CAUTION

On Friday, December 14, 2018, Governor Scott Walker signed <u>2017 Wisconsin Act 368</u>. The law allows tax-option (S) corporations to elect to be taxed at the entity level effective for taxable years beginning on or after January 1, 2018.

As a result of the new law, tax-option (S) corporations may now elect to be taxed at the entity level pursuant to sec. 71.365(4m)(a), Wis. Stats. If the tax-option (S) corporation makes this election, box 3 in Part B of Schedule 5K-1 will be checked.

Important If a trust is a qualified subchapter S trust or an electing small business trust and a shareholder of an electing tax-option (S) corporation, see Form 2 instructions for information on how to report the electing tax-option (S) corporation items of income, gain, loss, or deduction reported on the Schedule 5K-1.

Resident estate or trust shareholders of an electing tax-option (S) corporation do not report the estate's or trust's nondistributable portion of items of income, gain, loss, or deduction reported on the Schedule 5K-1. Most of the estate's or trust's nondistributable items of income, gain, loss or deduction reported on the Schedule 5K-1 are reversed out using line 17 or 32 of Schedule 2M.

Nonresident and part-year resident estates and trusts must complete Schedule NR, see the Schedule NR instructions for more information.

The portion of the electing tax-option (S) corporation's items distributable to the beneficiaries must be reported by the estate or trust as if the election was not made.

When issuing Schedule 2K-1 to the beneficiaries, the estate or trust must include a supplemental statement detailing the items included on the Schedule 2K-1 that originated from the electing taxoption (S) corporation.

Note Charitable contributions reported on a Schedule 5K-1 from an electing tax-option (S) corporation are not deductible.

Estate or trust shareholders of an electing tax-option (S) corporation must only report the portion of the electing tax-option (S) corporation's capital gains or losses distributable to the beneficiaries on Schedule 2WD, do not include the estate's or trust's nondistributable portion. The nondistributable amount will be adjusted in Part IV of Schedule 2WD as an addition or subtraction modification on line 4 or 9 of Schedule A, Form 2.

Do not include any portion of the beneficiaries', estate's or trust's capital gain or loss from an electing tax-option (S) corporation in the addition or subtraction modifications on line 5 or 11 of Schedule A, Form 2.

The following credits may be affected by this election:

- Manufacturing and agriculture credit
- Credit for net income tax paid to another state
- Withholding tax credit

See the instructions for additional information.

2018 Instructions for the Wisconsin Fiduciary Return Form 2 and Schedule 2K-1

Form 2 and Schedule CC may be filed electronically! Additional information is available at revenue.wi.gov under "Online Services."

Important Notice

Wisconsin did **not** adopt section 199A of the Internal Revenue Code, as created in the federal Tax Cuts and Jobs Act of 2017, which provides a taxpayer, other than a corporation, a federal deduction of up to 20 percent of qualified business income. Any federal qualified business income deduction claimed pursuant to sec. 199A, IRC, that is included in the computation of federal taxable income of a fiduciary or its beneficiaries must be added back to Wisconsin taxable income using Schedule B of Form 2.

GENERAL INSTRUCTIONS

■ Is the Estate or Trust Resident of Wisconsin?

ESTATES: The estate of a decedent is considered resident of Wisconsin if the decedent was domiciled in Wisconsin at the time of death.

TRUSTS: A trust created by a decedent's will (testamentary trust) is resident of Wisconsin if the decedent was domiciled in Wisconsin at the time of death, unless transferred by a court having jurisdiction to another court's jurisdiction.

Inter vivos trusts that are made irrevocable and were administered in Wisconsin before October 29, 1999, are considered resident of Wisconsin if they are being administered in Wisconsin.

The following inter vivos trusts that become irrevocable on or after October 29, 1999, or that became irrevocable before October 29, 1999, and are first administered in Wisconsin on or after October 29, 1999, are resident of Wisconsin:

- Trusts, or portions of trusts, the assets of which consist of property placed in the trust by a person who is a resident of Wisconsin at the time that the property was placed in the trust if, at the time that the assets were placed in the trust, the trust was irrevocable.
- Trusts, or portions of trusts, the assets of which consist of property placed in the trust by a person who is a resident of Wisconsin at the time that the trust became irrevocable if, at the time that the property was placed in the trust, the trust was revocable.

A trust is revocable if the person whose property constitutes the trust may revest title to the property in that person.

A trust is irrevocable if the power to revest title does not exist.

For more information regarding the residency of estates and trusts, view the answers to common questions for Estates and Fiduciaries on the department's website. https://www.revenue.wi.gov/Pages/FAQS/ise-estate.aspx

■ Situs of Income

ESTATES: During the time the estate is a Wisconsin resident, all income is sourced to Wisconsin. During the time the estate is not a Wisconsin resident, income is sourced to Wisconsin pursuant to sec. 71.04, Wis. Stats.

TRUSTS: During the time a trust is a Wisconsin resident, all income is sourced to Wisconsin. During the time a trust is not a Wisconsin resident, income is sourced to Wisconsin pursuant to sec. 71.04, Wis. Stats.

For inter vivos trusts that become irrevocable on or after October 29, 1999, or that became irrevocable before October 29, 1999, and are first administered in Wisconsin on or after October 29, 1999, Wisconsin sourced income must be determined separately for each asset in the trust based on each asset's residency. All income from resident assets is sourced to Wisconsin and income from nonresident assets is sourced to Wisconsin pursuant to sec. 71.04, Wis. Stats.

Must the Estate or Trust File a Return?

RESIDENT ESTATES: Every personal representative or special administrator of the estate of a Wisconsin decedent must file a Wisconsin fiduciary income tax return if the gross income of the estate is \$600 or more.

Gross income means all income (before deducting expenses) reportable to Wisconsin which is received in the form of money, property, or services. It does not include items that are exempt from Wisconsin tax.

NONRESIDENT ESTATES: A nonresident estate must file a Wisconsin fiduciary return if it has gross income (see definition under "RESIDENT ESTATES") of \$600 or more from Wisconsin sources.

Income from Wisconsin sources includes income or gain from:

- a. Real or tangible personal property located within the state.
- b. A business, trade, profession, or occupation carried on within the state, including a corporation taxed under Subchapter S of the Internal Revenue Code.
- Personal or professional services performed within the state either as an individual or a member of a partnership.
- d. Income received from the Wisconsin state lottery or a multijurisdictional lottery if the winning lottery ticket or lottery share was purchased from a Wisconsin retailer.

GRANTOR TYPE TRUSTS: If the entire trust is a grantor trust that is disregarded for income tax purposes, the trust is not required to file a Wisconsin fiduciary income tax return.

Exception Grantor trusts filing under a federal employer identification number instead of a grantor's social security number, including qualified subchapter S trusts (QSSTs), must file a Form 2. Enclose a complete copy of the entity's federal return.

RESIDENT TRUSTS: Every trustee of a Wisconsin trust must file a Wisconsin fiduciary income tax return if the trust has:

- 1. any taxable income for the tax year, or
- gross income (see definition under "RESIDENT ESTATES") of \$600 or more regardless of the taxable income.

Example: A resident trust has \$400 of interest income. It makes no distributions and therefore only has an exemption of \$100, which would result in taxable income of \$300. The trust is required to file a Wisconsin fiduciary return, because it has taxable income.

NONRESIDENT AND PART-YEAR RESIDENT TRUSTS: A nonresident or part-year resident trust must file a Wisconsin fiduciary income tax return if it has:

- 1. any Wisconsin taxable income for the year, or
- 2. gross income from Wisconsin sources (see definitions under "RESIDENT ESTATES" and "NONRESIDENT ESTATES") of \$600 or more regardless of the taxable income.

Other Filing Requirements

EXEMPT TRUSTS: (Do NOT file Form 2 if required to file Form 4T.) Trusts that are exempt under the Internal Revenue Code by reason of their purposes or activities are also exempt from Wisconsin income tax. Common law trusts organized or conducted for profit are deemed to be corporations and must file a Wisconsin corporation franchise or income tax return.

Note Trusts that are exempt from federal taxation under section 501(a) of the Internal Revenue Code, including certain pension, profit-sharing, and stock bonus plans described in section 401(a) of the Internal Revenue Code, and individual retirement arrangements (IRAs) are required to report unrelated business taxable income for Wisconsin tax purposes. File a Wisconsin Form 4T if the trust reports unrelated business taxable income for federal purposes on federal Form 990-T and the trust has gross income from an unrelated trade or business of \$1,000 or more. For more information, see Wisconsin Form 4T instructions on the department's website at revenue.wi.gov.

FINAL RETURN OF AN ESTATE OR TRUST: A final fiduciary return reporting all income received from the beginning of the taxable year of closing to the date of closing is required.

The net income computed on the final return must be distributed to the beneficiaries and no income tax is payable by the fiduciary. The beneficiaries of the estate or trust must report income as if it had been received without the intervention of the fiduciary.

Enclose a copy of the final account or a letter advising that a final account is not required by the probate court with the final fiduciary return.

BANKRUPTCY ESTATE – PROMPT DETERMINATION REQUESTS: Pursuant to Rev. Proc. 2006-24, 2006-22 I.R.B. 943, as modified by Announcement 2011-77, the bankruptcy trustee may request a determination of any unpaid tax liability. Requests may be submitted via:

• DORBankruptcySpecialist@wisconsin.gov

Fax: (608) 224-5700

MS 4-SPU
 Wisconsin Department of Revenue
 PO Box 8901
 Madison WI 53713-8901

CHARITABLE REMAINDER TRUSTS: If you are required to file a federal Form 5227 for a charitable remainder trust, you are not required to file a Wisconsin tax return. However, if the charitable remainder trust has at least \$1,000 of Wisconsin sourced gross income from an unrelated trade or business, the charitable remainder trust is required to file a Wisconsin Form 4T.

INDIVIDUAL TAX RETURN FOR A DECEDENT: A personal representative or petitioner must file an individual return for a decedent to report income from the beginning of the year to the date of death (Form 1 or 1NPR). The due date of the I-022 (R. 3-19)

2018 individual return is April 15, 2019. The filing requirements are as follows:

- a. Single persons.
 - (1) Under age 65 gross income of \$11,280 or more.
 - (2) Age 65 or older gross income of \$11,530 or more.
- b. Married persons filing jointly.
 - (1) Both spouses under age 65 gross income of \$20,980 or more.
 - (2) One spouse age 65 or older gross income of \$21,230 or more.
 - (3) Both spouses age 65 or older gross income of \$21,480 or more.
- c. Married persons filing separately.
 - (1) Under age 65 gross income of \$10,000 or more.
 - (2) Age 65 or older gross income of \$10,250 or more.
- d. Head of household.
 - (1) Under age 65 gross income of \$14,360 or more.
 - (2) Age 65 or older gross income of \$14,610 or more.
- e. Part-year resident or nonresident gross income from Wisconsin sources of \$2,000 or more.

■ When to File/Extension of Time to File

A return for a trust is due on or before April 15, 2019. A return for an estate is due on or before April 15, 2019, for a calendar year filer or the 15th day of the 4th month after the close of the taxable year for a fiscal year filer.

If you cannot file on time, the following options are available for obtaining an extension:

- 1. If you have an extension for filing your federal return, this automatically gives you a Wisconsin extension provided you:
 - Estimate your 2018 Wisconsin tax and pay the amount you will owe with your return (line 27 of Form 2) by the due date using 2018 Wisconsin Form 1-ES, and
 - Enclose a copy of your federal extension application with your Form 2 when filed.
- Extensions available under federal law may be used for Wisconsin purposes, even if you do not need a federal extension because you file your federal return by the due date. To obtain an extension only for Wisconsin, you must:
 - Estimate your 2018 Wisconsin tax and pay the amount you will owe by the due date (see item 1) and
 - Enclose a statement with your Form 2 indicating which federal extension provision you are using or enclose a copy of a completed federal extension application form.

No extension is allowed if your estimate of tax is not reasonable.

Note Even though you may have an extension of time to file your return, you will owe interest on any tax not paid by the original due date. Returns not filed by the extended due date are subject to additional interest and penalties. (**Exception** You will not be charged interest during an extension period if you qualify for a federal extension due to a federally-declared disaster. See Special Conditions below.)

Special Conditions A "Special Conditions" section is located on page 1 of Form 2. If you have an extension of time to file because of a federally-declared disaster, fill in "03" in the box and indicate the specific disaster on the line provided.

Withholding Requirement for Trusts and Estates Having Nonresident Beneficiaries

In general, a trust or estate that has one or more nonresident beneficiaries is required to withhold income or franchise tax on the income allocable to the nonresident beneficiaries. This withholding tax may be required to be paid in quarterly installments. See Form PW-ES, Wisconsin Pass-Through Entity Withholding Estimated Payment Voucher, and instructions for details.

A nonresident beneficiary includes an individual who is not domiciled in Wisconsin; a partnership, limited liability company, or corporation whose commercial domicile is outside Wisconsin; and an estate or trust that is nonresident under sec. 71.14(1) to (3m), Wis. Stats. If the nonresident beneficiary is an individual, estate, or trust, the withholding rate is the highest rate for a single individual (7.65% for 2018). If the nonresident beneficiary is a partnership, limited liability company, or corporation, the withholding rate is 7.9%.

