

How to Obtain Wisconsin Tax Forms

Small supplies of Wisconsin tax forms can be obtained from any Department of Revenue office. Requests are generally limited to 6 copies of any single form, and a total of 29 forms. This is necessary to maintain a supply of forms for others.

Tax preparers requiring larger supplies of Wisconsin tax forms should use a forms order blank (Form P-744). The Form P-744 may be requested by writing to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8903, Madison, WI 53708-8903; by faxing your request to (608) 267-0834; or by phoning (608) 266-1961 in Madison.

When requesting forms using a Form P-744, the original order blank must be sent to the department, not a copy. For processing purposes, the entire form must be submitted.

In addition, most Wisconsin libraries have a copy of Wisconsin Package WI-X which contains copies of most Wisconsin tax forms. Reproductions of forms may be made from Package WI-X, with the exception of the forms marked "DO NOT PHOTO-COPY."

Forms are also available by fax, using the department's new "Fax-a-form" system. See the article titled "Forms, Publications Now Available by Fax" on page 1 of this Bulletin, for more information about Fax-a-form. □

Department of Revenue to Collect Petroleum Inspection Fees

The Budget Bill enacted in July 1995 (1995 Wisconsin Act 27) transfers the responsibility for collecting the 3¢ per gallon Wisconsin petroleum inspection fee from the Department of

Industry, Labor and Human Relations to the Department of Revenue. This change applies to petroleum inspection fees owing on fuel transactions that occur on and after January 1, 1996.

The law change also moves the collection point of the petroleum inspection fee to the same level as the Wisconsin motor vehicle fuel tax (i.e., when fuel is metered out at the pipeline terminal or refinery rack, or upon its receipt in Wisconsin by any other method). Licensed motor vehicle fuel suppliers will compute the inspection fee themselves each month and remit it along with their monthly motor vehicle fuel tax liability, via EFT (electronic funds transfer).

A notice explaining this law change has been sent to all licensed suppliers of motor vehicle fuel. A copy of the notice appears on page 48 of this Bulletin. □

Refunds May Be Used to Offset Debts to Local Governments

A provision in the Budget Bill, 1995 Wisconsin Act 27, authorizes the Department of Revenue to intercept state tax refunds to pay certain debts which taxpayers owe to counties and municipalities. This program, which will be operational in early 1996, will assist local governments in recovering unpaid fines, fees, restitutions, or forfeitures.

Taxpayers who are certified for this tax intercept will be notified by the department in writing, within five days of the certification. They will be advised of where the tax refund has been applied and of any applicable appeal rights. Any questions regarding the debt should be directed to the municipality or county indicated on the notice, as the department will not have that information. □

Withholding Tax Update Sent to Businesses

The annual Withholding Tax Update was sent in December 1995, along with Forms WT-7, *Employer's Annual Reconciliation of Wisconsin Income Tax Withheld from Wages*, to employers registered to withhold Wisconsin taxes.

A copy of the Withholding Tax Update can be found on pages 55 and 56 of this Bulletin. □

Recycling Surcharge Rates Unchanged

The temporary recycling surcharge rates remain unchanged for taxable years beginning on or after January 1, 1996, and before January 1, 1997.

Wisconsin law requires the Department of Revenue annually, in December, to establish annual recycling surcharge rates for taxable years beginning on or after the following January 1 to generate sufficient revenue to fund the appropriations from the recycling fund for the following fiscal year. The annual surcharge rates must be approved by the Legislature's Joint Committee on Finance. □

Avoid Errors on Income or Franchise Tax Returns

Are your tax returns and credit claims filed without errors? Many errors are discovered each year, either in processing or in subsequent audits by the department. The information below may be helpful in preparing Wisconsin tax returns or credit claims.

Errors Discovered in Processing Returns

Common errors discovered in processing 1994 individual income tax returns include the following:

- MATH ERRORS — 270,000 returns (10% of returns processed) were adjusted for math errors.
- SCHOOL PROPERTY TAX CREDIT — 37,000 returns were adjusted for errors in claiming this credit; 80% of the errors were in looking up the credit.
- ITEMIZED DEDUCTION CREDIT — 33,000 returns were adjusted, two-thirds for errors in looking up the standard deduction.
- INCOMPLETE RETURNS — Processing of many returns was delayed because of missing information, such as school or tax district, school property tax credit, earned income credit, itemized deduction credit, or taxes paid to other states.
- ESTIMATED TAX UNDERPAYMENT — 37,000 returns were adjusted for underpayment interest.
- TEMPORARY RECYCLING SURCHARGE — Most errors included checking the special worksheet box or listing net income or loss when not subject to the surcharge.
- TAX WITHHOLDING ERRORS — Most errors included claiming social security or another state's withholding as Wisconsin tax withheld.

