

2020 Form WT-12 Instructions Nonresident Entertainer's Lower Rate Request

An employer is generally required to withhold from a nonresident entertainer's payment if the total contract price for the nonresident entertainer's performance in Wisconsin is more than \$7,000, unless the nonresident entertainer has filed a sufficient surety bond or cash deposit with the Wisconsin Department of Revenue.

The nonresident entertainer may request a lower rate (less than 6% of the total contract price). The lower rate request must be sent to the department at least 30 days before the beginning of the performance in Wisconsin.

Definitions

Lower Rate Request

The nonresident entertainer may request a lower rate of withholding (less than 6% of the total contract price), on the basis that the ordinary and necessary deductible expenses in performing the services required by the contract would merit a lower rate. The nonresident entertainer must provide the department a completed Form WT-12 and Schedule IE, *Statement of Necessary Business Expenses Related to Performance* at least 30 days prior to the nonresident entertainer's performance date in Wisconsin.

Total Contract Price

"Total contract price" is the amount of consideration indicated in the contract as the price for the nonresident entertainer's performance, including amounts payable in money or the cash value of any medium other than cash. It also includes any specific amounts to be paid to the nonresident entertainer or subcontracted services such as lighting, sound, or any other special services or properties required by the nonresident entertainer.

"Total contract price" also includes amounts previously earned in Wisconsin by the entertainer during the same calendar year for which no bond or cash deposit has been filed or for which no amounts have been withheld. Total contract price does not include travel expenses, paid to or on behalf of an entertainer, that are made under an accountable plan for actual transportation, lodging, meals directly related to the performance.

Refer to Wisconsin Publication 508 Nonresident Entertainers, for detailed examples of exceptions of "total contract price".

Exceptions

Waiver of the Withholding Requirement

Nonresident entertainers who are exempt from Wisconsin income or franchise tax should submit a Form WT-12 to the Department of Revenue, at least 30 days prior to the performance to request a waiver of the bond or deposit requirement. The request should indicate the reason the entertainer is exempt from Wisconsin income or franchise tax and include supporting documentation to prove the exemption (for example, a copy of the ruling from the Internal Revenue Service to verify tax exempt or nonprofit status).

- Submit the request electronically through My Tax Account the department's free tax software at <https://tap.revenue.wi.gov/mta/>, or

- Mail your request to:

Wisconsin Department of Revenue
PO Box 8966
Madison, WI 53708-8966

The department will review the waiver request and issue the nonresident entertainer a waiver from the withholding requirement, or notify the entertainer he or she does not qualify for a waiver. An employer of a nonresident entertainer may not waive of the withholding requirement. However, an employer is not required to withhold if the entertainer gives the employer a copy of a waiver issued by the department.

Filing a Lower Rate Request (WT-12)

The nonresident entertainer must complete and file a WT-12 and Schedule IE at least 30 days prior to the performance to give the department sufficient time to respond. The department will review the information and 1) notify the nonresident entertainer of the lower rate or 2) notify the nonresident entertainer that a lower rate is not permitted. A WT-12 must be filed timely.

- File WT-12 using My Tax Account at <https://tap.revenue.wi.gov/mta/>, or

- Mail the WT-12 to:

Wisconsin Department of Revenue
PO Box 8966
Madison, WI 53708-8966

Line by Line Instructions

Part 1: Entertainer Information

Provide all information applicable to the nonresident entertainer's entity tax structure.

Part 2: Employer Information

Provide all information related to the employer who is contracting the nonresident entertainer (commonly referred to as the "venue").

Part 3: Performance Information

Provide all information pertaining to the performance for which the nonresident entertainer is requesting the lower rate of withholding. Multiple performances occurring with one employer over a period of time can be grouped on one lower rate request (ex: 01-05-2018 to 01-25-2018).

Line 1. *Total contract price*: Enter the total contract price between the nonresident entertainer and the employer. See page 1 for the definition of total contract price.

Line 2. *Total itemized expenses*: Enter total of itemized expenses from Schedule IE. Schedule IE on page 3 of Form WT-12 must be completed for the department to consider the lower rate request.

Part 4: Nonresident Entertainer Entity Questions

All four questions must be answered for the lower rate request submission to be considered by the department. If "Yes" to Question 2, nonresident entertainer must attach a copy of their IRS 501(c)3 letter to be considered a tax exempt entity.

Part 5: Declaration, Signature & Routing

Third Party Designee – If you want to allow a tax preparer, tax preparation firm, or other person to discuss your WT-12 with the department, check "Yes" in the "Third Party Designee" area of your return. Fill in the designee's name, phone number, and the designee's chosen five-digit personal identification number (PIN). By checking "Yes," you are authorizing the department to discuss with the designee any questions that may arise during the processing of your lower rate request. You are also authorizing the designee to:

- Give the department information missing from your WT-12 submission.
- Contact the department for information about the processing of your WT-12 or the status of your refund or payment(s).
- Respond to certain department notices relating to file math errors, offsets, and WT-12 submission.

Signature and Date – Sign and date the form. We accept electronic signatures for electronic forms. If the person preparing Form WT-12 is not the taxpayer, the preparer may electronically sign the form on behalf of the taxpayer only if the preparer obtains a signed statement from the taxpayer authorizing the electronic signature.

If the lower rate is granted, we will mail a copy of our decision to the nonresident entertainer. The nonresident entertainer may direct us to mail a copy of the decision directly to the employer.

Questions?

Wisconsin Publication 508, *Nonresident Entertainers*, explains the Wisconsin tax requirements relating to nonresident entertainers. If you have question, contact us at:

Nonresident Entertainer Program
Wisconsin Department of Revenue
PO Box 8966
Madison, WI 53708-8966

dorincomepte@wisconsin.gov
(608) 264-6884

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of October 15, 2019: Sections 71.63, 71.64, and 71.80(15), Wis. Stats.