Exceptions Withholding is not required on behalf of the following nonresident beneficiaries:

- A beneficiary that is exempt from Wisconsin income or franchise taxation. The trust or estate may rely on a written statement from a beneficiary explaining why the beneficiary is exempt from Wisconsin tax. The trust or estate must enclose a copy of this statement with the Form 2 filed with the department.
- A beneficiary whose share of income from the trust or estate attributable to Wisconsin is less than \$1,000.
- A beneficiary who completes Form PW-2, Wisconsin Nonresident Partner, Member, Shareholder, or Beneficiary Withholding Exemption Affidavit, and provides Part 2 of Form PW-2 to the trust or estate. The completed Form PW-2 must be pre-approved by the Department of Revenue. See the Form PW-2 instructions for details.

The trust or estate uses Form PW-1, *Wisconsin Nonresident Income or Franchise Tax Withholding on Pass-Through Entity Income*, to report the withholding. Form PW-1 is due by the 15th day of the 4th month following the close of the trust's or estate's taxable year. See the Form PW-1 instructions for details.

Caution Nonresidents with a Wisconsin filing requirement must file the appropriate Wisconsin income or franchise tax return.

Requesting a Closing Certificate

A request for a closing certificate should not be attached to Form 2. See the instructions for Schedule CC.

■ Tax Help or Additional Forms

If you have questions or need additional forms, help is available at our Madison office (2135 Rimrock Road):

MS 5-144
 Wisconsin Department of Revenue
 PO Box 8906
 Madison WI 53708-8906

• Telephone: (608) 266-2772

• Forms requests: (608) 266-1961

• Email: DOREstateandFiduciary@wisconsin.gov

Internet Address You can access the department's website at <u>revenue.wi.gov</u>. From this website, you can:

Seven Steps to Filing the Fiduciary Income Tax Return

1 Gather all records.

Make sure that all income and expense records are available, including interest and dividend statements, so the return can be prepared correctly.

2 Complete the federal return.

Before completing Wisconsin Form 2, complete the federal return, Form 1041 or 1041-QFT, and its supporting schedules, if required.

3 Complete the Wisconsin return (see tips on page 20).

4 Sign the return.

The return must be signed by the personal representative or special administrator of an estate or by the trustee of a trust.

5 Assemble the return.

Begin by putting the three pages of Form 2 in numerical order. Then attach, using a paper clip (do not staple), the following in the order listed:

- Payment If you owe an amount with the return, paper clip your payment to the front of Form 2.
- Wisconsin Schedules The appropriate copy of each of your withholding statements (Schedules 2K-1, 3K-1, and 5K-1 and Forms W-2 and 1099).
- Federal Return A complete copy of your federal return (Form 1041 or 1041-QFT) and its supporting schedules and forms
- Supporting Documents For example, copies of property tax bills in support of a farmland preservation credit claim.
- Extension Form or Statement Acopy of your federal extension application or required statement if you are filing under an extension.

6 Keep a copy of the return.

7 Mail the return and enclosures to the appropriate address shown on the bottom of page 2 of Form 2.

- Download forms, schedules, instructions, and publications.
- View answers to common questions.
- · Email us comments or request help.

TTY Equipment Telephone help is available using TTY equipment. Call the Wisconsin Telecommunications Relay System at 711.

Information Publications Available Following is a list of some of the department publications. These publications provide detailed information relating to specific areas of Wisconsin tax law. They are available at any department office.

Number and Title

- 102 Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders
- 103 Reporting Capital Gains and Losses for Wisconsin
- 111 How to Get a Private Letter Ruling
- 114 Wisconsin Taxpayer Bill of Rights
- 117 Guide to Wisconsin Wage Statements and Information Returns
- 120 Net Operating Losses for Individuals, Estates, and Trusts
- 125 Credit for Tax Paid to Another State
- 401 Extensions of Time to File
- 503 Wisconsin Farmland Preservation Credit
- 600 Wisconsin Taxation of Lottery Winnings

LINE INSTRUCTIONS

Use black ink to complete Form 2. If completing the form by hand, do not use commas or dollar signs when filling in amounts. For more tips, see page 20.

Period Covered File the 2018 return for calendar year 2018 and fiscal years that begin in 2018. For a fiscal year, a 52-53 week period, or a short-period return, fill in the taxable year beginning and ending dates in the taxable year space at the top of the form.

Name and Identifying Number Estates use the first and second lines for the legal name, decedent's social security number, and the federal employer identification number (EIN). Trusts use the third line for the legal name and federal EIN.

Exception: Qualifying trusts making the election under IRC Section 645 to be treated as part of the decedent's estate use the first and second lines for the legal name, decedent's social security number, and the estate's federal EIN.

Address or Name Change If the address or name of the estate or trust has changed, place a checkmark in the designated area below the name and address area of Form 2.

Number of Beneficiaries Enter the total number of beneficiaries that the estate or trust had during the taxable year.

Number of Nonresident Beneficiaries Enter the total number of nonresident beneficiaries that the estate or trust had during the taxable year, including individuals, estates, and trusts not domiciled in Wisconsin and partnerships, limited liability companies, and corporations whose commercial domicile is not in Wisconsin.

Type of Estate or Trust Check to indicate the type of estate or trust.

 Electing small business trust (ESBT) – a trust that has income from one or more S corporations. The portion of an ESBT that consists of stock of one or more S corporations is treated as a separate trust. If ESBT is checked, see the "Exceptions" in the instructions for line 6a.

If the ESBT receives a Schedule 5K-1 with box 3 in Part B checked, indicating the tax-option (S) corporation made the entity-level tax election, see instructions for line 6a for more information on reporting the Schedule 5K-1 items.

 Qualified subchapter S trust (QSST) – a trust that qualifies as a QSST for federal purposes under IRC sec. 1361 as amended to December 31, 2016, automatically qualifies as a QSST for Wisconsin. The QSST must file Wisconsin fiduciary income tax returns, Form 2, to report its share of tax-option (S) corporation income, whether or not all of the trust income is distributed. In addition, the beneficiary of the QSST must file Wisconsin individual income tax returns. See Wisconsin Publication 102 for more information.

If the QSST is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, the trust must inform the beneficiary of the election and provide all the information reported on the Schedule 5K-1. If the tax-option (S) corporation has made this election, box 3 on Schedule 5K-1, Part B, will be checked. The trust must provide the beneficiary with a detailed statement of the items from the electing tax-option (S) corporation and inform the beneficiary that the tax-option (S) corporation made

the election to pay tax at the entity level. The beneficiary can refer to From 1 or 1NPR instructions for additional information on reporting items of income, gain, loss, or deduction from an electing tax-option (S) corporation.

- Qualified funeral trust (QFT) if a trust elects to be taxed as a QFT for federal income tax purposes, the election also applies for Wisconsin. If QFT is checked, see the "Exceptions" in the instructions for line 6a.
- Nonresident estate or trust complete Wisconsin Schedule NR
- Part-year estate or trust complete Wisconsin Schedule NR.
- Bankruptcy estate a separate and distinct taxable entity created when an individual debtor files for bankruptcy under Chapter 7 or 11 of Title 11 of the United States Code. If bankruptcy estate is checked, see the "Exceptions" in the instructions for lines 1 and 6a.
- Inter vivos trust a trust created during a grantor's lifetime.
- Testamentary trust a trust created by a decedent's will that comes into existence at the death of the decedent.
- Section 645 election allows a qualified revocable trust to be treated and taxed as part of the related estate during the election period. If the election is made for federal income tax purposes, it also applies for Wisconsin. Enclose a copy of federal Form 8855 or letter making the election.
- Decedent's estate a taxable entity separate from a decedent. It generally continues to exist until the final distribution of the assets is made to the beneficiaries. A fiduciary administers the decedent's assets and reports income earned during administration and income in respect of the decedent (IRD).

Special Conditions Certain estates and trusts have to enter information in the Special Conditions section. For information on when to use the Special Conditions section, see "Special Conditions" under "When to File/Extension of Time to File" on page 2 and "Expenses paid to related entities" on page 12. If both special conditions apply, fill in "99" in the Special Conditions box.

Rounding Off to Whole Dollars The form has preprinted zeros in the place used to enter cents. All amounts filled in the form should be rounded to the nearest dollar. To do so, drop amounts under 50ϕ and increase amounts from 50ϕ to 99ϕ to the next whole dollar. For example, \$129.39 becomes \$129 and \$236.50 becomes \$237.

Round off all amounts. But if you have to add two or more amounts to figure the amount to fill in on a line, include cents when adding and only round off the total.

Accounting Periods and Methods Use the same accounting period and method of accounting that are used for federal income tax purposes. If the federal taxable year or method of accounting is changed, such change also applies for Wisconsin. Separate permission to effect such change for Wisconsin is not required. However, enclose a copy of the federal document authorizing the change with the Wisconsin fiduciary return.

Definitions Applicable to Fiduciaries Under Wisconsin income tax law, federal taxable income is used as a starting point in the computation of fiduciary income subject to the Wisconsin income tax. Therefore, most terms have the same meaning under Wisconsin law as in the Internal Revenue Code unless otherwise noted.

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INCOME

Line 1. Federal Taxable Income of Fiduciary Enter the amount of taxable income of the fiduciary as reported on federal Form 1041.

Exceptions

- Qualified funeral trusts Enter the taxable income from federal Form 1041-QFT.
- Bankruptcy estates Leave lines 1 through 5 blank. See instructions below for line 6a, under "Exceptions."

Line 2. Additions Resident estates and trusts, enter the total of the nondistributable additions from Schedule A, column 2, line 6. See the Schedule A instructions on pages 9 through 13.

Nonresident estates and part-year and nonresident trusts, enter the amount from line 3 of Part II of Schedule NR.

Line 4. Subtractions Resident estates and trusts, enter the total of the nondistributable subtractions from Schedule A, column 2, line 12. Enter as a positive amount. See the Schedule A instructions on pages 9 through 13. Nonresident estates and part-year and nonresident trusts, enter the amount from line 4 of Part II of Schedule NR.

You must enclose with Form 2 a copy of the 5K-1 from the tax-option (S) corporation (or the K-1 from the federal S corporation if the S corporation was not required to file a Wisconsin return) that includes the name and EIN of the corporation.

TAX COMPUTATION

Line 6a. Gross Tax Using the Wisconsin taxable income on line 5, enter the tax from the tax table on pages 16-19.

Exceptions

- Qualified funeral trusts (QFTs) If this is a composite return for a qualified funeral trust and each separate QFT has taxable income of \$11,430 or less, multiply the amount on line 5 by 4% (.04) and fill in the result on line 6a. If any of the separate QFTs has taxable income of more than \$11,430 compute the tax separately for each QFT and fill in the total of the tax computed separately for each QFT on line 6a.
- Bankruptcy estates Bankruptcy estates must compute tax on Form 1, using the married filing separate standard deduction and tax rates. Enter the amount from line 38 of Form 1 on line 6a, and complete the rest of Form 2 as appropriate. Enclose Form 1 and a complete copy of the federal return with Form 2.
- Electing small business trusts (ESBTs) Special rules apply when computing tax for an ESBT. ESBTs must separate the income from S corporations treated as a separate trust from other trust income. The net income for that S portion is determined under federal law, as modified by the additions and subtractions listed in Schedule A of Form 2. The

separate trust is taxed on its Wisconsin taxable income at the highest rate for fiduciaries (7.65%). The tax is computed on the worksheet above.

If the ESBT is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, all items of income, gain, loss, or deduction from the electing tax-option (S) corporation must be removed from the ESBT's Wisconsin income. If the tax-option (S) corporation has made this election, box 3 on Schedule 5K-1, Part B, will be checked.

Exceptions for Credits from an Electing Tax-Option (S) Corporation

- The ESBT may not claim a credit for taxes paid to another state on income taxed on the electing tax-option (S) corporation's Wisconsin tax return. In addition, a resident ESBT may not claim a credit for taxes paid to another state on income taxed at the entity level in Wisconsin.
- The manufacturing and agriculture credit passed through from an electing tax-option (S) corporation may only be used to offset tax liability on taxable income from the corporation that computed the credit. Therefore the credit passed through from the corporation cannot be claimed in a year the tax-option (S) corporation makes the entity-level tax election.
- The ESBT may not claim Wisconsin withholding from a tax-option (S) corporation if the corporation elected to be taxed at the entity level and claimed a refund of the passthrough withholding or submitted a written request to apply the pass-through withholding against the tax liability at the entity level.

Line 7. Certain Nonrefundable Credits If you are claiming any of the credits listed below, you must complete Schedule CR. Enclose Schedule CR, along with the appropriate schedule for the credit(s) you are claiming, with Form 2. Enclose Schedule CF for each credit for which you claim a carryforward of unused credit. Fill in the amount from line 12 of Schedule CR on line 7.

- Postsecondary Education Credit Carryforward (Schedule CF)
- Water Consumption Credit Carryforward (Schedule CF)
- Biodiesel Fuel Production Credit Carryforward (Schedule CF)
- Health Insurance Risk-Sharing Plan Assessments Credit Carryforward (Schedule CF)
- Film Production Company Investment Credit Carryforward – Nonrefundable Portion (Schedule CF)
- Veteran Employment Credit Carryforward (Schedule CF)
- Schedule CM Community Rehabilitation Program Credit The community rehabilitation program credit is available to estates or trusts who enter into a contract with a community rehabilitation program to have the program perform work for the entity. Complete Schedule CM.
- · Research Facilities Credit Carryforward (Schedule CF)

Line 9. Alternative Minimum Tax Estates and trusts may be subject to the Wisconsin alternative minimum tax if the total of federal alternative minimum taxable income and certain Wisconsin adjustments is greater than \$24,600.

