who sells products through a physical or electronic marketplace operated by a marketplace provider, regardless of whether the seller is required to be registered with the department.

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**Marketplace Providers**

- Marketplace provider (marketplace) is required to notify the marketplace seller (seller) that it is collecting the tax
- Only the marketplace can be audited and held liable for the tax unless insufficient or incorrect information is provided by the seller
- Marketplace must maintain exemption certificates for facilitated sales

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**Marketplace Providers**

- Marketplace is allowed a bad debt deduction for a facilitated sale, if either the marketplace or seller may claim a deduction under section 166 of IRC
- Marketplace may apply for a waiver from collecting and remitting if facilitating sales on behalf of sellers operating under a shared hotel, motel, or restaurant brand name (Form S-102)
  - Waivers may be granted to other types of marketplaces if DOR is satisfied the sellers will collect and remit the tax

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**Marketplace Providers**

- DOR has received 3 waiver requests from marketplaces
  - Waiver requests were denied for the following reasons:
    - Marketplace did not provide S-102
    - Retailer was not a marketplace
    - DOR was not satisfied the sellers would reliably collect and remit the sales tax

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**Marketplace Providers**

- Marketplace examples – article in Wisconsin Tax Bulletin #209 (April 2020)
  - Food delivery services
  - Physical locations
  - Franchisors

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**Marketplace Providers**

- Marketplace with no physical presence in WI (i.e., remote seller) may not be required to collect WI sales/use tax if it qualifies for the small seller exception
- The thresholds for determining the small seller exception (gross sales or # of transactions) include marketplace's own sales and sales made on behalf of sellers

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**Marketplace - Nonprofits**

- Nonprofits do not count sales made through a marketplace in determining whether it is engaged in a trade or business for purposes of the occasional sales exemption
  - Such sales are not "its taxable receipts"
- Exemptions that apply to sales made by nonprofits do not apply or extend to sales made by marketplaces on behalf of nonprofits
  - Occasional sales exemption
  - Exempt sales by schools

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**Marketplace Sellers**

- If all taxable sales are made through a marketplace, seller is not required to register for Wisconsin sales or use tax
- Seller is required to register for and collect on taxable sales not made through a marketplace
  - Seller includes facilitated sales in Line 1 of ST-12, then takes a deduction on line 5, "Other"

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### Marketplace Providers and Sellers

- See the department's website for resources for marketplace providers and sellers, including answers to common questions.
- <https://www.revenue.wi.gov/Pages/Businesses/marketplace-providers-sellers.aspx>

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### Unclaimed Property

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### Unclaimed Property

- **Holder Reports**
  - Make sure business clients are reporting unclaimed property if required
  - Includes uncashed payroll checks, accounts payable checks, loan collateral, deposits, credit balances, refunds, etc.
  - Reports are due November 1st each year for prior fiscal year (July 1 – June 30)

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**Unclaimed Property**

- **Holder Reports**
  - Provide complete and accurate owner information on holder report
  - Holder reports must be submitted electronically (My Tax Account upload or third-party software)
- See Publication 82, *Holder Report Guide*, for more information

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**Collections Procedures**

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**Topics**

- How to submit a payment plan request
- How to submit a compromise
- Delinquent Taxpayer Internet Posting
- Occupational Licensing Program
- My Tax Account (MTA) and Collections

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### How to Submit a Payment Plan Request

- My Tax Account
  - Free, easy and secure
  - Can make changes to existing plans
- Mail, email or fax
  - Form A771 Payment Plan Request
  - Form A771a Electronic Funds Authorization
  - Businesses: Call to discuss payment options



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### How to Submit an Offer in Compromise

- Complete correct application
  - Form A-212 Offer in Compromise for Wage Earners and Self-Employed Individuals
  - Form A-213 Offer in Compromise for Business
- Submit via Mail
- Acknowledgement letter
- Can expect a response within 90 days

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### Delinquent Taxpayer Internet Posting

