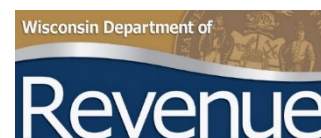


Wisconsin Tax Bulletin

April 2026 Number 233



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New Tax Laws

Summarized below are recent new Wisconsin tax laws. The statutory reference may change when the Wisconsin Legislative Reference Bureau incorporates the new tax laws into the [Wisconsin Statutes](#).

A. Individual and Fiduciary Income Taxes

1. Repeal Obsolete Tax Provisions

([2025 Wis. Act 118](#), various effective dates)

The Act includes various changes to ch. [71](#), Wis. Stats.

Changes include the following:

- Repealing various tax credits that taxpayers may no longer claim because of sunset provisions related to each of those credits.
- Repealing various obsolete tax provisions, and updates other tax provisions to reflect those changes.

Note: Current law allows taxpayers to carry forward certain unused nonrefundable tax credits to offset tax in future years. Under the Act, the repeal of such nonrefundable tax credits is delayed until the date that those credits may no longer be used to offset tax.

Credits Affected

- Armed forces member tax credit
- Biodiesel fuel production credit
- Community development finance credit



- Dairy and livestock farm investment credit
- Development zone additional research credit
- Development zone capital investment credit
- Development zones credit
- Economic development tax credit
- Electronic medical records credit
- Enterprise development zones credit
- Ethanol and biodiesel fuel pump credit
- Health insurance risk-sharing plan assessments credit
- Internet equipment credit
- Jobs tax credit and the corresponding appropriation
- Manufacturing investment credit
- Manufacturing sales tax credit
- Postsecondary education credit
- Research facilities credit
- Super research and development credit
- Technology zones credit
- Veteran employment credit
- Water consumption credit

2. Corrections to Tax Provisions

(2025 Wis. Acts [127](#), [128](#), [129](#), [130](#)), effective March 29, 2026)

The Acts include various changes to ch. [71](#), Wis. Stats., for the purpose of making insubstantial corrections, renumbering statutes, and reconciling conflicts.

For additional information, see the Wisconsin Legislative Council's [Act \(127\) Memo](#), [Act \(128\) Memo](#), [Act \(129\) Memo](#), and [Act \(130\) Memo](#).

3. Clarification of Certain Tax Provisions

([2025 Wis. Act 137](#), repeal sec. 77.94(2), renumber and amend sec. 77.94(1) to 77.94, and amend secs. 71.10(4)(i) and 71.30(3)(f), effective March 29, 2026)

The Act clarifies the following:

- Amounts of pass-through withholding under sec. [71.775](#), Wis. Stats., and withholding for nonresident entertainers under sec. [71.80\(15\)\(c\)](#), Wis. Stats., reduce a nonresident's income or franchise tax liability computed under sec. [71.10\(4\)](#) or [71.30\(3\)](#), Wis. Stats.

- Alternate method of computing the economic development surcharge under sec. [77.94\(2\)\(b\)](#), Wis. Stats., for businesses with a short taxable year in Wisconsin is no longer relevant because the economic development surcharge rate is a single rate based on gross tax for corporations and net income for tax-option (S) corporations. The alternate method of computing the surcharge was applicable when the surcharge had multiple graduated rates applicable to an entity's annual or annualized gross receipts.

4. Clarification of Retirement Income Subtraction and Film Production Tax Credits

([2025 Wis. Act 174](#), renumber and amend sec. 71.05(6)(b)54mn. to 71.05(6)(b)54m.e., amend secs. 41.152(1), 71.05(6)(b)54.(intro), 54m.a., b., c., and d., 71.07(5f)(a)4., (c)2., and (d)3., 71.07(5h)(d)2., 71.28(5f)(a)4., (c)2., and (d)3., 71.28(5h)(d)2., 71.47(5f)(a)4., (c)2., and (d)3., 71.47(5h)(d)2., and 71.83(1)(a)6., effective April 4, 2026)

The Act clarifies the following provisions:

Retirement Income Subtraction (sec. [71.05\(6\)\(b\)54m.](#), Wis. Stats)

- Claimants must be 67 years of age before the close of the taxable year.
- If this retirement income subtraction is claimed, no credits may be claimed for the same taxable year, including any eligible carryover of a credit claimed in a prior taxable year. This limitation also applies to part-year residents claiming the subtraction.
- Part-year residents' individual subtraction may not exceed \$24,000 prorated by the ratio of Wisconsin income to federal adjusted gross income.

Film Production Tax Credits

- See Item B. 5.

5. New Veterinary Loan Repayment Income Exemption

([2025 Wis. Act 177](#), create sec. 71.05(6)(b)58., effective for taxable years beginning after December 31, 2024)

The Act provides a subtraction from Wisconsin income, to the extent included in federal adjusted gross income, for amounts received from the veterinary loan repayment grant program under sec. 39.389, Wis. Stats.

6. New Additional Employer-Provided Child Care Tax Credit

See Item B. 6.

7. New Individual Income Tax Subtraction for Losses Due to Financial Exploitation

([2025 Wis. Act 192](#), create sec. 71.05(6)(a)30. and (b)57., effective for taxable years beginning after December 31, 2023)

For taxable years beginning in 2024 and after, the Act creates a subtraction from Wisconsin income based on monies lost from an individual's financial account due to "financial exploitation."