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Caution An estate or trust may be subject to the Wisconsin alternative minimum tax even though it is not subject to the federal alternative minimum tax.

Enter on line 9 of Form 2 the alternative minimum tax from line 20 of Wisconsin Schedule MT.

Line 11. Other Credits From Schedule CR If you are claiming any of the credits listed below, you must complete Schedule CR. Enclose Schedule CR, along with the appropriate schedule for the credit(s) you are claiming and any required Department of Commerce (DOC), Wisconsin Economic Development Corporation (WEDC), Wisconsin Housing and Economic Development Authority (WHEDA), approval, certification, or allocation, with Form 2. Enclose Schedule CF for each credit for which you claim a carryforward of unused credit. Fill in the amount from line 35 of Schedule CR on line 11.

- Schedule LI Low-Income Housing Credit The lowincome housing credit is available to qualified development owners who are allocated a credit amount by WHEDA. Complete Schedule LI.
- Schedule HR Supplement to Federal Historic Rehabilitation Credit The supplement to federal historic rehabilitation credit is available for rehabilitating certified historic structures or qualified rehabilitated buildings. Complete Schedule HR.
- Schedules MA-M and MA-A Manufacturing and Agricultural Credits The manufacturing and agricultural credits are based on the production gross receipts of a business less certain expenses. Complete Schedule MA-M or MA-A.
- If an estate or trust is a shareholder in a tax-option (S) corporation that elected to be taxed at the entity level, and a manufacturing and agriculture credit is passed through on Schedule 5K-1, the estate or trust may not claim the credit to offset tax imposed on income which is taxable to the corporation. See Schedule MA-M instructions for additional information on the business income limit computation.
- Schedule R Research Credits The research expense credit may be passed through to an estate or trust from a partnership, limited liability company, or tax-option (S) corporation. Complete Schedule R.
- Film Production Services Credit Carryforward Nonrefundable Portion (Schedule CF).
- Schedule MS Manufacturer's Sales Tax Credit If the
 estate or trust had \$25,000 or less of unused manufacturer's
 sales tax credit from 1998 through 2005 and could not use
 the entire credit on its 2006 through 2017 returns, complete
 Schedule MS to determine the amount of carryover credit
 that may be claimed for 2018.
- Schedule MI Manufacturing Investment Credit Estates and trusts certified by the Department of Commerce who had more than \$25,000 of unused manufacturer's sales tax credit carryover on January 1, 2006, may be able to claim the manufacturing investment credit. Complete Schedule MI.
- Dairy and Livestock Farm Investment Credit Carryforward (Schedule CF)
- Ethanol and Biodiesel Fuel Pump Credit Carryforward (Schedule CF)
- Schedule DC Development Zones Credit Special tax credits may be available to estates or trusts doing business

- in Wisconsin development zones. If you qualify for the credit, complete Part I of Wisconsin Schedule DC.
- Schedule DC Capital Investment Credit The capital investment credit is available for businesses certified for tax benefits in a development opportunity zone, agricultural development zone, or airport development zone. Complete Part II of Schedule DC.
- Schedule TC Technology Zone Credit The technology zone credit may be available for estates or trusts doing business in Wisconsin technology zones. If you qualify for the credit, complete Wisconsin Schedule TC.
- Schedule ED Economic Development Tax Credit
 The economic development tax credit may be claimed by estates or trusts certified by the WEDC and authorized to claim the credit. See Schedule ED.
- Schedule VC (Part II) Early Stage Seed Investment Credit The early stage seed investment credit is based on an investment paid to a fund manager certified by the WEDC that the fund manager invests in a certified business. Complete Schedule VC.
- Electronic Medical Records Credit Carryforward (Schedule CF)
- Internet Equipment Credit Carryforward (Schedule CF)

Line 12. Net Tax Paid to Another State A resident estate or trust or resident portion of a trust that has paid tax both to Wisconsin and another state on the same income may be able to claim a credit for such tax. Read the Schedule OS instructions to determine if you may claim the credit. If you qualify for the credit, complete Schedule OS. Fill in the amount of your credit from Schedule OS on line 12. Be sure to enter in the brackets on line 12 the 2-letter postal abbreviation for the other state to which you paid tax. If you paid tax to more than one other state, fill in the number 99 in the box. See Schedule OS for other situations where additional code numbers may be required. Enclose Schedule OS and copies of the other state's return.

If an estate or trust is a shareholder in a tax-option (S) corporation that elected to be taxed at the entity level, the estate or trust may not use the taxes paid by the tax-option (S) corporation to compute a credit for tax paid to another state. In addition, a resident estate or trust shareholder may not claim a credit for taxes paid to another state on income taxed at the entity level in Wisconsin.

Line 15b. Sales and Use Tax Due on Internet, Mail Order, or Other Out-of-State Purchases Did the estate or trust make any taxable purchases from out-of-state firms in 2018 on which sales and use tax was not charged? If yes, report Wisconsin sales and use tax on these purchases on line 15b if they were stored, used, or consumed in Wisconsin. Also report sales and use tax on taxable purchases from a retailer located in another country, regardless of whether the estate or trust was charged any tax for that country or any duty by the U.S. Customs Service.

Taxable purchases include furniture, carpet, clothing, computers, books, CDs, DVDs, video tapes, certain digital goods (e.g., greeting cards, video games, music, and books, transferred electronically), artwork, antiques, jewelry, coins purchased for more than face value, etc.

Worksheet for Computing Wisconsin Sales and Use Tax

- Total purchases subject to Wisconsin sales and use tax (i.e., purchases on which no sales and use tax was charged by the seller) . \$
- 2. Sales and use tax rate (see rate chart) x %
- 3. Amount of sales and use tax due for 2018 (line 1 multiplied by tax rate on line 2).

 Round this amount to the nearest dollar and fill in on line 15b of Form 2 \$

Sales and Use Tax Rate Chart

In all Wisconsin counties except those shown in a through d below, the tax rate was 5.5% for all of 2018.

a. If storage, use, or consumption in 2018 was in one of the following counties, the tax rate was 5.6%:

Milwaukee

Ozaukee

Washington

b. If storage, use, or consumption in 2018 was in one of the following counties, the tax rate was 5.1%:

Racine

Waukesha

c. If storage, use, or consumption in 2018 was in the following county, the tax rate was 5% from January 1, 2018 through March 31, 2018, and 5.5% thereafter:

Calumet

d. If storage, use, or consumption in 2018 was in one of the following counties, the tax rate was 5%:

Manitowoc, Menominee, Outagamie, or Winnebago

Example: An estate or trust maintains a condo in Wisconsin. The estate or trust purchases \$500 of appliances for the condo through a catalog or over the Internet. No sales and use tax was charged. The appliances were delivered to a county in Wisconsin with a 5% tax rate. The estate or trust is liable for \$25 Wisconsin tax ($$500 \times 5\% = 25) on this purchase.

Complete the worksheet below to determine whether you are liable for Wisconsin sales and use tax.

If no amount is included on line 15b, place a checkmark in the space provided to certify the estate or trust did not owe any sales or use tax. Only returns certified as "no use tax due" will be recognized as filing a sales/use tax return.

Line 15c. Penalty on Underpayment of Tax from Inconsistent Estate Basis Reporting An inconsistent estate basis reporting occurs if the property basis claimed on a Wisconsin tax return exceeds the property basis determined for federal estate tax purposes. The penalty is equal to 20% of the portion of any underpayment of taxes due to the inconsistent estate basis reporting.

Line 16. Wisconsin Income Tax Withheld Enter the estate's or trust's share of Wisconsin tax withheld by a pass-through entity, as reported on the Schedule 2K-1, 3K-1, or 5K-1 received from the pass-through entity. Enclose a copy of this Schedule 2K-1, 3K-1, or 5K-1 with the Form 2 that is filed with the department. Include on line 16 only the share of withholding that is attributable to income the trust or estate has reported on Form 2. The share of withholding attributable to income passed through by the trust or estate to its beneficiaries is reported on line 15j of Schedule 2K-1.

Caution An estate or trust may not claim Wisconsin withholding from a tax-option (S) corporation if the corporation elected to be taxed at the entity level and claimed a refund of

the pass-through withholding or submitted a written request to apply the pass-through withholding against the tax liability at the entity level.

Also enter on line 16 Wisconsin tax withheld on salary, wages, or retirement benefits received by the personal representative or petitioner on income in respect of the decedent. Enclose a copy of the wage statement (Form W-2) or retirement benefit statement (Form 1099-R) with the Form 2 that is filed with the department.

Line 17. 2018 Wisconsin Estimated Payments and Amount Applied From 2017 Return Enter the total of (1) any overpayment of 2017 income tax that the estate or trust was allowed as a credit on its 2018 Wisconsin estimated tax, (2) any Wisconsin estimated tax payments made by the estate or trust for 2018, and (3) advance payments or any payments filed with an extension.

Line 18. Farmland Preservation Credit A credit may be claimed by certain trusts and estates based on Wisconsin farmland which is subject to agricultural use restrictions in the form of a zoning ordinance or a farmland preservation agreement. Fill in on line 18a of Form 2 the amount from line 17 of Schedule FC. Fill in on line 18b of Form 2 the amount from line 13 of Schedule FC-A.

For more information about farmland preservation credit, contact our Farmland Preservation Unit in Madison at (608) 266-2442. Schedules FC and FC-A are available on the department's website, revenue.wi.gov.

Line 19. Other Credits From Schedule CR If you are claiming any of the credits listed below, you must complete Schedule CR. Enclose Schedule CR, along with the appropriate schedule for the credit(s) you are claiming and any required approval or certification from the Department of Agriculture, Trade and Consumer Protection (DATCP), or the Wisconsin Economic Development Corporation (WEDC), with Form 2. Fill in the amount from line 41 of Schedule CR on line 19.

- Schedule EC Enterprise Zone Jobs Credit The
 enterprise zone jobs credit is available to estates and trusts
 doing business in an enterprise zone. The WEDC must
 certify the business as eligible for the credit and determine
 the amount of credit. See Schedule EC.
- Schedule JT Jobs Tax Credit The jobs tax credit is available based on wages paid to an eligible employee and costs incurred to undertake training activities. The credit is available to taxpayers who are certified by the WEDC. Complete Schedule JT.
- Schedule BD Business Development Credit The credit is available based on wages paid to an eligible employee, training costs, and personal and real property investment. The credit is available to taxpayers who are certified by the WEDC. See Schedule BD.
- Schedule EIT Electronics and Information Technology Manufacturing Zone Credit The credit is based on payroll and capital expenditures in the zone. The credit is available to taxpayers who are certified by the WEDC. See Schedule CR.

No interest is paid on refunds issued for the enterprise zone jobs credit, jobs tax credit, business development credit, or electronics and information technology manufacturing zone credit.

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Line 20. Amount Paid With Original Return (Amended Return Only) Enter the amount of tax paid with the original Form 2 plus any additional amount of tax paid after it was filed.

Line 22. Refund From Original Return Less Amount Applied to 2019 Estimated Tax (Amended Return Only) Enter the refund from the original Form 2 plus any additional refunds received after it was filed less the amount applied to 2019 estimated tax.

Line 24. Amount Overpaid If line 23 is larger than line 15d, complete line 24 to determine the amount overpaid.

Note If estimated tax payments were required to be made and were not made in a timely manner, see Schedule U to determine if underpayment interest is owed. See page 3 for information on how to obtain this schedule. If underpayment interest is owed and an overpayment is shown on line 24, reduce the amount on line 24 by the amount of underpayment interest on line 28.

Line 25. Refund Fill in on line 25 the amount from line 24 that you want refunded to you.

Line 26. Amount Applied to 2019 Estimated Tax Fill in on line 26 the amount, if any, of the overpayment on line 24 you want applied to your 2019 estimated tax.

Note An election to apply a refund to estimated tax may be changed to:

- · Request payment of the refund,
- Credit the refund against an amended return tax liability for any year, or
- Credit the refund against a notice of amount due for any year.

The notification of a change in election must occur on or before the due date of the final estimated tax installment payment (the 15th day of the 1st month following the end of the taxable year). For example, January 17, 2018, was the due date for a calendar-year filer changing an election to apply a refund from a 2016 return to 2017 estimated tax payments.

Notification of a change in election must be in writing. This includes the filing of an amended return or sending an email, fax. or letter to:

- DOREstateandFiduciary@wisconsin.gov
- Fax: (608) 267-0834
- Wisconsin Department of Revenue Mail Stop 5-144
 PO Box 8906
 Madison WI 53708-8906

Line 27. Balance Due If line 23 is less than line 15d, complete line 27 to determine the balance due. The balance due must be paid in full with the return. Make remittance payable to the Wisconsin Department of Revenue.

Note If estimated payments were required to be made and were not made in a timely manner, see Schedule U to determine if underpayment interest is owed. See page 3 for information on how to obtain this schedule. If underpayment interest is owed, increase the amount on line 27 by the amount of underpayment interest on line 28.

