

Instructions for 2025 Form C: Wisconsin Allocation and Separate Accounting Data

Purpose of Form C

If a taxpayer is required or eligible to use separate accounting, it uses Form C to compute the amount of its taxable income that is allocable to Wisconsin and outside Wisconsin.

A taxpayer engaged in a **nonunitary** business in and outside Wisconsin is required to use separate accounting. A nonunitary business is one in which the operations in Wisconsin are not dependent upon or contributory to the operations outside Wisconsin.

A taxpayer or combined group engaged in a **unitary** business must obtain the approval of the department to use separate accounting. A request for approval should set forth in detail why separate accounting more clearly reflects the taxpayer's Wisconsin net income.

CAUTION: A unitary business may use separate accounting only if it obtains prior approval from the Department.

Mail the request for approval to the Audit Bureau, Wisconsin Department of Revenue, PO Box 8906, Madison, WI 53708-8906 before the end of the taxable year for which the use of separate accounting is desired.

If you are completing Form C, you must also complete Form N because the income determined under separate accounting from Form C, line 16 is entered on Form N, line 6.

Special Instructions for Combined Groups

A member of a combined group may use Form C if it is eligible according to the explanation above. If you are completing Form C for a member of a combined group, include only that corporation's amounts, determined on a separate entity basis.

Line-by-Line Instructions

On lines 1 through 14, enter the amounts as if **all** the taxpayer's income or loss is eligible for separate accounting. If the taxpayer has other income or loss that is required to be apportioned instead of allocated, you will account for the amount you are apportioning when completing line 15.

Part I: Allocation of Book Income or Net Income per Income Statement

■ **Lines 1 and 3. Book Income and Expenses** – Federal Schedule M-1 filers allocate book income and expenses, as computed on a separate company basis, **to Wisconsin** and **outside Wisconsin**. Federal Schedule M-3 filers should allocate the income and expenses per the income statement, as computed on a separate company basis. Indicate the basis used for the allocation and provide further details in Part II, line 19.

For example, if the allocation is based on actual expenses, as figured on a separate company basis, incurred at each location, write "actual" in the "Basis of Allocation" column in Part I and explain this in Part II, line 19. If the allocation is based on the percentage of sales at each location, enter the percentage allocable to Wisconsin in Part I and explain how you determined the percentage in Part II, line 19.

■ **Line 5. Total Book Income** – The total company book income shown on line 5, column 3 must agree with federal Schedule M-1, line 1, computed on a separate company basis. For federal Schedule M-3 filers, the total on line 5, column 3 should agree with the net income per income statement computed on a separate company basis. Transfer the book income or net income per income statement in all 3 columns of Part I, line 5, to the appropriate columns in Part II, line 6.

Part II: Reconciliation of Book Income or Net Income per Income Statement with Net Income

NOTE: Complete this part after you have completed Schedules 4V and 4W for non-combined members; Form 6, Part II lines 2 and 4 for combined members, Schedule 5K Additions and Subtractions for Tax Option (S) Corporation shareholders, Schedule 3K Additions and Subtractions for partners, and Form 4T, Parts 1 and 2 Additions and Subtractions for exempt organizations.

■ **Lines 6 through 10. Federal Taxable Income** – Allocate the federal Schedule M-1 adjustments to **Wisconsin** and **outside Wisconsin**. For federal Schedule M-3 filers, allocate the sum of the addition adjustments from Parts II and III on line 7 and the sum of the subtraction adjustments from Parts II and III on line 9.

■ **Line 11. Additions to Federal Income** – Allocate your additions to federal income to **Wisconsin** and **outside Wisconsin**. Use the amounts you reported on Schedule 4V for non-combined filers; Form 6, Part II, line 2 for combined filers, Schedule 5K, Additions for shareholders, Schedule 3K, Additions for partners, and Form 4T, Part 1, Additions for exempt organizations.

■ **Line 13. Subtractions from Federal Income** – Allocate the subtractions from federal income to **Wisconsin** and **outside Wisconsin**. Use the amounts you reported on Schedule 4W for non-combined filers; Form 6, Part II, line 4 for combined filers, Schedule 5K, Subtractions for shareholders, Schedule 3k, Subtractions for partners, and Form 4T, Part 2, Subtractions for exempt organizations.

■ **Line 15. Amount Subject to Apportionment** – If the taxpayer completing this form has both income or loss it is apportioning and income or loss it is allocating under separate accounting, enter the amount in each column that will be apportioned instead of allocated.

For non-combined filers: If you had any adjustments on Schedules 4V or 4W attributable to income you will be apportioning, be sure the amounts you report on line 15 include those Schedule 4V and 4W adjustments.

For combined filers: If you had any adjustments on Form 6, Part II, lines 2 and 4 attributable to income you will be apportioning, be sure the amounts you report on line 15 include those adjustments.

For tax option (S) Corporation filers: If you had any adjustments on Schedule 5K, Additions and Subtractions attributable to income you will be apportioning be sure the amounts you report on line 15 include those adjustments.

For partnership filers: If you had any adjustments on Schedule 3K, Additions and Subtractions attributable to income you will be apportioning be sure the amounts you report on line 15 include those adjustments.

For exempt organizations: If you have any adjustments on Form 4T, Parts 1 or 2, Additions and Subtractions attributable to income you will be apportioning be sure the amounts you report on line 15 include those adjustments.

■ **Line 16. Total Allocable Net Income** – Subtract the amount on line 15 from the amount on line 14. This is the taxpayer's allocable net income. Enter the amount from column 1 on Form N, line 6, column a. Enter the amount from column 3 on Form N, line 6, column b.

■ **Lines 17 through 19. Additional Information** – Enter the information requested. Include a detailed explanation of how transfer prices were determined for transactions between Wisconsin branches and branches located outside Wisconsin.

Additional Information and Assistance

Web Resources

The Department of Revenue's web page, available at revenue.wi.gov, has a number of resources to provide additional information and assistance, including:

- Related [forms](#) and their instructions

- [Common questions](#)
- [Publications](#) on specific tax topics
- The [Wisconsin Tax Bulletin](#)
- A home page specifically for [combined reporting topics](#)
- Links to the [Wisconsin Statutes and Administrative Code](#)

Contact Information

If you cannot find the answer to your question in the resources available on the Department of Revenue's web page, contact the Department using any of the following methods:

- E-mail your question to: DORFranchise@wisconsin.gov
- Call (608) 266-2772
(Telephone help is also available using TTY equipment. Call the Wisconsin Telecommunications Relay System at 711 or, if no answer, (800) 947-3529. These numbers are to be used only when calling with TTY equipment.)
- Send a fax to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, PO Box 8906, Madison, WI 53708-8906

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of October 25, 2025: Chapter 71 Wis. Stats., and Chapter Tax 2, Wis. Adm. Code