Audit Adjustments

Errors discovered in auditing Wisconsin tax returns and credit claims by department auditors resulted in the collection of \$125.7 million in taxes, excess credits, penalties, and interest in the fiscal year ending June 30, 1995. This includes sales and use taxes of \$43.4 million, income taxes (including credits) of \$36 million, corporation taxes of \$36.9 million, and other taxes (inheritance, alcohol, tobacco, fuel, etc.) of \$9.4 million.

The most common errors, for income taxes, homestead credit, and farmland preservation credit, are described below.

Individual and Fiduciary Income Taxes

- INCOME COMPUTED INCORRECTLY —
 - unemployment compensation or social security (federal/Wisconsin differences calculated incorrectly).
 - capital gains (60% exclusion not taken or taken when not allowed).
 - capital losses (claimed amount in excess of \$500 limitation).
 - tax-option (S) corporation income (wrong amount entered from Schedule K-1).
- INCOME OMITTED —
 - IRA distributions.
 - total gross receipts.
 - municipal interest.
 - interest and dividends.
- CREDITS COMPUTED INCORRECTLY —
 - dependent (incorrectly claimed for self or spouse).
 - earned income (claimed in error or computed incorrectly).
 - taxes paid to other states (incorrectly claimed other state's withholding).
 - school property tax (incorrectly claimed on business portion).
 - itemized deduction (percentage of income not subtracted from medical or miscellaneous deductions, or taxes or casualty losses claimed).
- INCORRECT DEDUCTIONS OR EXPENSES —
 - IRA deduction (omitted or claimed incorrectly).
 - personal travel or entertainment (incorrectly claimed as business expenses).
 - office-in-home (not qualified to claim).

OTHER ERRORS —

- IRA penalty omitted.
- Wisconsin return not amended for IRS adjustments.
- incorrect filing status used.
- farm loss limitation not properly computed.
- temporary recycling surcharge omitted or calculated incorrectly.
- capital loss carryover not claimed in subsequent year.

Homestead Credit

HOUSEHOLD INCOME NOT INCLUDED —

- AFDC.
- IRA/deferred compensation deductions.
- unemployment compensation.
- depreciation or sec. 179 expense.
- net operating loss or capital loss carryover.
- tax-exempt interest.
- one-time exclusion from sale of residence.
- PROPERTY TAXES —
 - special assessments incorrectly claimed.
 - lottery credit not subtracted.
 - taxes not properly prorated for co-ownership or for occupancy only part of year.
 - taxes not reduced for months AFDC received.
- RENT —
 - rent not reduced for joint occupancy.
 - percentage of rent constituting property taxes computed incorrectly.
 - rent not reduced for months AFDC received.
- CREDIT — amount looked up incorrectly in computation table.

Farmland Preservation Credit

- HOUSEHOLD INCOME NOT INCLUDED —
 - gross pension.
 - depreciation.
 - deferred compensation.
 - capital gain exclusion.
- PROPERTY TAXES —
 - special assessments incorrectly claimed.
 - lottery credit not subtracted.
 - taxes not properly prorated for co-ownership.
 - taxes incorrectly claimed for land not covered by zoning certificate or agreement.
 - incorrect computation.
- CREDIT PERCENTAGE — incorrect percentage claimed. ☐

**Need a Speaker?**

Are you planning a meeting or training program? The Wisconsin

Department of Revenue provides speakers to business, community, and educational organizations.

Department representatives are available to speak on a variety of topics that can be targeted toward your group's particular areas of interest, including:

- New sales/use, income, and corporate tax laws.
- How sales tax affects contractors, landscapers, manufacturers, non-profit organizations, or businesses in general.
- What to expect in an audit.
- Common errors discovered in audits.
- Homestead credit.

- Farmland preservation credit.