Line 28. Underpayment Interest If estimated payments were required to be made and were not made in a timely manner,

see Schedule U to determine if underpayment interest is owed. See page 3 for information on how to obtain this schedule. If underpayment interest is owed, fill in the amount from Schedule U on line 28. Add the amount of the underpayment interest to any tax due and fill in the total on line 27. If you are due a refund, subtract the underpayment interest from the overpayment shown on line 24 and adjust lines 25 and 26 if necessary. Enclose Schedule U with your Wisconsin Form 2.

Fill in the exception code in the box to the left of line 28 if certain exceptions to underpayment interest apply to you, you are enclosing an application for a waiver of underpayment interest, or are using the annualized income installment method (Part IV of Schedule U) to compute underpayment interest. See the instructions for Schedule U for the exception code to use.

SPECIAL INSTRUCTIONS

A. Third Party Designee

If you want to allow a tax preparer or tax preparation firm, family member, friend, or any other person you choose to discuss your 2018 tax return with the Department of Revenue, check "Yes" in the "Third Party Designee" area of your return. Also, fill in the designee's name, phone number, and any five digits the designee chooses as his or her personal identification number (PIN).

If you check "Yes," you are authorizing the department to discuss with the designee any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the department any information missing from your return,
- Call the department for information about the processing of your return or the status of your refund or payment(s), and
- Respond to certain department notices about math errors, offsets, and return preparation.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the department. If you want to expand the designee's authorization, you must submit Form A-222 (Power of Attorney).

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2019 tax return.

B. Penalties and Interest

Any 2018 Form 2 which is not filed by the due date or within the extension period is subject to a late filing fee of \$50. The late fee is assessed even if there is no tax due. The interest rate on delinquent taxes is 18% per year.

C. Fraudulent or Reckless Credit Claims

If an estate or trust files an improper claim for any refundable credit due to reckless or intentional disregard, the estate or trust will not be allowed to file for a refundable credit for the following 2 claim years. If an estate or trust files a false or excessive claim for any refundable credit with fraudulent intent, the estate or trust will not be allowed to file for a refundable credit for the following 10 claim years. Penalties may also be imposed.

D. Internal Revenue Service Adjustments and Amended Returns

If a federal fiduciary return is adjusted by the Internal Revenue Service (IRS) and the adjustments affect the amount of Wisconsin income reportable, any credit, or tax payable on Form 2, report the adjustments to the department within 90 days from the date the adjustments become final. If an amended fiduciary return is filed with the IRS or another state and the changes affect the amount of income reportable, any credit, or tax payable on Form 2, file an amended Wisconsin fiduciary return reflecting these changes. The amended Wisconsin return is due within 90 days from the date the amended return is filed with the IRS or another state.

If you are filing an amended return, place a checkmark in the designated area below the name and address area of Form 2. Prepare the return using the corrected amounts. Complete line 20 or 22 as appropriate. Enclose a copy of any IRS audit report or federal amended return. Also enclose Schedule AR, *Explanation of Amended Return*, to explain why the amended return was necessary and what changes were made. If you have already received a Closing Certificate for Fiduciaries, you do not need to request another one unless the court requires it.

E. Estimated Tax Payments Required for Next Year?

If the 2019 Wisconsin income tax return of an estate or trust will show a balance due to the department of \$500 or more, you must make estimated tax payments using Wisconsin Form 1-ES. Estimated tax payments are due four times during the taxable year.

Estates and trusts filing Form 2: If your return is filed on a calendar-year basis, 2019 estimated tax payments are due on or before April 15, 2019, June 17, 2019, September 16, 2019, and January 15, 2020. If your return is filed on a fiscal-year basis, your due dates are the 15th day of the 4th, 6th, and 9th months of your current fiscal year, and the 1st month of the following fiscal year. If any due date falls on a Saturday, Sunday, or legal holiday, use the next business day.

Trusts filing Form 4T: If your return is filed on a calendar-year basis, 2019 estimated tax payments are due on or before May 15 (April 15 for exempt employees' trusts, IRAs and MSAs), June 17, September 16, and December 15 of 2019. If your return is filed on a fiscal-year basis, your due dates are the 15th day of the 5th (4th for exempt employees' trusts, IRAs and MSAs), 6th, 9th, and 12th months of your fiscal year. If any due date falls on a Saturday, Sunday, or legal holiday, use the next business day.

Exception Estates and grantor trusts which are funded on account of a decedent's death are exempt from making estimated tax payments for tax years ending within two years after the date of death.

F. Requesting Copies of Returns

The Department of Revenue will provide copies of prior year Wisconsin returns. There will be a fee for each return requested, which is required to be prepaid. Requests must be made in person or in writing. You must provide a copy of the domiciliary letters or letters of trust and the trust instrument. If you want certified copies, there is an additional charge for each certification. Call (608) 266-2890 for more information.

SCHEDULE A INSTRUCTIONS – ADDITIONS AND SUBTRACTIONS

Note Nonresident and part-year resident estates and trusts may not use Schedule A. They must instead use the following additions and subtractions to complete Part I of Schedule NR. Schedule 2M must also be completed and enclosed if any of the other additions or subtractions described in these instructions are used.

Certain additions and subtractions must be made to federal taxable income in order to arrive at Wisconsin taxable income. Additions and subtractions are described in detail below.

Enter in column 1, Distributable Income, the additions or subtractions that relate to items of income or deductions which affect the computation of the distributable net income for the taxable year. Enter in column 2, Nondistributable Income, any of the additions or subtractions that affect nondistributable income taxable to the fiduciary.

ADDITIONS

Line 1. Adjustments to Convert 2018 Federal Taxable Income to the Amount Allowable for Wisconsin (see instructions for Schedule B on page 13).

Line 2. Interest (Less Related Expenses) on State and Municipal Obligations Enter in the appropriate column the amount of interest on state and municipal obligations which was excluded from federal taxable income. (If you were required for federal purposes to allocate expenses to this income, reduce the amount to be filled in by such expenses.) **Exception** Interest which is by federal or Wisconsin law exempt from Wisconsin taxation should not be entered on line 2. Interest income which is exempt for both federal and Wisconsin tax purposes includes interest from (1) public housing authority or community development authority bonds issued by municipalities located in Wisconsin, (2) Wisconsin Housing Finance Authority bonds, (3) Wisconsin municipal redevelopment authority bonds, (4) Wisconsin Housing and Economic Development Authority bonds issued on or after December 11, 2003, to fund multifamily affordable housing projects or elderly housing projects, (5) Wisconsin Housing and Economic Development Authority bonds issued before January 29, 1987, except business development revenue bonds, economic development revenue bonds, and CHAP housing revenue bonds, (6) public housing agency bonds issued before January 29, 1987, by agencies located outside Wisconsin where the interest therefrom qualifies for exemption from federal taxation for a reason other than or in addition to section 103 of the Internal Revenue Code, (7) local exposition district bonds, (8) Wisconsin professional baseball park district bonds, (9) bonds issued by the Government of Puerto Rico, Guam, the Virgin Islands, Northern Mariana Islands, or, for bonds issued after October 16, 2004, the Government of American Samoa, (10) local cultural arts district bonds, (11) Wisconsin professional football stadium bonds, (12) Wisconsin Aerospace Authority bonds, (13) bonds issued on or after October 27, 2007, by the Wisconsin Health and Education Facilities Authority to fund acquisition of information technology hardware or software, (14) certain conduit revenue bonds issued by a commission created under sec. 66.0304, Wis. Stats. **Note** At the time these instructions went to print, there were no conduit revenue bonds issued where the interest income is exempt from Wisconsin tax. A listing of the conduit revenue bonds issued and the tax-exempt status is available on the department's website at revenue.wi.gov, (15) Wisconsin Housing and Economic Development Authority bonds or

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notes issued to provide loans to a public affairs network under sec. 234.75, Wis. Stats., (16) Wisconsin Health and Educational Facilities Authority bonds or notes if issued for the benefit of a person who is eligible to receive the proceeds of bonds or notes from another entity for the same purpose for which the bonds or notes are issued under sec. 231.03(6), Wis. Stats., and the interest income received from the other bonds or notes is exempt from Wisconsin taxation, and (17) bonds or notes issued by a sponsoring municipality borrowing to assist a local exposition district created under subch. II ch. 229, Wis. Stats. Interest from these sources is exempt from Wisconsin income tax whether received by a direct owner of these securities or by a shareholder in a mutual fund which invests in these securities.

If a charitable deduction is claimed, reduce the amount of interest added back by the amount of the state municipal interest which is used or set aside for charitable purposes.

Line 3. Taxes Enter the amount of taxes deducted from federal taxable income on line 11, Form 1041. This amount must be allocated between distributable and nondistributable income based on tax benefit.

Line 4. Capital Gain/Loss Adjustment If federal taxable income includes capital gains and/or losses, complete Wisconsin Schedule 2WD to determine if an adjustment must be made to arrive at Wisconsin income. For example, an adjustment may be required because Wisconsin law limits deductions for net capital losses to \$500. See page 3 for information on obtaining Schedule 2WD. If assets sold during 2018 had a different basis for federal than for Wisconsin purposes, see instructions for Schedule C on page 13 and item b under Additions To or Subtractions From Income on page 12.

If an estate or trust is a shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, the estate or trust must only report the portion of the electing tax-option (S) corporation's capital gains or losses distributable to the beneficiaries on Schedule 2WD, do not include the estate's or trust's nondistributable portion. The nondistributable amount will be adjusted in Part IV of Schedule 2WD as an addition or subtraction modification on line 4 or 9 of Schedule A, Form 2.

Line 5. Other Additions Enter any other amount subject to Wisconsin taxation that has been excluded or deducted in the computation of federal taxable income or distributable net income.

For amounts entered in column 1, enclose a schedule with a computation or explanation. **Caution** If a resident estate or trust is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, do not reverse out any of the Schedule 5K-1 items that the estate or trust is treating as distributable to the beneficiaries. These items must be included on Schedule 2K-1 with a supplemental statement detailing the items included on the Schedule 2K-1 that originated from the electing tax-option (S) corporation. Nonresident and part-year resident estates and trusts must complete Schedule NR.

Note Charitable contributions reported on a Schedule 5K-1 from an electing tax-option (S) corporation are not deductible and must be added back to income if deducted on the estate's or trust's federal tax return.

If an estate or trust is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, use line 17 of Schedule 2M to reverse the estate's or trust's nondistributable items of income, gain, loss, or deduction included on the estate's or trust's Wisconsin Schedule 5K-1 for which the tax-option (S) corporation is including on their

corporate income tax return. **Exception** Do not include the amount of the estate's or trust's nondistributable capital gain or loss from an electing tax-option (S) corporation when computing the modification on Schedule 2M. Nonresident and part-year resident estates and trusts must complete Schedule NR, see the Schedule NR instructions for more information.

For amounts entered in column 2, complete and enclose Schedule 2M. Examples are:

- a. Federal net operating loss carryover.
- b. Lump-sum distribution. If you reported lump-sum distribution income on federal Form 4972, you must also include the distribution in Wisconsin income. Fill in on Schedule A, line 5 the amount of lump-sum distribution income which is reported on line 10 of Form 4972 plus any capital gain reported on line 6 of Form 4972. You may reduce this amount by any federal estate tax on line 18 of Form 4972.

Note No portion of a lump-sum distribution may be reported as a capital gain on a Wisconsin Schedule 2WD.

c. Transitional adjustments. These are adjustments required by the Wisconsin Statutes to account for differences between federal basis and Wisconsin basis of changing basis assets (those subject to depreciation or amortization). Enclose a schedule showing the computation of each transitional adjustment made.

Note Adjustments are required for the difference between the Wisconsin adjusted basis and the federal adjusted basis of depreciated and amortized property on the last day of your taxable year beginning in 2013. As a result of these adjustments, the federal and Wisconsin bases of such property are equal as of the first day of the tax year beginning in 2014 and no transitional adjustment is needed. See Items g. and h. on page 11.

- d. Excess distribution from a passive foreign investment company. Fill in the amount of excess distribution from a passive foreign investment company which has not been included in federal taxable income (see federal Form 8621 or 8621-A).
- e. Addition for computed credits. If you claimed any of the credits listed below, you must include on line 5 the amount of your credit computed for 2018. The amount of your credit is income and must be reported on Form 2. This is true even if you cannot take the full credit this year and must carry part of it forward or if the credit is refundable. (Note Do not include on line 5 any credit passed through to you from a partnership, limited liability company, or tax-option (S) corporation. This will be accounted for when you make the adjustments described in paragraph a under "ADDITIONS TO OR SUBTRACTIONS FROM INCOME" on page 12.)

List each credit separately on line 5. Include the following credits computed for 2018:

Development Zone Credit
Technology Zone Credit
Enterprise Zone Jobs Credit
Manufacturing Investment Credit
Economic Development Tax Credit
Jobs Tax Credit
Capital Investment Credit
Community Rehabilitation Program Credit
Business Development Credit
Electronics and Information Technology Manufacturing Zone Credit
Manufacturing and Agriculture Credit (see Exception below)

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Exception The amount of manufacturing and/or agriculture credit computed for 2017 must be added to income on your 2018 Wisconsin income tax return.

