

Instructions for 2017 Schedule CF

Purpose of Schedule CF

If certain nonrefundable credits are not entirely applied against tax for the year in which they are computed, the unused credit may be carried forward up to 15 years (5 years for the super research and development credit). Use Schedule CF to record the amount of credit used in a year and the amount that may be carried forward and offset against tax in a future year.

Use Schedule CF to report credits computed for any taxable year from 2002-2017 if you have an amount of unused credit to be carried forward to 2017 and future years.

Note If a credit is still available, the carryforward of the credit is claimed on the same schedule used to compute the credit. For example, the carryforward of the manufacturing credit is claimed on Schedule MA-M.

If a credit is no longer available (only a carryforward is allowed), the carryforward of the credit is claimed on the appropriate line of Schedule CR, *Other Credits*. In this case, the amounts in Columns (d) and (e) of Schedule CF will be the same as the amounts in Columns A and B of Schedule CR. However, if a combined return is filed, the credit is claimed on Part V of Form 6.

General Instructions

Who must file Schedule CF You must file Schedule CF if you had any of the following credits and the entire amount of the credit was not used to offset tax for the year for which the credit was computed or as of the first day of your taxable year beginning in 2017 (January 1, 2017, for calendar-year filers).

Code

No.	Name of Credit		
01	Community development finance	24	Research expense-internal combustion engines
02	Community rehabilitation program	25	Research facilities
03	Dairy and livestock farm investment	26	Research facilities-energy efficient products
04	Development zones	27	Research facilities-internal combustion engines
11	Early stage seed investment	28	Super research and development
12	Economic development	29	Supplement to federal historic rehabilitation
13	Ethanol and biodiesel fuel pump	30	Technology zone
14	Film production company investment	31	Water consumption
15	Film production services	32	Electronic medical records
16	Health insurance risk-sharing assessments	33	Veteran employment
17	Internet equipment	34	Manufacturing
18	Biodiesel fuel production	35	Development opportunity zone investment
20	Manufacturing investment	36	Agriculture
21	Postsecondary education	37	Capital investment
22	Research expense	40	State historic rehabilitation
23	Research expense-energy efficient products	41	Angel investment

(Note: The list of credits does not include the manufacturer's sales tax credit as the carryforward amount is determined on Schedule MS.)

File a separate Schedule CF for each credit for which you have a carryforward. If you computed the same credit for more than one taxable year, complete a separate row of Schedule CF for each year for which the same credit was computed.

Example: You computed an economic development credit of \$20,000 for 2013. You used \$10,000 of the credit and have a carryforward of the remaining \$10,000. You claimed an additional economic development credit of \$30,000 for 2014. The entire \$30,000 of the 2014 credit will be carried forward. You must complete two rows of the worksheet, one for the 2013 credit and one for the 2014 credit. If you also have a carryforward of another credit (for example, the angel investment credit), a separate Schedule CF must be completed for that credit.

How do I determine how much credit has been used each year? Wisconsin law provides that the listed credits "may" be claimed for a taxable year. Because the statutes use the word "may" instead of "shall" or "must," you have the option of claiming all, a portion, or none of the credit available for a particular year. Any amount not used in the year for which a credit is computed may be carried forward and offset against tax until entirely used or the 15-year carryforward period expires (5 years for the super research and development credit), whichever is earlier.

Note The amount of credit used for 2017 is the amount from the appropriate line of Column B of Schedule CR.

Must I complete a new Schedule CF each year? You must submit a new Schedule CF each year until the carryforward is eliminated or until the 15-year carryforward period expires (5 years for the super research and development credit), whichever is earlier.

Specific Instructions

Fill in the name and identification number of the individual or entity that has a carryforward of an unused credit.

Note Fill in the code number and name of the credit. The code number for each credit is listed on the first page of these instructions. Enter the code number in the bracketed space. For example, if you are filing Schedule CF for the carryforward of the agriculture credit, fill in 36 in the space for the code number.

Column (b) For each year listed in column (a) for which you computed a credit and have an unused amount of credit to carry forward, fill in the amount of computed credit.

Example: You computed dairy and livestock farm investment credits of \$10,000 for 2002, \$15,000 for 2009, and \$8,000 for 2013. You would fill in \$10,000 in column (b) for 2002, \$15,000 in column (b) for 2009, and \$8,000 in column (b) for 2013.

Include both the credit computed for yourself or the business entity and any credit passed through from a tax-option (S) corporation, partnership, LLC treated as a partnership, estate, or trust.

CAUTION Special instructions apply to recipients of a transferred credit. If you are the recipient of a transferred supplement to federal historic rehabilitation tax credit or early stage seed investment credit, fill in the amount of credit transferred to you in column (b) for the year in which the credit was originally computed by the person or entity that transferred the credit to you. If you are the recipient of a transferred economic development tax credit, fill in the amount of credit transferred to you in column (b) for the year of the transfer.

Column (c) For each computed credit in column (b), fill in the amount of credit used for the year in which the credit was computed (or transferred to you) plus the amount used in all subsequent years. If you transferred any portion of a credit to another person or entity during a year, include the amount transferred in column (c) as credit used.

Example: You computed an angel investment credit of \$25,000 for 2010. You used \$10,000 for 2010, \$2,000 for 2011, and \$5,000 for 2016. Fill in \$17,000 in column (c) as credit used through 2016.

Column (d) For each year that has a computed credit, subtract the amount in column (c) from the amount in column (b). This is the amount of credit available for 2017. Enter this amount on the appropriate line of Column A of 2017 Schedule CR.

Column (e) For each year that has a credit available for 2017, fill in the amount of credit used on your 2017 return. Include as credit used in 2017 any amount of credit transferred to another person or entity during 2017. This is the amount from the appropriate line of Column B of Schedule CR plus the amount of credit that you transferred to another person or entity in 2017.

Column (f) For each year that has a credit available for 2017, subtract the amount in column (e) from the amount in column (d). This is the amount of credit that is available for 2018.

Note: For the 2002 year, column (f) is shaded. Do not enter any amount in this space. The 15-year carryforward period for a credit computed in 2002 has expired and any credit computed in 2002 cannot be carried forward to 2018.

Where to Claim a Carryforward of a Credit

If a credit is still available, the carryforward of the credit is claimed on the same schedule used to compute the credit. For example, the carryforward of the manufacturing credit is claimed on Schedule MA-M.

If a credit is no longer available (only a carryforward is allowed), the carryforward of the credit is claimed on the appropriate line of Schedule CR, *Other Credits*. However, if a combined return is filed, the credit is claimed on Part V of Form 6.

Note Do not enclose Schedule CF if the full amount of a credit was computed and used in the same year.

Attachments to the Return

A copy of Schedule CF must be enclosed with your Wisconsin income or franchise tax return each year for which a carryforward of a credit is available.

Additional Information

For more information, you may:

Email your questions to:

DORFranchise@wisconsin.gov

Write to:

Corporate Franchise and Income Tax Assistance
Wisconsin Department of Revenue
PO Box 8906
Madison WI 53708-8906

Call:

(608) 266-2772

[TTY: Call the Wisconsin Telecommunications Relay System at 711]