To arrange for a speaker, please write to Wisconsin Department of Revenue, Speakers Bureau, P.O. Box 8933, Madison, WI 53708-8933, or call (608) 266-1911. ☐

Wisconsin Tax Bulletin Annual Index Available

Once each year the *Wisconsin Tax Bulletin* includes an index of materials that have appeared in past Bulletins. The latest index available appears in *Wisconsin Tax Bulletin* 92 (July 1995), pages 35 to 61, and includes information for issues 1 (October 1976) to 90 (January 1995). ☐

Topical and Court Case Index Available

Are you looking for an easy way to locate reference material to research a Wisconsin tax question? The *Wisconsin Topical and Court Case Index* will help you find reference material to research your Wisconsin tax questions. This index references Wisconsin statutes, administrative rules, *Wisconsin Tax Bulletin* articles, tax releases, publications, Attorney General opinions, and court decisions.

The first part of the index, the "Topical Index," gives references to alphabetized subjects for the various taxes, including individual income, corporation franchise and income, withholding, sales and use, gift, inheritance and estate, cigarette, tobacco products, beer, intoxicating liquor and wine, and motor vehicle fuel, alternate fuel, and general aviation fuel.

The second part, the "Court Case Index," lists Wisconsin Tax Appeals Commission, Circuit Court, Court of Appeals, and Wisconsin Supreme Court decisions by alphabetized subjects for the various taxes.

If you need an easy way to research Wisconsin tax questions, subscribe to the *Wisconsin Topical and Court Case Index*. The annual cost is \$18, plus sales tax. The \$18 fee includes a volume published in December, and an addendum published in May.

To order your copy, complete the order blank on page 57 of this Bulletin. The order blank may also be used for subscribing to the *Wisconsin Tax Bulletin* and for ordering the Wisconsin Administrative Code. ☐

Tax Publications Available

The Department of Revenue publishes over 40 publications that are available, free of charge, to taxpayers or practitioners. To order any of the publications, write or call Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8903, Madison, WI 53708-8903 (telephone (608) 266-1961).

Publications can also be ordered by fax, using the department's new "Fax-a-form" system. See the article titled "Forms, Publications Now Available by Fax" on page 1 of this Bulletin for more information about Fax-a-form.

Number	Title of Publication (and last revision date)
102	Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders (12/95)
103	Reporting Capital Gains and Losses for Wisconsin by Individuals, Estates, Trusts (10/95)
104	Wisconsin Taxation of Military Personnel (8/95)
106	Wisconsin Tax Information for Retirees (11/95)

109	Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 1995 (10/95)	203	Sales and Use Tax Information for Manufacturers (12/94)	506	Taxpayers' Appeal Rights of Field Audit Adjustments (10/95)
111	How to Get a Private Letter Ruling From the Wisconsin Department of Revenue (5/95)	205	Do You Owe Wisconsin Use Tax? (Individuals) (9/95)	507	How to Appeal to the Tax Appeals Commission (10/95)
112	Wisconsin Estimated Tax and Estimated Surcharge for Individual, Estates, Trusts, Corporations, Partnerships (8/94)	206	Sales Tax Exemption for Nonprofit Organizations (9/90)	508	Wisconsin Tax Requirements Relating to Nonresident Entertainers (8/94)
113	Federal and Wisconsin Income Tax Reporting Under the Marital Property Act (10/95)	207	Sales and Use Tax Information for Contractors (7/94)	509	Filing Wage Statements and Information Returns on Magnetic Media (3/94)
114	Wisconsin Taxpayer Bill of Rights (8/95)	210	Sales and Use Tax Treatment of Landscaping (5/94)	600	Wisconsin Taxation of Lottery Winnings (11/93)
115	Wisconsin Federal/State Electronic Filing Handbook (9/95)	211	Sales and Use Tax Information for Cemetery Monument Dealers (10/91)	601	Wisconsin Taxation of Pari-Mutuel Wager Winnings (3/94)
116	Income Tax Payments Are Due Throughout the Year (12/95)	212	Businesses: Don't Forget About Use Tax (7/94)	700	Speakers Bureau presenting ... (2/93)
117	Guide to Wisconsin Information Returns (6/95)	213	Travelers: Don't Forget About Use Tax (3/93)	W-166	Wisconsin Employer's Withholding Tax Guide (9/90) <input type="checkbox"/>
118	Electronic Funds Transfer Guide (12/94)	214	Do You Owe Wisconsin Use Tax? (Businesses) (9/93)		
119	Limited Liability Companies (LLCs) (10/95)	216	Filing Claims for Refund of Sales or Use Tax (9/95)		
120	Net Operating Losses for Individuals, Estates, and Trusts (11/95)	400	Wisconsin's Temporary Recycling Surcharge (12/95)		
121	Reciprocity (10/95)	410	Local Exposition Taxes (11/94)		
200	Sales and Use Tax Information for Electrical Contractors (10/95)	500	Tax Guide for Wisconsin Political Organizations and Candidates (9/95)		
201	Wisconsin State and County Sales and Use Tax Information (9/95)	501	Field Audit of Wisconsin Tax Returns (12/92)		
202	Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs (7/94)	502	Do You Have Wisconsin Tax Questions? (10/95)		
		503	Wisconsin Farmland Preservation Credit (12/95)		
		504	Directory for Wisconsin Department of Revenue (10/95)		
		505	Taxpayers' Appeal Rights of Office Audit Adjustments (10/95)		