- f. Expenses paid to related entities. Fill in the amount deducted or excluded from federal taxable income for interest, rental expenses, intangible expenses, and management fees paid, accrued, or incurred to a related entity (person or business entity). You must make this addition even though you may be eligible for a deduction for these expenses. If you are eligible for a deduction, you may then make a subtraction for the amount that qualifies (see Item g.).
- g. Difference in federal and Wisconsin basis of depreciated or amortized assets. Starting with the first taxable year beginning in 2014, adjustments are to be made over a 5-year period for the difference between the Wisconsin adjusted basis and the federal adjusted basis of assets owned on the last day of the taxable year beginning in 2013. The assets must have been depreciated or amortized for both Wisconsin and federal tax purposes. As a result of these adjustments, the Wisconsin adjusted basis and the federal adjusted basis of these assets is deemed to be equal on the first day of the taxable year beginning in 2014.

If you determined for 2014 that the combined federal adjusted basis of all depreciated and amortized assets was greater than the combined Wisconsin adjusted basis of the assets, you were required to add 20 percent of the difference to 2014, 2015, 2016, and 2017 Wisconsin income. The same amount must also be added to income for 2018.

Note If the total federal adjusted basis of the assets was less than the total Wisconsin adjusted basis, see the instructions for Item k. under "SUBTRACTIONS" for the subtraction to be claimed to adjust for this difference.

h. **ABLE accounts** The owner (beneficiary) of a qualified ABLE account must include in income any amount withdrawn from a qualified ABLE account for any reason other than the payment of qualified disability expenses for the account beneficiary. Also, upon termination of an account, an addition to income is provided for any amount in the account that is returned to an account owner's estate.

SUBTRACTIONS

Line 7. Adjustments to Convert 2018 Federal Taxable Income to the Amount Allowable for Wisconsin (see instructions for Schedule B on page 13).

Line 8. Interest (Less Related Expenses) on Obligations of the United States Enter in the appropriate column the net amount of interest and dividends on obligations and certain securities of the United States, which are by federal law exempt from taxation by states. To arrive at the net amount, you must reduce the total U.S. interest by the proportionate share of deductions claimed on Form 1041.

An ordinary dividend received from a mutual fund which invests in U.S. government securities may be partially or completely nontaxable for Wisconsin tax purposes. If information received from a mutual fund advises that any portion of a distribution is from investments in U.S. government securities, that portion of the distribution may be included as U.S. government interest on line 8.

Caution Do not fill in on line 8 interest from Ginnie Mae (Government National Mortgage Association) securities and

other similar securities which are "guaranteed" by the U.S. government.

If a charitable deduction is claimed, reduce the amount of U.S. interest subtracted by the amount of U.S. interest included in the charitable deduction on federal Form 1041.

Line 9. Capital Gain/Loss Adjustment If federal taxable income includes capital gains and/or losses, complete Wisconsin Schedule 2WD to determine if an adjustment must be made to arrive at Wisconsin taxable income. For example, an adjustment may be required because Wisconsin law allows a capital gain exclusion for assets held more than one year. See page 3 for information on obtaining Schedule 2WD.

If an estate or trust is a shareholder of an electing taxoption (S) corporation, the estate or trust must only report the portion of the electing tax-option (S) corporation's capital gains or losses distributable to the beneficiaries on Schedule 2WD, do not include the estate's or trust's nondistributable portion. The nondistributable amount will be adjusted in Part IV of Schedule 2WD as an addition or subtraction modification on line 4 or 9 of Schedule A, Form 2.

Line 10. Refunds of State and Local Taxes Enter refunds of state and local income taxes included in income on federal Form 1041.

Line 11. Other Subtractions Enter on this line any amount which is deductible or exempt from taxation by Wisconsin law and which has been included in the computation of federal taxable income.

For amounts entered in column 1, enclose a schedule with a computation or explanation. **Caution** If a resident estate or trust is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, do not reverse out the Schedule 5K-1 items that the estate or trust is treating as distributable to the beneficiaries. These items must be included on Schedule 2K-1 with a supplemental statement detailing the items included on the Schedule 2K-1 that originated from a tax-option (S) corporation making the election to pay tax at the entity level. Nonresident and part-year resident estates and trusts must complete Schedule NR, see the Schedule NR instructions for more information.

If an estate or trust is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, use line 32 of Schedule 2M to reverse the estate's or trust's nondistributable items of income, gain, loss, or deduction included on the estate's or trust's Wisconsin Schedule 5K-1 for which the tax-option (S) corporation is including on their corporate income tax return. **Exception** Do not include the amount of the estate's or trust's nondistributable capital gain or loss from an electing tax-option (S) corporation when computing the modification on Schedule 2M. Nonresident and part-year resident estates and trusts must complete Schedule NR, see the Schedule NR instructions for more information.

For amounts entered in column 2, complete and enclose Schedule 2M. Examples are:

- a. Retirement funds. You may subtract payments received from certain retirement funds that are exempt from Wisconsin taxation to the extent included in federal income. However, payments received from a tax-sheltered annuity deposit in such retirement systems are taxable. (See Wisconsin Form 1 instructions for further details.)
- b. **Wisconsin NOL.** If you had a Wisconsin net operating loss (NOL) in an earlier year to carry forward to 2018, include the

allowable amount on Schedule A. Enclose Schedule NOL1, NOL2, or NOL3, as applicable. See the instructions for these schedules and Publication 120, *Net Operating Losses for Individuals, Estates, and Trusts*, for details on computing the NOL and the allowable deduction. Publication 120 is available on the department's website, revenue.wi.gov.

- c. Relocation assistance. Relocation assistance payments received subject to the provisions set forth in section 32.19, Wisconsin Statutes.
- d. **Transitional adjustments.** See Item c. for line 5, Schedule A. Enclose schedule.
- e. Farm loss carryover. See Wisconsin Form 1 instructions for further details.
- f. Certain military pay. Military pay that is included on a W-2 for a member of the Reserves or National Guard who served on active duty may be subtracted if the pay was:
 - · Received from the federal government,
 - Received after being called into active federal service or into special state service authorized by the federal Department of Defense, and
 - Paid for a period of time during which the member was on active duty.

Caution The subtraction only applies to members of the Reserves or National Guard who are called into active federal service under 10 USC 12302(a) or 10 USC 12304 or special state service under 32 USC 502(f). It does not apply to pay that members of the Reserves and National Guard receive for their weekend or two-week annual training. It also does not apply to a person who is serving on active duty or full-time duty in the active guard reserve (AGR) program.

- g. Expenses paid to related entities. Were you required to add interest, rental expenses, intangible expenses, or management fees paid to a related entity to income? If yes, see Schedule RT to find out if you qualify for a subtraction. Although you must meet one of the conditions in Schedule RT, Part II to qualify for a subtraction, you do not need to enclose Schedule RT with your return unless your total expenses paid, accrued, or incurred to related entities are \$100,000 or more. If enclosing Schedule RT, also fill in "16" in the Special Conditions box on page 1 of Form 2.
- h. Difference in federal and Wisconsin basis of depreciated or amortized assets. Starting with the first taxable year beginning in 2014, and for the next 4 taxable years, a subtraction is available for 20 percent of the difference between the Wisconsin adjusted basis and the federal adjusted basis of assets owned on the last day of the taxable year beginning in 2013. This is December 31, 2013, for persons who file their return on a calendar-year basis. The assets must have been depreciated or amortized for both Wisconsin and federal tax purposes.

As a result of this subtraction, your Wisconsin adjusted basis of all depreciated or amortized assets on the first day of your taxable year beginning in 2014 (January 1, 2014, for calendar-year filers) is the same as the federal adjusted basis.

If you determined for 2014 that the combined Wisconsin adjusted basis of all depreciated and amortized assets was greater than the combined federal adjusted basis of the assets, you could subtract 20 percent of the difference from your 2014, 2015, 2016, and 2017 Wisconsin income. The same amount may be subtracted from income for 2018.

Note If the total Wisconsin adjusted basis was less than the total federal adjusted basis, see the instructions for paragraph g under "ADDITIONS" for the addition to be claimed to adjust for this difference.

i. ABLE accounts A subtraction may be claimed for the amount contributed to a qualified ABLE (Achieving a Better Life Experience) account during the year. The owner (beneficiary) of an ABLE account must be a disabled person. Distributions from the account must be used to pay the qualified disability expenses of the disabled person. The total maximum subtraction that may be claimed by all contributors to the account for 2018 is \$15,000. The subtraction does not apply to rollovers or transfers from another account.

ADDITIONS TO OR SUBTRACTIONS FROM INCOME

The following items may be either an addition to or a subtraction from federal taxable income, depending on your situation. Fill in any additions on Schedule 2M, Part I, lines 17 and 18, and any subtractions on Part II, lines 32 and 33.

- a. If an estate or trust is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, use line 17 or 32 of Schedule 2M to reverse the estate's or trust's nondistributable items of income, gain, loss, or deduction included on the estate's or trust's Wisconsin Schedule 5K-1 for which the tax-option (S) corporation is including on their corporate income tax return. Exception Do not include the amount of the estate's or trust's nondistributable capital gain or loss from an electing tax-option (S) corporation when computing the modification on Schedule 2M. Nonresident and part-year resident estates and trusts must complete Schedule NR, see the Schedule NR instructions for more information.
- b. Distributive share of net modifications of a partnership, limited liability company, or tax-option (S) corporation if it increases or reduces the income of the partnership limited liability company, or corporation. If the estate or trust is a shareholder of a federal S corporation that elects not to be treated as a Wisconsin tax-option (S) corporation, all items of S corporation income, loss, or deduction included on the federal return must be reversed.

Caution Do not reverse any item of S corporation income or loss reported on federal Schedule D. These items are removed from Wisconsin income when Wisconsin Schedule 2WD is completed.

c. Adjustment for ordinary gain or loss for assets reported on federal Form 4797. If you reported sales (or other dispositions) of assets on federal Form 4797 and there was a difference between the federal basis and the Wisconsin basis of an asset acquired on or after the first day of your taxable year beginning in 2014, follow the three steps below to figure the adjustment.

STEP 1: Recompute federal Form 4797, Sales of Business Property.

- For assets the estate or trust sold or otherwise disposed of, use the Wisconsin basis instead of the federal basis when recomputing Form 4797.
- For those assets disposed of by a partnership, limited liability company, tax-option (S) corporation, or other estate or trust, from which the estate or trust received a distribution, use the Wisconsin gain or loss instead of the federal gain or loss when recomputing Form 4797.

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Note The Wisconsin gain or loss can be found on line 10a of Wisconsin Schedule 3K-1 or line 9a of Wisconsin Schedule 5K-1.

Label this recomputed Form 4797 "Wisconsin." Enclose the "Wisconsin" Form 4797 with Form 2.

STEP 2: If a net long-term capital gain was entered on the "Wisconsin" Form 4797, the amounts from the "Wisconsin" Form 4797 must be used to complete line 12 of Wisconsin Schedule 2WD.

STEP 3: Complete the Adjustment Worksheet below if Part II was completed on either the federal or "Wisconsin" Form 4797.

- If you have an ordinary gain for both federal and Wisconsin purposes, fill in lines a and b of the worksheet. Also fill in line c or line d, whichever applies.
- If you have an ordinary loss for both federal and Wisconsin purposes, fill in lines e and f of the worksheet. Also fill in line g or h, whichever applies.
- If you have an ordinary gain for federal purposes, but not for Wisconsin purposes, fill in lines a, b, e, and f of the worksheet. Also fill in line d and line g. Add the amounts on lines d and g and fill in the result on line 11 of Schedule A, page 3, Form 2.
- If you have an ordinary loss for federal purposes, but not for Wisconsin purposes, fill in lines a, b, e, and f of the worksheet. Also fill in line c and line h. Add the amounts on lines c and h and fill in the result on line 5 of Schedule A, page 3, Form 2.

SCHEDULE B INSTRUCTIONS

Important The computation of taxable income on the 2018 Wisconsin fiduciary income tax return is based on the provisions of federal law amended to December 31, 2017, with certain exceptions.

A list of some provisions of federal law that may affect Form 2 for 2018 can be found in the instructions for Wisconsin Form 3, *Wisconsin Partnership Return*, under the Conformity With Internal Revenue Code and Exceptions section.

If any provision of federal law which does not apply for Wisconsin purposes affects your federal taxable income, enclose a schedule with your Form 2. State the nature of the adjustment and a complete explanation. Enter the total amount on line 1 of Schedule B.

SCHEDULE C INSTRUCTIONS – ADJUSTMENTS TO CAPITAL GAINS / LOSSES

Complete Schedule C to adjust capital gains and losses if capital assets sold or otherwise disposed of in 2018 had a different basis for Wisconsin than for federal income tax purposes. The most common reason for a difference in basis is the use of the alternate value for federal estate tax purposes while date of death value is required to be used for Wisconsin inheritance tax purposes for deaths prior to January 1, 1992. For deaths after December 31, 1991, if the alternate value is used for federal estate tax purposes, the alternate value would also be used for Wisconsin estate tax purposes.

To figure the adjustment, first determine the holding period for each capital asset which had a different basis for federal and Wisconsin purposes. Property acquired by a decedent's estate from the decedent is considered to be held more than one year. (Do not list assets reported on federal Form 4797, such as depreciable property used in a trade or business, on Schedule C. Resident estates and trusts, see "Adjustment for ordinary gain or loss for assets reported on federal Form 4797," item b under Additions To or Subtractions From Income on page 12 of these instructions. Part-year and nonresident estates and trusts, see the instructions for line 7, Part I of Schedule NR.)

For capital assets held one year or less, fill in line 1 of Schedule C. If the Wisconsin adjusted basis is more than the federal adjusted basis, fill in a negative number in the difference column (column C). Combine the amounts in column C and fill in the result on line 2 of Schedule C and on line 6 of Wisconsin Schedule 2WD. Enter a negative number as a loss.

