

Schedule **NR**

**Computation of Wisconsin Taxable Income
for Part-Year and Nonresident
Estates and Trusts**

2021

Wisconsin
Department of Revenue

Enclose with Wisconsin Form 2

| | | | |
|--------------------------------|------------|------|-----------------------------------|
| ESTATES ONLY – Legal last name | First name | M.I. | Decedent's social security number |
| TRUSTS ONLY – Legal name | | | Estate's/Trust's federal EIN |

| Part I Computation of Wisconsin Taxable Income | (a) Federal Amount | (b) Wisconsin Amount | (c) Non-Wisconsin |
|---|-----------------------|-------------------------|----------------------|
| 1 Interest income | 1 | | 1 |
| 2 Dividends | 2 | | 2 |
| 3 Business Income or (loss) | 3 | | 3 |
| 4 Capital gain or (loss) (From Schedule 2WD) | 4 | | 4 |
| 5 Rents, royalties, partnerships, estates and trusts, etc | 5 | | 5 |
| 6 Farm income or (loss) | 6 | | 6 |
| 7 Ordinary gain or (loss) (Form 4797) | 7 | | 7 |
| 8 Other income (attach schedule) | 8 | | 8 |
| 9 Total income (add lines 1 through 8) | 9 | | 9 |
| 10 Interest expense | 10 | | 10 |
| 11 Taxes | 11 | Not deductible for WI | 11 |
| 12 Fiduciary fees | 12 | | 12 |
| 13 Charitable deduction | 13 | | 13 |
| 14 Attorney, accountant, and return preparer fees | 14 | | 14 |
| 15 Qualified business income deduction | 15 | Not deductible for WI | 15 |
| 16 Other deductions (attach schedule) | 16 | | 16 |
| 17 Net operating loss deduction | 17 | | 17 |
| 18 Total deductions (add lines 10 through 17) | 18 | | 18 |
| 19 Adjusted total income of fiduciary (subtract line 18 from line 9) | 19 | | 19 |
| 20 Income distribution deduction | 20 | | 20 |
| 21 Estate tax deduction | 21 | | 21 |
| 22 Exemption | 22 | | 22 |
| 23 Total deductions (add lines 20 through 22) | 23 | | 23 |
| 24 Taxable income of fiduciary (subtract line 23 from line 19) | 24 | | 24 |

Part II Computation of Addition or Subtraction Modification

| | |
|---|---|
| 1 Federal income reported on line 1 of form 2 | 1 |
| 2 Wisconsin taxable income (from line 24, column (b)) Note: See the Part II instructions if any amount on lines 1 and/or 2 is a negative number | 2 |
| 3 If line 1 is less than line 2, subtract line 1 from line 2. Fill in the result here and on line 2 of Form 2 | 3 |
| 4 If line 1 is more than line 2, subtract line 2 from line 1. Fill in the result here and on line 4 of Form 2 | 4 |



Instructions for Schedule NR

Schedule NR is completed by part-year and nonresident estates and trusts filing Form 2. Part I of Schedule NR is used to compute the Wisconsin taxable income of the estate or trust. Part II of Schedule NR is used to compute an addition or subtraction to federal taxable income.

Note A trust that consists of resident assets and nonresident assets, as provided under sec. 71.14(3m)(a), Wis. Stats., must check the part-year resident estate or trust box on Form 2 and complete Wisconsin Schedule NR.

Part I – Computation of Wisconsin Taxable Income

Part I of Schedule NR has three columns for figures:

Column (a) is labeled “Federal Amount.” In this column, lines 1 through 24, fill in the same amounts reported on the federal return.

Exception The computation of taxable income is based on the provisions of federal law amended to December 31, 2020, with certain exceptions. Federal laws enacted after December 31, 2020, do not apply for Wisconsin purposes unless adopted by the Legislature. If any provision of federal law which does not apply for Wisconsin purposes affects federal taxable income, complete Schedule B of Form 2. The amount you fill in on lines 1 through 24 of Schedule NR should be revised to reflect any Schedule B adjustment(s).

Column (b) is labeled “Wisconsin Amount.” In this column, lines 1 through 24, fill in the amounts that apply to Wisconsin.

Your federal taxable income may include items that aren't taxable or deductible for Wisconsin, or it may not include items that are taxable or deductible for Wisconsin. If so, you must add or subtract these items from your federal income to arrive at the correct Wisconsin income. See the instructions for Schedule A of Form 2 for a comprehensive list of additions and subtractions.

If a nonresident or part-year resident estate or trust is a partner in a partnership or shareholder in a tax-option (S) corporation that elected to be taxed at the entity level, do not report in column (b) of Schedule NR the estate's or trust's nondistributable portion of items of income, gain, loss, or deduction reported on the Schedule 3K-1 from the electing partnership or the Schedule 5K-1 from the electing tax-option (S) corporation.

The portion of the electing partnership's or tax-option (S) corporation's items distributable to the beneficiaries must be reported in column (b) of Schedule NR and on Schedule 2K-1 as if the election was not made. The estate or trust must provide beneficiaries with a supplemental statement detailing the items included on the Schedule 2K-1 that originated from the electing partnership or tax-option (S) corporation.

Line 4 Enter in column (b) the amount from line 27 or 28 of Schedule 2WD.

If a nonresident or part-year resident estate or trust is a partner in a partnership or shareholder in a tax-option (S) corporation that elects to be taxed at the entity level, do not report the estate's or trust's nondistributable portion of capital gain or loss from the electing partnership or tax-option (S)

corporation on Schedule 2WD. See page 2 of the Schedule 2WD instructions for more information.

Line 7 If gains or losses from sales (or other dispositions) of assets or from Schedules 2K-1, 3K-1, or 5K-1 are reported on federal Form 4797 and there is a difference between the federal gain or loss and the Wisconsin gain or loss, follow the three steps below:

STEP 1: Recompute federal Form 4797, using the Wisconsin basis of assets instead of the federal basis and the Wisconsin gain or loss instead of the federal gain or loss.

Label this recomputed Form 4797 “Wisconsin.” Enclose the “Wisconsin” Form 4797 with Form 2.

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

STEP 3: Fill in the amount of ordinary gain or loss computed on the “Wisconsin” Form 4797 that applies to Wisconsin on line 7, column (b).

Column (c) is labeled “Non-Wisconsin.” In this column, lines 1 through 24, fill in the amounts that do **not** apply to Wisconsin.

Part II – Computation of Addition or Subtraction Modification

Special instructions if lines 1 and/or 2 of Part II are a negative amount:

- *If line 1 (federal income) is a negative amount and line 2 (Wisconsin income) is a positive amount* – Treat the amount on line 1 as a positive amount. Add the amounts on line 1 and line 2. Fill in the total on line 3 and on line 2 of Form 2.
- *If line 1 (federal income) is a positive amount and line 2 (Wisconsin income) is a negative amount* – Treat the amount on line 2 as a positive amount. Add the amounts on line 1 and line 2. Fill in the total on line 4 and on line 4 of Form 2.
- *If line 1 (federal income) and line 2 (Wisconsin income) are both negative amounts* – Treat both amounts as positive numbers.
 - If the amount on line 1 is more than the amount on line 2, subtract line 2 from line 1. Fill in the result on line 3 and on line 2 of Form 2.
 - If the amount on line 2 is more than the amount on line 1, subtract line 1 from line 2. Fill in the result on line 4 and on line 4 of Form 2.

Enter the amount, if any, from line 3 on line 2 of Form 2. Enter the amount, if any, from line 4 on line 4 of Form 2.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of December 7, 2021: Subchapter II of Ch. 71, Wis. Stats.