

Name	Identifying Number
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Round Amounts to Nearest Dollar

<b>1</b> Fill in the eligible amount of business development credit certified to you by the Wisconsin Economic Development Corporation (attach copy of certification/verification)	<b>1</b>	.00
<b>2</b> Business development credit passed through from other entities:		
<b>2a</b> Entity Name _____		
FEIN _____ Amount <b>2a</b> _____		.00
<b>2b</b> Entity Name _____		
FEIN _____ Amount <b>2b</b> _____		.00
<b>2c</b> Total pass through credits from additional schedule. <b>2c</b> _____		.00
<b>2d</b> Total credits (add lines 2a through 2c) . . . . .	<b>2d</b>	.00
<b>3</b> Add lines 1 and 2d. This is your business development credit . . . . .	<b>3</b>	.00
<b>3a</b> Fiduciaries - enter the amount of credit allocated to beneficiaries . . . . .	<b>3a</b>	.00
<b>3b</b> Fiduciaries - subtract line 3a from line 3 . . . . .	<b>3b</b>	.00

## Instructions for 2017 Schedule BD

### Purpose of Schedule BD

Use Schedule BD to claim the refundable business development credit, which is available to qualifying taxpayers certified by the Wisconsin Economic Development Corporation (WEDC). For information regarding how to become certified, visit the WEDC website at [inwisconsin.com](http://inwisconsin.com) or call 1-855-469-4249.

### Who is Eligible to Claim the Credit

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, or tax-exempt organization that has been certified by the WEDC may be eligible for the credit.

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credit, but the credit attributable to the entity's business operations can pass through to the partners, members, or shareholders.

### Credit is Income

The credit you compute on Schedule BD is income and must be reported on your Wisconsin franchise or income tax return in the year computed.

**Caution:** If you recklessly or fraudulently claim a false credit, you may be ineligible to claim it for up to 10 years and you may owe a penalty. See pages 24 and 25 of [Wisconsin Tax Bulletin #180](#) for further details.

### Qualifications

- WEDC may certify a person to receive tax benefits if:
  - 1) the person is operating or intends to operate a business in Wisconsin and,
  - 2) The person applies and enters into a contract with WEDC.
- The certification may remain in effect for no more than 10 cumulative years.



- A person is eligible to receive tax benefits if the person increases net employment each year in Wisconsin in the person's business above the net employment in Wisconsin in the person's business during the year before the person was certified, as determined by WEDC under its policies and procedures.
- WEDC may require a person to repay any tax benefits the person claims for a year in which the person failed to employ an eligible employee required by an agreement.

**The credit is equal to the following as determined by the WEDC:**

1. Up to 10% of the wages the claimant paid to an eligible employee in the taxable year.
2. Up to 5% of the wages the claimant paid to an eligible employee in the taxable year if the eligible employee is employed in an economically distressed area as determined by WEDC.
3. Up to 50% of the claimant's training costs to undertake activities to enhance an eligible employee's general knowledge, employability, and flexibility in the workplace; to develop skills unique to the claimant's workplace or equipment; or to develop skills that will increase the quality of the claimant's product.
4. Up to 3% of personal property investment and up to 5% of real property investment in a capital investment project that involves a total capital investment of at least \$1,000,000 or, if less than \$1,000,000, involves a capital investment equal to at least \$10,000 per eligible employee employed on the project.
5. A percentage of the wages the claimant paid to an eligible employee in the taxable year if the position was created or retained in connection with the claimant's location or retention of the claimant's corporate headquarters in Wisconsin and the job duties associated with the eligible employee's position involve the performance of corporate headquarters functions.

**Specific Instructions**

**Line 1:** Fill in the eligible amount of business development credit certified to you by the WEDC.

**Line 2:** If applicable, fill in the entity name, Federal Employer Identification Number (FEIN), and the amount of business development credit passed through from tax-option (S) corporations (from Schedule 5K-1), partnerships and LLCs treated as partnerships (from Schedule 3K-1), and estates and trusts (from Schedule 2K-1).

**Line 3:** Add lines 1 and 2d. This is the total current year business development credit. Enter the amount of credit from line 3 on the appropriate line of Schedule CR. See the following exceptions:

- If the claimant is a combined group member, enter the amount of credit on Form 6, Part III, line 13 instead of Schedule CR.
- Tax-option (S) corporations, partnerships, and LLCs treated as partnerships should prorate the amount of credit on line 3 among the shareholders, partners, or members based on their ownership interest. Show the credit for each shareholder on Schedule 5K-1 and for each partner or member on Schedule 3K-1.
- Fiduciaries who file Form 2 must complete lines 3a and 3b.

**Line 3a: *Fiduciaries*** - prorate the credit from line 3 between the entity and its beneficiaries in proportion to the income allocable to each. Show the beneficiaries' portion of the credit on line 3a. Show the credit for each beneficiary on Schedule 2K-1.

**Line 3b: *Fiduciaries*** - Subtract line 3a from line 3. This is the estate's or trust's portion of the credit. Enter the amount of credit from line 3b on the appropriate line of Schedule CR.

**Required Attachments to Returns**

You must include the following information with your Wisconsin franchise or income tax return:

- Schedule BD
- A copy of your certification/verification to claim tax benefits issued by WEDC.

**Exception for shareholders, partners, members, and beneficiaries:** If the credit is received from a tax-option (S) corporation, partnership, LLC treated as a partnership, estate, or trust, include a copy of Schedule 5K-1, 3K-1, or 2K-1 with Schedule BD instead of the certification/verification to claim tax benefits issued by WEDC.

**Additional Information**

For more information, you may:

- E-mail your question to: [DORFranchise@revenue.wi.gov](mailto:DORFranchise@revenue.wi.gov)
- Call (608) 266-2772 [TTY: Call the Wisconsin Telecommunications Relay System at 711. If no answer, dial 1-800-947-3529]
- Send a FAX to (608) 267-0834