For capital assets held more than one year, fill in line 3 of Schedule C. If the Wisconsin adjusted basis is more than the federal adjusted basis, fill in a negative number in the difference column (column C). Combine the amounts in column C and fill in the result on line 4 of Schedule C and on line 15 of Wisconsin Schedule 2WD. Enter a negative number as a loss.

Note If there is inadequate space on lines 1 and 3 to list each capital asset which had a different basis for Wisconsin than for federal tax purposes, enclose a separate page with Form 2 giving the required information.

	Adjustment Worksheet		
		Distributable	Non-distributable
а	Fill in net ordinary gain from federal Form 4797 (if line is blank, fill in zero (0))		
b	Fill in net ordinary gain from "Wisconsin" Form 4797 (if line is blank, fill in zero (0)) .		
С	If line b is more than line a, subtract line a from line b. Fill in the result here and on line 5 of Schedule A, page 3, Form 2		
d	If line b is less than line a, subtract line b from line a. Fill in the result here and on line 11 of Schedule A, page 3, Form 2		
е	Fill in net ordinary loss from federal Form 4797 (if line is blank, fill in zero (0))		
f	Fill in net ordinary loss from "Wisconsin" Form 4797 (if line is blank, fill in zero (0)) .		
g	If line f is more than line e, subtract line e from line f. Fill in the result here and on line 11 of Schedule A, page 3, Form 2		
h	If line f is less than line e, subtract line f from line e. Fill in the result here and on line 5 of Schedule A, page 3, Form 2		

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SCHEDULE 2K-1 BENEFICIARY'S SHARE OF INCOME, DEDUCTIONS, ETC.

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Schedule 2K-1 shows each beneficiary's share of income, deductions, etc., distributed by the estate or trust. Schedule 2K-1 requires an entry for the federal amount, adjustment, and Wisconsin amount of each applicable estate or trust item.

If an estate or trust is the shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, the portion of the electing tax-option (S) corporation's items distributable to the beneficiaries must be included on Schedule 2K-1 as if the election was not made. The estate or trust must provide the beneficiary a supplemental statement with the Schedule 2K-1 detailing the items from the electing tax-option (S) corporation and informing the beneficiary that the tax-option (S) corporation made the election to pay tax at the entity level.

Prepare a Schedule 2K-1 for each individual or entity that was a beneficiary during the estate's or trust's taxable year. Enclose a copy of each beneficiary's Schedule 2K-1 with the Form 2 filed with the department. Keep a copy as part of the estate's or trust's records and give each beneficiary his or her own separate copy.

Exceptions A Schedule 2K-1 need not be prepared for a Wisconsin resident beneficiary if there are no differences between federal and Wisconsin income, deductions, gains or losses and there are no Wisconsin credits or withholding to be reported. Schedule 2K-1 need not be prepared for nonresident beneficiaries if the income, deductions, etc., distributed are not from Wisconsin sources and there are no Wisconsin credits to be reported. Income from Wisconsin sources includes:

- Wages, salaries, commissions, and other income for personal services performed in Wisconsin.
- Rents and royalties from tangible property located in Wisconsin, such as land, buildings, and machinery.
- Gains or losses from sales or other dispositions of tangible property located in Wisconsin, such as land, buildings, and machinery.
- Profits or losses from businesses, professions, and farm operations conducted in Wisconsin, including sole proprietorships, partnerships, limited liability companies (LLCs), and tax-option (S) corporations.
- Income from the Wisconsin state lottery, a multijurisdictional lottery if the winning lottery ticket or lottery share was purchased from a Wisconsin retailer, or pari-mutuel wager winnings and purses.
- Winnings from a casino or bingo hall located in Wisconsin and operated by a Native American tribe or band.

On each Schedule 2K-1, enter the name and federal identification number of the trust or estate. Also enter the beneficiary's identifying number (social security number

for individuals), name, and address and the fiduciary's name and address in the appropriate spaces.

Column b. Federal Amount – Enter the applicable amount from federal Schedule K-1.

Exception If the federal amount was computed using a provision of federal law that Wisconsin doesn't follow, you must first complete Schedule B on Form 2, page 3. See the instructions for lines 1 through 9 of Schedule 2K-1 for more information.

Column c. Adjustment – Enter the amount of any additions or subtractions from federal income (modifications and any other adjustments) made to arrive at the amount of any item of estate or trust income, deduction, etc., reportable under Wisconsin law.

Column d. Wisconsin Amount – Enter the amount of total income under Wisconsin law. Combine the amount in column b with any adjustment in column c and enter the result in column d.

Column e. Wisconsin Source Amount – For nonresident or part-year Wisconsin residents only. Fill in the Wisconsin source amount of the beneficiary's portion in column d that is attributable to Wisconsin.

Caution Do not fill in column e for a beneficiary who is a full-year resident of Wisconsin.

SPECIFIC INSTRUCTIONS

Lines 1 through 9. Enter in column b the amount from federal Schedule K-1.

Exception If an item is computed under a provision of federal law that cannot be used for Wisconsin purposes, enter in column b the amount from the federal Schedule K-1 plus or minus, as appropriate, the beneficiary's share of the amount from Schedule B, column 1 of Form 2. On line 13, identify the beneficiary's share of the amount from Schedule B, column 1 as a "Schedule I Adjustment" if the beneficiary is an individual or a "Schedule B Adjustment" if the beneficiary is a trust or estate. Each beneficiary must account for this federal – Wisconsin difference on Wisconsin Schedule I (or Schedule B).

Enter the amount of the beneficiary's share of modifications from lines 3, 5, 8, 10, and 11 of Schedule A, Form 2 on the appropriate lines of Schedule 2K-1, column c. Show addition modifications as a positive number and subtraction modifications as a negative number.

Example 1: If the federal amount on line 1, column b of Schedule 2K-1 includes any U.S. government interest, show the beneficiary's share of the amount of U.S. government interest as a subtraction modification in column c.

Example 2: If the federal amount on line 6, 7, or 8, col-

umn b of Schedule 2K-1 includes a deduction for state and local income taxes, show the beneficiary's share of the amount of taxes as an addition modification in column c.

Note Do not adjust for state and municipal interest on line 1, column c. Enter state and municipal interest taxable to Wisconsin as a subtraction on line 13, column c as "Tax-exempt interest."

For lines 3 and 4a, enter in column d the beneficiary's share of the amounts from lines 8c and 17c of Wisconsin Schedule 2WD. Enter in column b the amounts from lines 3 and 4a of the federal K-1. The difference between column d and column b is entered as the adjustment in column c.

For line 4b, enter in column d the portion of the amount from column d of line 4a that is attributable to gain on the sale of farm assets, determined as follows:

distributable long-term gain from the sale of farm assets listed on federal Form 8949 and taxable to Wisconsin plus distributable gain from the sale of farm assets included in line 12 or 13 of Schedule 2WD

X amount from line 4a

long-term capital gain included in line 17c of Schedule 2WD*

Line 10. If the beneficiary is an individual, the Wisconsin amount in column d is zero. If the beneficiary is another estate or a trust, the amount in column d will be the same as column b.

Line 11. If an amount is entered in column b as "Excess deductions" and the beneficiary is an individual, enter the negative of the amount in column b in column c and zero in column d. If the beneficiary is an estate or trust, the amount to enter in column c is determined as explained on page 14 under "Column c. Adjustment."

Line 12. Enter the beneficiary's share of adjustment for minimum tax purposes and distributable tax preference items from federal Schedule K-1. If any adjustment on lines 5 through 9 in column c of Schedule 2K-1 relates to an item that generates an "adjustment" or tax preference amount for minimum tax purposes, any resulting increase or decrease in the amount of the "adjustment" or tax preference for Wisconsin purposes should be entered as an adjustment in column c.

Example For Wisconsin purposes an adjustment is reported on line 6 in column c of Schedule 2K-1, to increase by \$10,000 the amount of depreciation on an asset that has a larger basis for Wisconsin than for federal purposes. This depreciation is computed under an accelerated method and \$4,000 of the \$10,000 represents a tax preference. Therefore, \$4,000 would be entered on line 12, column c under "Accelerated depreciation."

Line 13. If any portion of an amount entered in column b as "Tax-exempt interest" is taxable for Wisconsin purposes, enter it as a subtraction in column c. The amount in column d is the amount of tax-exempt interest for Wis-

consin purposes.

Lines 14a and 14b. Enter the beneficiary's share of related entity expenses required to be added to Wisconsin income and allowed to be subtracted from Wisconsin income.

Lines 15a through 15i. Enter the amount of credit allocable to the beneficiary and the name of the schedule the credit is from (TC, DC, EC, MI, ED, JT, CM, MA-A, MA-M, R, BD, HR, or LI).

Exception If claiming one of the following credits, enter the corresponding three-letter code:

- · Angel investment credit VCA
- Early stage seed investment credit VCE
- Electronics and information technology manufacturing zone credit - EIT

Line 15j. Enter the withholding tax paid by the trust or estate on behalf of a nonresident beneficiary. Do not include other types of withholding received, including withholding from Forms 1099-R, W-2, and W2-G. If a nonresident beneficiary claims exemption from withholding because they are an exempt entity, enclose a copy of the exemption statement with the Form 2 filed with the department.

If the trust or estate is a member of another entity that withheld Wisconsin income tax from that entity's income that is passed through to the trust's or estate's beneficiaries, also include that tax withheld in column d and e.

Line 16. For each of columns d and e, combine lines 1 through 8. From the result, subtract line 9. Add or subtract, as appropriate, any income or deductions reported on line 13 that affect the computation of taxable income.

^{*}do not include any losses in this amount

2018 TAX TABLE

If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is
			4,000 4,100 4,200 4,300 4,400	4,100 4,200 4,300 4,400 4,500	162 166 170 174 178	9,500 9,600 9,700 9,800 9,900	9,600 9,700 9,800 9,900 10,000	382 386 390 394 398	15,000 15,100 15,200 15,300 15,400	15,100 15,200 15,300 15,400 15,500	668 674 680 686 692	20,500 20,600 20,700 20,800 20,900	20,600 20,700 20,800 20,900 21,000	989 995 1,001 1,007 1,013
			4,500	4,600	182	10,000	10,100	402	15,500	15,600	697	21,000	21,100	1,019
			4,600	4,700	186	10,100	10,200	406	15,600	15,700	703	21,100	21,200	1,024
			4,700	4,800	190	10,200	10,300	410	15,700	15,800	709	21,200	21,300	1,030
			4,800	4,900	194	10,300	10,400	414	15,800	15,900	715	21,300	21,400	1,036
			4,900	5,000	198	10,400	10,500	418	15,900	16,000	721	21,400	21,500	1,042
0 20	20 0 40 1		5,000 5,100 5,200 5,300 5,400	5,100 5,200 5,300 5,400 5,500	202 206 210 214 218	10,500 10,600 10,700 10,800 10,900	10,600 10,700 10,800 10,900 11,000	422 426 430 434 438	16,000 16,100 16,200 16,300 16,400	16,100 16,200 16,300 16,400 16,500	727 732 738 744 750	21,500 21,600 21,700 21,800 21,900	21,600 21,700 21,800 21,900 22,000	1,048 1,054 1,060 1,065 1,071
40	100	3	5,500	5,600	222	11,000	11,100	442	16,500	16,600	756	22,000	22,100	1,077
100	200	6	5,600	5,700	226	11,100	11,200	446	16,600	16,700	762	22,100	22,200	1,083
200	300	10	5,700	5,800	230	11,200	11,300	450	16,700	16,800	768	22,200	22,300	1,089
300	400	14	5,800	5,900	234	11,300	11,400	454	16,800	16,900	773	22,300	22,400	1,095
400	500	18	5,900	6,000	238	11,400	11,500	458	16,900	17,000	779	22,400	22,500	1,100
500	600	22	6,000	6,100	242	11,500	11,600	464	17,000	17,100	785	22,500	22,600	1,106
600	700	26	6,100	6,200	246	11,600	11,700	470	17,100	17,200	791	22,600	22,700	1,112
700	800	30	6,200	6,300	250	11,700	11,800	476	17,200	17,300	797	22,700	22,800	1,118
800	900	34	6,300	6,400	254	11,800	11,900	481	17,300	17,400	803	22,800	22,900	1,124
900	1,000	38	6,400	6,500	258	11,900	12,000	487	17,400	17,500	808	22,900	23,000	1,130
1,000	1,100	42	6,500	6,600	262	12,000	12,100	493	17,500	17,600	814	23,000	23,100	1,136
1,100	1,200	46	6,600	6,700	266	12,100	12,200	499	17,600	17,700	820	23,100	23,200	1,142
1,200	1,300	50	6,700	6,800	270	12,200	12,300	505	17,700	17,800	826	23,200	23,300	1,149
1,300	1,400	54	6,800	6,900	274	12,300	12,400	511	17,800	17,900	832	23,300	23,400	1,155
1,400	1,500	58	6,900	7,000	278	12,400	12,500	516	17,900	18,000	838	23,400	23,500	1,161
1,500	1,600	62	7,000	7,100	282	12,500	12,600	522	18,000	18,100	843	23,500	23,600	1,167
1,600	1,700	66	7,100	7,200	286	12,600	12,700	528	18,100	18,200	849	23,600	23,700	1,174
1,700	1,800	70	7,200	7,300	290	12,700	12,800	534	18,200	18,300	855	23,700	23,800	1,180
1,800	1,900	74	7,300	7,400	294	12,800	12,900	540	18,300	18,400	861	23,800	23,900	1,186
1,900	2,000	78	7,400	7,500	298	12,900	13,000	546	18,400	18,500	867	23,900	24,000	1,193
2,000	2,100	82	7,500	7,600	302	13,000	13,100	551	18,500	18,600	873	24,000	24,100	1,199
2,100	2,200	86	7,600	7,700	306	13,100	13,200	557	18,600	18,700	878	24,100	24,200	1,205
2,200	2,300	90	7,700	7,800	310	13,200	13,300	563	18,700	18,800	884	24,200	24,300	1,211
2,300	2,400	94	7,800	7,900	314	13,300	13,400	569	18,800	18,900	890	24,300	24,400	1,218
2,400	2,500	98	7,900	8,000	318	13,400	13,500	575	18,900	19,000	896	24,400	24,500	1,224
2,500	2,600	102	8,000	8,100	322	13,500	13,600	581	19,000	19,100	902	24,500	24,600	1,230
2,600	2,700	106	8,100	8,200	326	13,600	13,700	586	19,100	19,200	908	24,600	24,700	1,236
2,700	2,800	110	8,200	8,300	330	13,700	13,800	592	19,200	19,300	914	24,700	24,800	1,243
2,800	2,900	114	8,300	8,400	334	13,800	13,900	598	19,300	19,400	919	24,800	24,900	1,249
2,900	3,000	118	8,400	8,500	338	13,900	14,000	604	19,400	19,500	925	24,900	25,000	1,255
3,000	3,100	122	8,500	8,600	342	14,000	14,100	610	19,500	19,600	931	25,000	25,100	1,261
3,100	3,200	126	8,600	8,700	346	14,100	14,200	616	19,600	19,700	937	25,100	25,200	1,268
3,200	3,300	130	8,700	8,800	350	14,200	14,300	622	19,700	19,800	943	25,200	25,300	1,274
3,300	3,400	134	8,800	8,900	354	14,300	14,400	627	19,800	19,900	949	25,300	25,400	1,280
3,400	3,500	138	8,900	9,000	358	14,400	14,500	633	19,900	20,000	954	25,400	25,500	1,287
3,500	3,600	142	9,000	9,100	362	14,500	14,600	639	20,000	20,100	960	25,500	25,600	1,293
3,600	3,700	146	9,100	9,200	366	14,600	14,700	645	20,100	20,200	966	25,600	25,700	1,299
3,700	3,800	150	9,200	9,300	370	14,700	14,800	651	20,200	20,300	972	25,700	25,800	1,305
3,800	3,900	154	9,300	9,400	374	14,800	14,900	657	20,300	20,400	978	25,800	25,900	1,312
3,900	4,000	158	9,400	9,500	378	14,900	15,000	662	20,400	20,500	984	25,900	26,000	1,318