Self-Proclaimed Spy 8-Year Jail Sentence for Tax Evasion

Leo Emil Wanta, 55, a former Appleton businessman, was sentenced in November 1995 to 8 years in prison for income tax evasion. Dane County Judge Michael Torphy revoked Wanta's bail and ordered him to prison immediately. He also ordered 6 years probation after completion of the prison sentence and gave him credit for 444 days he spent in jail prior to his release on bail in February 1995.

Wanta, who claims he was once an undercover agent for the CIA and a Somali ambassador, was convicted in May 1995, of 6 counts of income tax evasion for 1988 and 1989. The 6 counts include filing false tax returns and hiding taxable income of \$230,000 that he spent on purchases and loan payments.

Judge Torphy noted that the sentencing was for the tax evasion convictions only, without considering the massive financial scams Wanta was allegedly involved in. The numerous scams include a 1990 attempt to defraud the Soviet Union of \$81 million worth of rubles.

Former Attorney William A. Wentzel, 47, of Nashotah, Wisconsin, was sentenced in October 1995, in Waukesha County Circuit Court, for failing to file state income tax returns for 1990 and 1991. He was sentenced to 90 days in jail as well as two years' probation, and he was ordered to perform 100 hours of community service.

The criminal charges resulted from an investigation by the Fraud Unit of the Wisconsin Department of Revenue. According to the complaint, Wentzel had gross income of \$44,723 in 1990 and \$13,550 in 1991, and he failed to file Wisconsin income tax returns for 12 consecutive years.

Failure to file a Wisconsin income tax return when due is a crime punishable by up to nine months imprisonment and up to \$10,000 in fines for each offense. In addition to the criminal penalties, Wisconsin law provides for substantial civil penalties on the civil tax liability. Assessment and collection of the taxes, penalties, and interest follows a conviction for criminal violations. □

How to Obtain Copies of Your Tax Returns

What is Available

Upon request, the Department of Revenue will provide copies of taxpayers' previously filed tax returns. This includes individual income tax returns, homestead credit claims, corporation or insurance franchise or

income tax returns, sales and use tax returns, withholding tax returns and statements, partnership tax returns, fiduciary tax returns, and gift tax reports.

All requests for copies of returns must be made in writing or in person. Requests made by telephone will not be honored.

Individual income tax returns and homestead credit claims are available for at least the 4 prior tax years. Form 1 and 1NPR income tax returns ordinarily include a copy of the federal tax return, which will be provided when a Form 1 or 1NPR copy is requested.

Copies of Forms 1A and WI-Z generally do not include copies of the federal tax return because federal copies are not required when filing those forms. Wage statement copies are not always available with Forms 1A and WI-Z.

Partnership tax returns and closed files of fiduciary returns filed by trusts are available for at least the 4 prior tax years. Gift tax reports and withholding statements are available for at least the 5 prior tax years. Corporation or insurance franchise or income tax returns are available for at least the 6 prior tax years. Micro-filmed copies of sales, use, and withholding tax returns are available for at least the 10 prior tax years.

For most years prior to the retention periods indicated, limited information is available from department tax rolls, even though copies of complete tax returns are not available.

Copies of tax returns are generally not available until several months after they are filed. For example, an individual income tax return or homestead credit claim filed by April 15 of any year is normally not available for copying until September of that year.

Who May Request Copies

Taxpayers or corporation officers may request copies of their own tax returns.

Persons other than the taxpayer or corporation officer may also request copies of tax returns. However, a power of attorney form or other written authorization, signed by the taxpayer or corporation officer, is required as part of the request.

Requests for copies of a deceased taxpayer's tax returns must include a certified domiciliary letter and be signed by the personal representative of the estate. If there is no estate, a certified copy of the death certificate and a statement of the reason for the request is required.

