

Instructions for 2025 Schedule 4Y: Wisconsin Subtraction Modification for Dividends

Purpose of Schedule 4Y

Corporations complete Schedule 4Y to report the amount of dividends that may be subtracted from federal taxable income under the Wisconsin dividends received deduction.

NOTE: Do not use Schedule 4Y to report dividends that are nontaxable for reasons other than the Wisconsin dividends received deduction. See the instructions for Schedule 4W, line 7 for reporting those dividends.

Below is an explanation of each type of dividend reportable on Schedule 4Y, followed by line-by-line instructions.

Wisconsin Dividends Received Deduction

Under sec. 71.26(3)(j), Wis. Stats., a dividend is deductible for Wisconsin purposes if it meets the following requirements:

- It is paid on common stock, and
- The corporation receiving the dividend owned at least 70% of the total combined voting stock of the payer corporation for the entire taxable year.

For purposes of Schedule 4Y, the Wisconsin dividends received deduction under sec. 71.26(3)(j), Wis. Stats., is called the “70% ownership” dividend deduction.

Line-by-Line Instructions

First, group the total dividends received by the corporation into amounts paid by each payer.

From the total amounts paid by each payer, identify the dividends that qualify for the “70% ownership” dividend deduction.

■ **Lines 1a through 1f. Qualifying Dividends** – On lines 1a to 1f, enter the aggregate totals of qualifying dividends based on the groupings described above. Each of these lines represents the total dividends paid from one payer corporation to one payee corporation during the entire taxable year. You do not need to report each dividend separately. Instructions for each field of lines 1a through 1f follow:

Name of Payer Corporation. Enter the name of the corporation that paid the dividends eligible for the subtraction.

Name of Payee Corporation. Enter the name of the corporation that received the dividends eligible for the subtraction.

Date Acquired by Payee. Enter the date on which the payee obtained the level of voting stock ownership indicated in the *Payee’s Ownership of Payer* field described below.

CAUTION: The corporation cannot claim a subtraction for dividends unless it owned at least 70% of the combined voting power of the payer’s stock for the entire taxable year.

Dividends Received. Enter the dividends received by the payee from the payer to the extent they qualify for the dividends received deduction.

■ **Line 1h. Additional Schedules 4Y** – If the corporation has more qualifying dividends than can be reported on lines 1a to 1f, you must use lines 1a to 1f of an additional Schedule 4Y (or additional Schedules 4Y) to report the remaining qualifying dividends. Complete lines 1h through 4 only for the first Schedule 4Y.

■ **Line 3. Foreign Taxes** – On line 3, enter taxes paid to a foreign nation on dividends listed on lines 1a to 1f (including dividends listed on lines 1a to 1f of additional Schedules 4Y) if you are claiming those foreign taxes as a deduction elsewhere on your return. You may be including them as a deduction in the federal taxable income you report on line 1 of Form 4 or you may be claiming them as a subtraction on Schedule 4W, line 8.

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 September 26, 2025: Section 71.26(3)(j), Wis. Stats.