2018 TAX TABLE (Continued)

2010 IAX IABEL (Continued)														
If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is
26,000	26,100	1,324	31,500	31,600	1,669	37,000	37,100	2,014	42,500	42,600	2,359	48,000	48,100	2,704
26,100	26,200	1,330	31,600	31,700	1,675	37,100	37,200	2,020	42,600	42,700	2,365	48,100	48,200	2,710
26,200	26,300	1,337	31,700	31,800	1,682	37,200	37,300	2,026	42,700	42,800	2,371	48,200	48,300	2,716
26,300	26,400	1,343	31,800	31,900	1,688	37,300	37,400	2,033	42,800	42,900	2,378	48,300	48,400	2,722
26,400	26,500	1,349	31,900	32,000	1,694	37,400	37,500	2,039	42,900	43,000	2,384	48,400	48,500	2,729
26,500	26,600	1,356	32,000	32,100	1,700	37,500	37,600	2,045	43,000	43,100	2,390	48,500	48,600	2,735
26,600	26,700	1,362	32,100	32,200	1,707	37,600	37,700	2,052	43,100	43,200	2,396	48,600	48,700	2,741
26,700	26,800	1,368	32,200	32,300	1,713	37,700	37,800	2,058	43,200	43,300	2,403	48,700	48,800	2,747
26,800	26,900	1,374	32,300	32,400	1,719	37,800	37,900	2,064	43,300	43,400	2,409	48,800	48,900	2,754
26,900	27,000	1,381	32,400	32,500	1,725	37,900	38,000	2,070	43,400	43,500	2,415	48,900	49,000	2,760
27,000	27,100	1,387	32,500	32,600	1,732	38,000	38,100	2,077	43,500	43,600	2,421	49,000	49,100	2,766
27,100	27,200	1,393	32,600	32,700	1,738	38,100	38,200	2,083	43,600	43,700	2,428	49,100	49,200	2,773
27,200	27,300	1,399	32,700	32,800	1,744	38,200	38,300	2,089	43,700	43,800	2,434	49,200	49,300	2,779
27,300	27,400	1,406	32,800	32,900	1,751	38,300	38,400	2,095	43,800	43,900	2,440	49,300	49,400	2,785
27,400	27,500	1,412	32,900	33,000	1,757	38,400	38,500	2,102	43,900	44,000	2,447	49,400	49,500	2,791
27,500	27,600	1,418	33,000	33,100	1,763	38,500	38,600	2,108	44,000	44,100	2,453	49,500	49,600	2,798
27,600	27,700	1,425	33,100	33,200	1,769	38,600	38,700	2,114	44,100	44,200	2,459	49,600	49,700	2,804
27,700	27,800	1,431	33,200	33,300	1,776	38,700	38,800	2,120	44,200	44,300	2,465	49,700	49,800	2,810
27,800	27,900	1,437	33,300	33,400	1,782	38,800	38,900	2,127	44,300	44,400	2,472	49,800	49,900	2,816
27,900	28,000	1,443	33,400	33,500	1,788	38,900	39,000	2,133	44,400	44,500	2,478	49,900	50,000	2,823
28,000	28,100	1,450	33,500	33,600	1,794	39,000	39,100	2,139	44,500	44,600	2,484	50,000	50,100	2,829
28,100	28,200	1,456	33,600	33,700	1,801	39,100	39,200	2,146	44,600	44,700	2,490	50,100	50,200	2,835
28,200	28,300	1,462	33,700	33,800	1,807	39,200	39,300	2,152	44,700	44,800	2,497	50,200	50,300	2,842
28,300	28,400	1,468	33,800	33,900	1,813	39,300	39,400	2,158	44,800	44,900	2,503	50,300	50,400	2,848
28,400	28,500	1,475	33,900	34,000	1,820	39,400	39,500	2,164	44,900	45,000	2,509	50,400	50,500	2,854
28,500	28,600	1,481	34,000	34,100	1,826	39,500	39,600	2,171	45,000	45,100	2,515	50,500	50,600	2,860
28,600	28,700	1,487	34,100	34,200	1,832	39,600	39,700	2,177	45,100	45,200	2,522	50,600	50,700	2,867
28,700	28,800	1,493	34,200	34,300	1,838	39,700	39,800	2,183	45,200	45,300	2,528	50,700	50,800	2,873
28,800	28,900	1,500	34,300	34,400	1,845	39,800	39,900	2,189	45,300	45,400	2,534	50,800	50,900	2,879
28,900	29,000	1,506	34,400	34,500	1,851	39,900	40,000	2,196	45,400	45,500	2,541	50,900	51,000	2,885
29,000	29,100	1,512	34,500	34,600	1,857	40,000	40,100	2,202	45,500	45,600	2,547	51,000	51,100	2,892
29,100	29,200	1,519	34,600	34,700	1,863	40,100	40,200	2,208	45,600	45,700	2,553	51,100	51,200	2,898
29,200	29,300	1,525	34,700	34,800	1,870	40,200	40,300	2,215	45,700	45,800	2,559	51,200	51,300	2,904
29,300	29,400	1,531	34,800	34,900	1,876	40,300	40,400	2,221	45,800	45,900	2,566	51,300	51,400	2,910
29,400	29,500	1,537	34,900	35,000	1,882	40,400	40,500	2,227	45,900	46,000	2,572	51,400	51,500	2,917
29,500	29,600	1,544	35,000	35,100	1,888	40,500	40,600	2,233	46,000	46,100	2,578	51,500	51,600	2,923
29,600	29,700	1,550	35,100	35,200	1,895	40,600	40,700	2,240	46,100	46,200	2,584	51,600	51,700	2,929
29,700	29,800	1,556	35,200	35,300	1,901	40,700	40,800	2,246	46,200	46,300	2,591	51,700	51,800	2,936
29,800	29,900	1,562	35,300	35,400	1,907	40,800	40,900	2,252	46,300	46,400	2,597	51,800	51,900	2,942
29,900	30,000	1,569	35,400	35,500	1,914	40,900	41,000	2,258	46,400	46,500	2,603	51,900	52,000	2,948
30,000	30,100	1,575	35,500	35,600	1,920	41,000	41,100	2,265	46,500	46,600	2,610	52,000	52,100	2,954
30,100	30,200	1,581	35,600	35,700	1,926	41,100	41,200	2,271	46,600	46,700	2,616	52,100	52,200	2,961
30,200	30,300	1,588	35,700	35,800	1,932	41,200	41,300	2,277	46,700	46,800	2,622	52,200	52,300	2,967
30,300	30,400	1,594	35,800	35,900	1,939	41,300	41,400	2,283	46,800	46,900	2,628	52,300	52,400	2,973
30,400	30,500	1,600	35,900	36,000	1,945	41,400	41,500	2,290	46,900	47,000	2,635	52,400	52,500	2,979
30,500	30,600	1,606	36,000	36,100	1,951	41,500	41,600	2,296	47,000	47,100	2,641	52,500	52,600	2,986
30,600	30,700	1,613	36,100	36,200	1,957	41,600	41,700	2,302	47,100	47,200	2,647	52,600	52,700	2,992
30,700	30,800	1,619	36,200	36,300	1,964	41,700	41,800	2,309	47,200	47,300	2,653	52,700	52,800	2,998
30,800	30,900	1,625	36,300	36,400	1,970	41,800	41,900	2,315	47,300	47,400	2,660	52,800	52,900	3,005
30,900	31,000	1,631	36,400	36,500	1,976	41,900	42,000	2,321	47,400	47,500	2,666	52,900	53,000	3,011
31,000	31,100	1,638	36,500	36,600	1,983	42,000	42,100	2,327	47,500	47,600	2,672	53,000	53,100	3,017
31,100	31,200	1,644	36,600	36,700	1,989	42,100	42,200	2,334	47,600	47,700	2,679	53,100	53,200	3,023
31,200	31,300	1,650	36,700	36,800	1,995	42,200	42,300	2,340	47,700	47,800	2,685	53,200	53,300	3,030
31,300	31,400	1,656	36,800	36,900	2,001	42,300	42,400	2,346	47,800	47,900	2,691	53,300	53,400	3,036
31,400	31,500	1,663	36,900	37,000	2,008	42,400	42,500	2,352	47,900	48,000	2,697	53,400	53,500	3,042