Fees

The fee for obtaining copies of tax returns is \$4.50 for each return requested. There is an additional fee of 50¢ per return for a certified copy. Requests received without payment will be processed, and a bill will be included with the copy mailed to the requester.

How to Request

Written requests for copies must include the following:

1. Name(s) on the requested tax return.
2. Social security number or other identification number of the taxpayer, including spouse's name and social security number, if applicable.
3. Type of return and year(s) or period(s) of the tax return being requested.
4. Name and address to which the copies are to be mailed.

5. Signature of the taxpayer, partner, or corporation officer.

Where to Direct Requests

Written Requests: Mail your request to Wisconsin Department of Revenue, Central Files Section, P.O. Box 8903, Madison, WI 53708-8903. When tax returns are available, copies are generally mailed within one week to 10 days after the request is received.

In-Person Requests: Make your request at the Department of Revenue, Audit Bureau, 4638 University Avenue, Room 132, Madison, Wisconsin. Office hours are 7:45 a.m. to 4:30 p.m. Proper identification (for example, a driver's license) is required.

Questions

If you have questions about obtaining copies of tax returns, you may call the Department of Revenue in Madison, at (608) 267-1266. ☐

Former, New IRS District Directors Send Messages

Note: The following messages were submitted by John T. Ader, former Director of the Milwaukee District of the Internal Revenue Service, and by Robert E. Brazzil, the new District Director.

My Best Wishes ... My Sincere Thanks (by John T. Ader)

After serving as District Director for Wisconsin's IRS for almost six years, I retired on January 3, 1996. So I'd like to take this opportunity to bid you farewell.

Working for the Internal Revenue Service has been extremely rewarding for me. In the 35 years that I have been an IRS employee, I've been fortunate enough to be involved in some very innovative programs and

events aimed at reducing the burden on taxpayers.

I believe that a "simplified tax system" doesn't have to be an oxymoron. The IRS can have an impact on making our tax system less burdensome to taxpayers. In fact, I believe that we already have.

Over the years, I've seen significant improvements in the tax forms used by taxpayers. They have become much more "user friendly." These improvements occurred because the IRS solicited feedback from taxpayers and tax practitioners. Through focus groups and "Town Meetings on Tax Forms," we learned where taxpayers were having problems and took steps to correct those problems. Each year, the IRS introduces new and improved versions of the most commonly-used tax forms. This certainly plays a major role in simplifying our tax system.

From making improvements in tax forms, the IRS moved to making improvements in the way tax forms are filed. Electronic transmission of tax returns is fast becoming the preferred method of filing. Filing on paper is becoming obsolete. Our Revenue Protection Strategy, implemented last filing season, was very successful in helping us detect and prevent attempts to undermine the tax system. That program will be instrumental again this year in preventing fraudulent refunds from being issued.

Another way the IRS can reduce the burden on taxpayers is through our outreach program. I believe the IRS outreach program is vital to the IRS achieving its mission. How can we expect to increase voluntary compliance unless we *make* opportunities to reach out to taxpayers? The Milwaukee District has always been a leader in this respect. We've held some very extraordinary outreach

events in some very nontraditional settings.

One year, when April 15 was also opening day for the Milwaukee Brewers, we headed out to the game to collect tax returns from fans who were tailgating in the parking lot. We called it "IRS Plays Ball with Taxpayers." This event received a great deal of media attention. That attention meant that a lot of taxpayers found out about the event and brought their tax returns with them. We were the first in the nation to hold such an event. Since then, other districts have followed suit.

One of my favorite events was "An IRS Valentine to Taxpayers." We held this event at shopping malls and helped people complete and electronically file their tax returns. I think this event stands out in my mind because of the reaction we received from taxpayers. People were quite surprised to get a "valentine" from the IRS.

Another reason this event stands out in my mind is because of the support we received from tax practitioners. They worked very hard to make sure that we could help as many taxpayers as possible. Many of the volunteers even stayed late so that the very last taxpayer could receive help. They certainly showed their community spirit that day. They also showed their support for the IRS.

I am enormously grateful for the cooperation and support that Wisconsin tax practitioners have shown me — and the IRS — through the years. I know my successor, Robert E. Brazzil, will feel as welcome here as I was made to feel. I am very fortunate to be able to end my IRS career in Wisconsin. Although I didn't know it when I moved here six years ago, I saved the best for last! My best wishes to each of you.