- By law, DOR posts taxpayer information if certain criteria are met:
  - \$5,000 balance
  - 90 days after appeal rights expired
  - Revoked sellers permit and an outstanding balance
- DOR sends warning letters before posting, giving taxpayer an opportunity to resolve
- To get off the internet list:
  - Payment in full, Offer in Compromise, payment plan, or bankruptcy

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### Occupational Licensing Program

- Licensing applications data matched against our records
- Hold is placed until released or revoked
- Balance must be resolved via payment in full, filing of returns or approved payment plan

Phone: 608-267-0833

Email: DORSpecialProcedures@wisconsin.gov

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### My Tax Account and Collections

- Taxpayers may elect to receive electronic notices
- Manage collection balances
  - View and make payments
  - Request changes to existing payment plans
  - Request a wage attachment reduction
  - View payment breakdown (tax, penalty and interest)

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### My Tax Account & Other Filing Tips

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**MTA Update**

- Annual New User Webinars
  - January 7, 12, 14, & 21
  - Register online, starting in November at <https://www.revenue.wi.gov/Pages/Training/Home.aspx>
- Withholding Tax Webinars
  - December 8 and January 5
  - Online registration coming soon

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**MTA Update**

- New version of MTA coming fall of 2021
  - Email suggestions on how to improve My Tax Account to: [DORMyTaxAccountHelp@Wisconsin.gov](mailto:DORMyTaxAccountHelp@Wisconsin.gov).
  - Put "MTA Suggestions" in the Subject line of your email
- Expect positive changes to the display of information
- New improvements for third party users
- More information and training coming in 2021

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**Filing Tips**

- Cease your sales and withholding accounts if business closes
  - Do not file "zero" returns for periods after the business closes and account is ceased
- Verify bank information (including ACH information) is correct when making payments or requesting direct deposit for refunds
- Remember to update profile information when there are changes (i.e., cell provider, cell number, email address)

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**Filing Tips**

- DOR reviews filing frequency in November
  - If account selected for change, taxpayer will be notified via letter
  - Changes are effective in January
  - Request more frequent filing than required by statute by selecting the appropriate link under "I Want To"

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**Filing Tips**

- Submitting Information Returns in MTA
  - Key in Form W-2/1099 information at any time during the year in My Tax Account
  - Log in to My Tax Account and select "Enter Form W-2/1099 Information"
- Use the 15-digit Wisconsin Tax Account number for the "Employer's state ID number"
  - *Note:* An incorrectly filed information return may result in a \$10 penalty for each occurrence

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**Form WT-7 Change**

- New this year, some data will be pre-populated on Form WT-7 and Forms W-2 when filing using MTA
  - Employer/employee name and ID
  - Employer/employee address
- Taxpayer / preparer can edit data that is presented

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**Filing Tips**

- Submit all Forms WT-6 for 2020 prior to submitting Form WT-7
- When filing the WT-7, only count the # of 1099s that have Wisconsin withholding. Note: You must still submit 1099s without withholding, but don't count them on the WT7.

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**My Case Manager**

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**My Case Manager**

- Get access to clients' information in MTA in one place
  - Client's audit or refund claim
  - History of letters, notices, and messages
- Securely send/receive messages and transfer files for audits

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**My Case Manager Expansion**

- New in fall 2020: My Case Manager is available for work types other than field audits:
  - Sales/use tax refund claims
  - Nexus cases
  - Appeals
  - Office audits

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**Other Initiatives**

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**Other Initiatives**

- Chat Pilot – Unclaimed Property now has a chat feature
- Bi-lingual efforts – DOR has increased the number of letters printed in Spanish, expanded the number of languages available for translations and translated more webpages into Spanish
- Extended hours – Extended call center hours to 6:00 two days per week before the extended filing due date (July 15). Plan to extend again during the 2021 filing season