2018 TAX TABLE (Continued)

If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is	If Line 5 is at least	but less than	Gross tax is
53,500	53,600	3,048	59,000	59,100	3,393	64,500	64,600	3,738	70,000	70,100	4,083	75,500	75,600	4,428
53,600	53,700	3,055	59,100	59,200	3,400	64,600	64,700	3,744	70,100	70,200	4,089	75,600	75,700	4,434
53,700	53,800	3,061	59,200	59,300	3,406	64,700	64,800	3,751	70,200	70,300	4,096	75,700	75,800	4,440
53,800	53,900	3,067	59,300	59,400	3,412	64,800	64,900	3,757	70,300	70,400	4,102	75,800	75,900	4,447
53,900	54,000	3,074	59,400	59,500	3,418	64,900	65,000	3,763	70,400	70,500	4,108	75,900	76,000	4,453
54,000	54,100	3,080	59,500	59,600	3,425	65,000	65,100	3,769	70,500	70,600	4,114	76,000	76,100	4,459
54,100	54,200	3,086	59,600	59,700	3,431	65,100	65,200	3,776	70,600	70,700	4,121	76,100	76,200	4,465
54,200	54,300	3,092	59,700	59,800	3,437	65,200	65,300	3,782	70,700	70,800	4,127	76,200	76,300	4,472
54,300	54,400	3,099	59,800	59,900	3,443	65,300	65,400	3,788	70,800	70,900	4,133	76,300	76,400	4,478
54,400	54,500	3,105	59,900	60,000	3,450	65,400	65,500	3,795	70,900	71,000	4,139	76,400	76,500	4,484
54,500	54,600	3,111	60,000	60,100	3,456	65,500	65,600	3,801	71,000	71,100	4,146	76,500	76,600	4,491
54,600	54,700	3,117	60,100	60,200	3,462	65,600	65,700	3,807	71,100	71,200	4,152	76,600	76,700	4,497
54,700	54,800	3,124	60,200	60,300	3,469	65,700	65,800	3,813	71,200	71,300	4,158	76,700	76,800	4,503
54,800	54,900	3,130	60,300	60,400	3,475	65,800	65,900	3,820	71,300	71,400	4,164	76,800	76,900	4,509
54,900	55,000	3,136	60,400	60,500	3,481	65,900	66,000	3,826	71,400	71,500	4,171	76,900	77,000	4,516
55,000	55,100	3,142	60,500	60,600	3,487	66,000	66,100	3,832	71,500	71,600	4,177	77,000	77,100	4,522
55,100	55,200	3,149	60,600	60,700	3,494	66,100	66,200	3,838	71,600	71,700	4,183	77,100	77,200	4,528
55,200	55,300	3,155	60,700	60,800	3,500	66,200	66,300	3,845	71,700	71,800	4,190	77,200	77,300	4,534
55,300	55,400	3,161	60,800	60,900	3,506	66,300	66,400	3,851	71,800	71,900	4,196	77,300	77,400	4,541
55,400	55,500	3,168	60,900	61,000	3,512	66,400	66,500	3,857	71,900	72,000	4,202	77,400	77,500	4,547
55,500	55,600	3,174	61,000	61,100	3,519	66,500	66,600	3,864	72,000	72,100	4,208	77,500	77,600	4,553
55,600	55,700	3,180	61,100	61,200	3,525	66,600	66,700	3,870	72,100	72,200	4,215	77,600	77,700	4,560
55,700	55,800	3,186	61,200	61,300	3,531	66,700	66,800	3,876	72,200	72,300	4,221	77,700	77,800	4,566
55,800	55,900	3,193	61,300	61,400	3,537	66,800	66,900	3,882	72,300	72,400	4,227	77,800	77,900	4,572
55,900	56,000	3,199	61,400	61,500	3,544	66,900	67,000	3,889	72,400	72,500	4,233	77,900	78,000	4,578
56,000	56,100	3,205	61,500	61,600	3,550	67,000	67,100	3,895	72,500	72,600	4,240	78,000	78,100	4,585
56,100	56,200	3,211	61,600	61,700	3,556	67,100	67,200	3,901	72,600	72,700	4,246	78,100	78,200	4,591
56,200	56,300	3,218	61,700	61,800	3,563	67,200	67,300	3,907	72,700	72,800	4,252	78,200	78,300	4,597
56,300	56,400	3,224	61,800	61,900	3,569	67,300	67,400	3,914	72,800	72,900	4,259	78,300	78,400	4,603
56,400	56,500	3,230	61,900	62,000	3,575	67,400	67,500	3,920	72,900	73,000	4,265	78,400	78,500	4,610
56,500	56,600	3,237	62,000	62,100	3,581	67,500	67,600	3,926	73,000	73,100	4,271	78,500	78,600	4,616
56,600	56,700	3,243	62,100	62,200	3,588	67,600	67,700	3,933	73,100	73,200	4,277	78,600	78,700	4,622
56,700	56,800	3,249	62,200	62,300	3,594	67,700	67,800	3,939	73,200	73,300	4,284	78,700	78,800	4,628
56,800	56,900	3,255	62,300	62,400	3,600	67,800	67,900	3,945	73,300	73,400	4,290	78,800	78,900	4,635
56,900	57,000	3,262	62,400	62,500	3,606	67,900	68,000	3,951	73,400	73,500	4,296	78,900	79,000	4,641
57,000	57,100	3,268	62,500	62,600	3,613	68,000	68,100	3,958	73,500	73,600	4,302	79,000	79,100	4,647
57,100	57,200	3,274	62,600	62,700	3,619	68,100	68,200	3,964	73,600	73,700	4,309	79,100	79,200	4,654
57,200	57,300	3,280	62,700	62,800	3,625	68,200	68,300	3,970	73,700	73,800	4,315	79,200	79,300	4,660
57,300	57,400	3,287	62,800	62,900	3,632	68,300	68,400	3,976	73,800	73,900	4,321	79,300	79,400	4,666
57,400	57,500	3,293	62,900	63,000	3,638	68,400	68,500	3,983	73,900	74,000	4,328	79,400	79,500	4,672
57,500	57,600	3,299	63,000	63,100	3,644	68,500	68,600	3,989	74,000	74,100	4,334	79,500	79,600	4,679
57,600	57,700	3,306	63,100	63,200	3,650	68,600	68,700	3,995	74,100	74,200	4,340	79,600	79,700	4,685
57,700	57,800	3,312	63,200	63,300	3,657	68,700	68,800	4,001	74,200	74,300	4,346	79,700	79,800	4,691
57,800	57,900	3,318	63,300	63,400	3,663	68,800	68,900	4,008	74,300	74,400	4,353	79,800	79,900	4,697
57,900	58,000	3,324	63,400	63,500	3,669	68,900	69,000	4,014	74,400	74,500	4,359	79,900	80,000	4,704
58,000	58,100	3,331	63,500	63,600	3,675	69,000	69,100	4,020	74,500	74,600	4,365	80,000	80,100	4,710
58,100	58,200	3,337	63,600	63,700	3,682	69,100	69,200	4,027	74,600	74,700	4,371	80,100	80,200	4,716
58,200	58,300	3,343	63,700	63,800	3,688	69,200	69,300	4,033	74,700	74,800	4,378	80,200	80,300	4,723
58,300	58,400	3,349	63,800	63,900	3,694	69,300	69,400	4,039	74,800	74,900	4,384	80,300	80,400	4,729
58,400	58,500	3,356	63,900	64,000	3,701	69,400	69,500	4,045	74,900	75,000	4,390	80,400	80,500	4,735
58,500	58,600	3,362	64,000	64,100	3,707	69,500	69,600	4,052	75,000	75,100	4,396	80,500	80,600	4,741
58,600	58,700	3,368	64,100	64,200	3,713	69,600	69,700	4,058	75,100	75,200	4,403	80,600	80,700	4,748
58,700	58,800	3,374	64,200	64,300	3,719	69,700	69,800	4,064	75,200	75,300	4,409	80,700	80,800	4,754
58,800	58,900	3,381	64,300	64,400	3,726	69,800	69,900	4,070	75,300	75,400	4,415	80,800	80,900	4,760
58,900	59,000	3,387	64,400	64,500	3,732	69,900	70,000	4,077	75,400	75,500	4,422	80,900	81,000	4,766

2018 TAX TABLE (Continued)

If Line 5	but	0	If Line 5	but	0	If Line 5	but	0	If Line 5	but	0
is at least	less than	Gross tax is	is at least	less than	Gross tax is	is at least	less than	Gross tax is	is at least	less than	Gross tax is
81,000 81,100 81,200 81,300 81,400	81,100 81,200 81,300 81,400 81,500	4,773 4,779 4,785 4,791 4,798	86,500 86,600 86,700 86,800 86,900	86,600 86,700 86,800 86,900 87,000	5,118 5,124 5,130 5,136 5,143	92,000 92,100 92,200 92,300 92,400	92,100 92,200 92,300 92,400 92,500	5,462 5,469 5,475 5,481 5,487	97,500 97,600 97,700 97,800 97,900	97,600 97,700 97,800 97,900 98,000	5,807 5,814 5,820 5,826 5,832
81,500 81,600 81,700 81,800 81,900	81,600 81,700 81,800 81,900 82,000	4,804 4,810 4,817 4,823 4,829	87,000 87,100 87,200 87,300 87,400	87,100 87,200 87,300 87,400 87,500	5,149 5,155 5,161 5,168 5,174	92,500 92,600 92,700 92,800 92,900	92,600 92,700 92,800 92,900 93,000	5,494 5,500 5,506 5,513 5,519	98,000 98,100 98,200 98,300 98,400	98,100 98,200 98,300 98,400 98,500	5,839 5,845 5,851 5,857 5,864
82,000 82,100 82,200 82,300 82,400	82,100 82,200 82,300 82,400 82,500	4,835 4,842 4,848 4,854 4,860	87,500 87,600 87,700 87,800 87,900	87,600 87,700 87,800 87,900 88,000	5,180 5,187 5,193 5,199 5,205	93,000 93,100 93,200 93,300 93,400	93,100 93,200 93,300 93,400 93,500	5,525 5,531 5,538 5,544 5,550	98,500 98,600 98,700 98,800 98,900	98,600 98,700 98,800 98,900 99,000	5,870 5,876 5,882 5,889 5,895
82,500 82,600 82,700 82,800 82,900	82,600 82,700 82,800 82,900 83,000	4,867 4,873 4,879 4,886 4,892	88,000 88,100 88,200 88,300 88,400	88,100 88,200 88,300 88,400 88,500	5,212 5,218 5,224 5,230 5,237	93,500 93,600 93,700 93,800 93,900	93,600 93,700 93,800 93,900 94,000	5,556 5,563 5,569 5,575 5,582	99,000 99,100 99,200 99,300 99,400	99,100 99,200 99,300 99,400 99,500	5,901 5,908 5,914 5,920 5,926
83,000 83,100 83,200 83,300 83,400	83,100 83,200 83,300 83,400 83,500	4,898 4,904 4,911 4,917 4,923	88,500 88,600 88,700 88,800 88,900	88,600 88,700 88,800 88,900 89,000	5,243 5,249 5,255 5,262 5,268	94,000 94,100 94,200 94,300 94,400	94,100 94,200 94,300 94,400 94,500	5,588 5,594 5,600 5,607 5,613	99,500 99,600 99,700 99,800 99,900	99,600 99,700 99,800 99,900 100,000	5,933 5,939 5,945 5,951 5,958
83,500 83,600 83,700 83,800 83,900	83,600 83,700 83,800 83,900 84,000	4,929 4,936 4,942 4,948 4,955	89,000 89,100 89,200 89,300 89,400	89,100 89,200 89,300 89,400 89,500	5,274 5,281 5,287 5,293 5,299	94,500 94,600 94,700 94,800 94,900	94,600 94,700 94,800 94,900 95,000	5,619 5,625 5,632 5,638 5,644	amount	252,150 6.27% of over \$10 than \$2	00,000
84,000 84,100 84,200 84,300 84,400	84,100 84,200 84,300 84,400 84,500	4,961 4,967 4,973 4,980 4,986	89,500 89,600 89,700 89,800 89,900	89,600 89,700 89,800 89,900 90,000	5,306 5,312 5,318 5,324 5,331	95,000 95,100 95,200 95,300 95,400	95,100 95,200 95,300 95,400 95,500	5,650 5,657 5,663 5,669 5,676	\$15,501	,150 or r plus 7.65 t over \$2	% of the
84,500 84,600 84,700 84,800 84,900	84,600 84,700 84,800 84,900 85,000	4,992 4,998 5,005 5,011 5,017	90,000 90,100 90,200 90,300 90,400	90,100 90,200 90,300 90,400 90,500	5,337 5,343 5,350 5,356 5,362	95,500 95,600 95,700 95,800 95,900	95,600 95,700 95,800 95,900 96,000	5,682 5,688 5,694 5,701 5,707			
85,000 85,100 85,200 85,300 85,400	85,100 85,200 85,300 85,400 85,500	5,023 5,030 5,036 5,042 5,049	90,500 90,600 90,700 90,800 90,900	90,600 90,700 90,800 90,900 91,000	5,368 5,375 5,381 5,387 5,393	96,000 96,100 96,200 96,300 96,400	96,100 96,200 96,300 96,400 96,500	5,713 5,719 5,726 5,732 5,738			
85,500 85,600 85,700 85,800 85,900	85,600 85,700 85,800 85,900 86,000	5,055 5,061 5,067 5,074 5,080	91,000 91,100 91,200 91,300 91,400	91,100 91,200 91,300 91,400 91,500	5,400 5,406 5,412 5,418 5,425	96,500 96,600 96,700 96,800 96,900	96,600 96,700 96,800 96,900 97,000	5,745 5,751 5,757 5,763 5,770			
86,000 86,100 86,200 86,300 86,400	86,100 86,200 86,300 86,400 86,500	5,086 5,092 5,099 5,105 5,111	91,500 91,600 91,700 91,800 91,900	91,600 91,700 91,800 91,900 92,000	5,431 5,437 5,444 5,450 5,456	97,000 97,100 97,200 97,300 97,400	97,100 97,200 97,300 97,400 97,500	5,776 5,782 5,788 5,795 5,801			

TIPS ON FILING FORM 2

E-file Form 2 for the fastest processing available. However, if you do paper file, there are several things you can do that will speed-up processing.

Paper returns are electronically scanned. The processing of the return (and any refund) is delayed when the return cannot be read correctly. **To aid in the scanning process**, be sure to do the following when completing Form 2:

- Do not submit photocopies to the department. Photocopies can cause unreadable entries.
- Use BLACK INK. Pencils, colored ink, and markers do not scan well.
- Write name and address information clearly using BLOCK CAPITAL LETTERS like this: A B C D ...
- NEVER USE COMMAS OR DOLLAR SIGNS. They can be misread when scanned.
- Round off amounts to WHOLE DOLLARS NO CENTS.
- Do not use parentheses () for a negative number. Use a negative sign, -8300 rather than (8300).
- Print your numbers like this: 0123456789 Do not use: Ø147
- Do not add cents in front of the preprinted zeros on entry lines.
- · Do not cross out entries. Erase or start over.
- Do not write in the margins.
- Always put entries on the lines, do not write to the side, above, or below the line.
- Lines where no entry is required should be left blank. Do not fill in zeros.
- Do not draw vertical lines in entry fields. They can be read as a "1" when scanned.
- If mailing more than one Form 2 at a time, use colored separator sheets in between returns.
- Do not use staples when assembling Form 2 and enclosures.