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## Performance Metrics

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## Fraud Prevention

	FY20	FY19	FY18	FY17
Returns Evaluated	2,875,034	3,087,501	3,075,709	3,058,791
Quizzes Required	3,083	2,591	5,088	8,674
PINs Required	36,480	49,919	75,053	47,453
ID Docs Required	4,931	7,725	9,518	8,251
Total ID Verification Actions Required	44,944	60,235	89,659	64,378
% of Returns Evaluated Requiring ID Verification	1.55%	1.95%	2.92%	2.10%
Refunds Denied for Failure to Verify ID	12,198	23,481	19,202	20,298
Refunds Reinstated on Appeal	2,256	2,495	2,302	2,754

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## Fraud Prevention

Bad Refunds Adjusted/Stopped	Fraud Detection With Analytics	Processing Fraud - OCI	Processing Fraud - Tax Ops	Earned Income Credit	Homestead Credit	Total for Specific Initiatives
FY20	\$5,613,849	\$7,940,577	\$2,656,902	\$8,123,852	\$16,227,101	<b>\$40,562,281</b>
FY19	\$8,595,686	\$5,970,625	\$6,020,804	\$20,436,036	\$14,358,603	<b>\$55,381,754</b>
FY18	\$7,052,669	\$5,869,413	\$5,628,995	\$17,943,046	\$14,862,551	<b>\$51,356,674</b>
FY17	\$9,300,745	\$6,059,255	\$8,044,070	\$20,134,976	\$16,046,799	<b>\$59,585,845</b>
FY16	\$11,149,599	\$8,092,817	\$6,849,591	\$19,946,592	\$17,004,928	<b>\$63,043,527</b>
FY15	\$11,050,119	\$7,335,531	\$6,889,513	\$16,682,990	\$15,828,093	<b>\$57,786,246</b>
FY14	\$3,550,473	\$4,904,089	\$8,195,222	\$17,710,656	\$15,299,425	<b>\$49,659,865</b>
FY13		\$3,434,613		\$14,257,838	\$12,480,794	<b>\$30,173,245</b>
FY12		\$1,702,300		\$9,341,511	\$14,694,458	<b>\$25,738,269</b>
FY11		\$3,324,200		\$13,510,224	\$12,219,984	<b>\$29,054,408</b>

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### FY20 - Post Audit Survey Results

Auditor was professional	90.4%
Auditor was knowledgeable	86.7%
I understood the notices I received	89.9%
The timeline and process were clearly explained	86.7%

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### FY20 - Call Center

Total Customer Call Center Contacts	
Customer Service	300,591
Tax Operations	31,311
Audit	32,532
Compliance	272,627
Total	637,061

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### FY20 - Call Center

Bureau	Inbound Answer Rate	Average Hold H:MM:SS
Customer Service	99.21%	0:01:14
Tax Operations	98.67%	0:00:21
Audit	97.39%	0:00:15
Compliance	99.45%	0:00:20
Average	99.19%	0:00:45
Goal	97.80%	0:01:30

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**FY20 – Call Center**

Call Center Surveys		
	Professional	Knowledgeable
Customer Service	98.88%	98.85%
Compliance	98.62%	99.15%
Tax Operations	98.91%	98.51%
Audit	98.61%	97.93%

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**Questions?**

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**DOR Contact Information**

**Customer Service:**

- [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov)
- [DORFranchise@wisconsin.gov](mailto:DORFranchise@wisconsin.gov)
- 608-266-2772

**Delinquent Tax – Collections:**

- [DORCompliance@wisconsin.gov](mailto:DORCompliance@wisconsin.gov)
- 608-266-7879

**Business Registration:**

- [DORBusinessTax@Wisconsin.gov](mailto:DORBusinessTax@Wisconsin.gov)
- 608-266-2776

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**Practitioner Assistance**

- [DORTaxPractitioners@wisconsin.gov](mailto:DORTaxPractitioners@wisconsin.gov)
- 608-261-5199

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**Speaker Information**

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 608-266-1179

**Holly Kittle**

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 608-267-7744

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