Definitions

- "Financial exploitation" means any of the following as provided in sec. [46.90\(1\)\(ed\)](#), Wis. Stats.:
 - Obtaining an individual's money or property by deceiving or enticing the individual, or by forcing, compelling, or coercing the individual to give, sell at less than fair market value, or in other ways convey money or property against their will without their informed consent.
 - Theft, as prohibited in sec. [943.20](#), Wis. Stats.
 - The substantial failure or neglect of a fiscal agent to fulfill their responsibilities.
 - Unauthorized use of an individual's personal identifying information or documents, as prohibited in sec. [943.201](#), Wis. Stats.
 - Unauthorized use of an entity's identifying information or documents, as prohibited in sec. [943.203](#), Wis. Stats.
 - Forgery, as prohibited in sec. [943.38](#), Wis. Stats.
 - Financial transaction card crimes, as prohibited in sec. [943.41](#), Wis. Stats.

Limitations

- Financial exploitation is considered to occur if it was reported to law enforcement officials and there is no reasonable prospect of recovery of the loss through legal action, insurance claim, or other compensation.
- The amount subtracted may not exceed the amount lost that is otherwise subject to Wisconsin individual income tax under [subch. I of ch. 71](#), Wis. Stats.
- No amount may be subtracted unless the withdrawal or disbursement of the lost funds from the financial account were included in the individual's gross income for federal income tax purposes.
- Subtraction amounts allowed may be subtracted in the taxable year in which the withdrawal or disbursement of the lost funds occurred.
- Any amount subtracted may not be deducted or excluded from income, or claimed as a credit, under any other provision in ch. [71](#), Wis. Stats.

Income Recovery Recapture

- Any amount received during the taxable year that is a recovery, reimbursement, or compensation of an amount previously subtracted from income under sec. 71.05(6)(b)57., Wis. Stats., must be added to federal adjusted gross income for Wisconsin purposes.

To claim this subtraction on a 2024 or 2025 individual income tax return (original or amended), enter the subtraction on line 49 of Schedule SB or line 83 of Schedule M with the description "Deductible income under 71.05(6)(b)57." For 2026 and forward, refer to the tax return instructions.

Nothing in this Act changes the requirement that a claim for refund or a net operating loss must be filed within four years of the unextended due date for filing that taxable year's return.

See the department's [Losses from Financial Exploitation](#) common questions for additional information.

8. New Subtraction for National Guard and Reserve Pay

([2025 Wis. Act 205](#), create sec. 71.05(6)(b)57., effective for taxable years beginning after December 31, 2025)

The Act creates a subtraction from Wisconsin income for members of the National Guard and Reserve for pay received from the federal government under 37 USC 204(a)(2), 206, or 206a that is not subtracted from Wisconsin income under any other modification under sec. [71.05\(6\)\(b\)](#), Wis. Stats. This subtraction is first available for tax returns filed for the 2026 taxable year.

9. Extend Research Income and Franchise Tax Credit Carry-Over Period

See Item B. 8.

10. New Long-Term Care Insurance Assessment Tax Credit

See Item B. 9.

11. Changes to Low-Income Housing Tax Credit

See Item B. 10.

12. Changes to the Supplement to Federal Historic Rehabilitation Tax Credit

See Item B. 11.

13. New Individual Income Tax Credit for Stillborn Child

([2025 Wis. Act 241](#), create secs. 71.07(8n) and 71.10(4)(ct), effective for taxable years beginning on or after January 1, 2026)

The Act creates a nonrefundable credit for parents who are full-year residents of Wisconsin and experience a stillbirth during the year that required a fetal death report under sec. [69.18\(1\)\(e\)1.](#), Wis. Stats. The credit is the lesser of the claimant's tax or:

- \$2,000 for a married couple claiming the credit on a joint return
- \$1,000 each for a married couple claiming the credit on separate returns
- \$1,000 each for unmarried parents

No credit may be claimed on a return covering less than 12 months unless due to the death of the taxpayer. In addition, a copy of the fetal death report related to the stillbirth must be submitted with the tax return on which this credit is claimed.

14. New Rail Infrastructure Modernization and Maintenance Tax Credits

See Item B. 12.

B. Corporation Franchise and Income Taxes

1. Repeal Obsolete Tax Provisions

See Item A. 1.

2. Corrections to Tax Provisions

See Item A. 2.

3. Clarification of Certain Tax Provisions

See Item A. 3.

4. Expand Enterprise Zone Tax Credit to an Aviation Biofuel Business

([2025 Wis. Act 164](#), amend sec. 238.399(4)(a) and (6)(e), and create sec. 238.399(1)(ab) and (ae), (4)(am), (5)(g), and (6)(em), effective for taxable years beginning after December 31, 2025)

The Act expands the enterprise zone tax credit to allow one business that manufacturers biofuel in Wisconsin, a majority of which is aviation biofuel, to be eligible for certification from the Wisconsin Economic Development Corporation to claim the credit up to a maximum of \$120,000,000.

5. Clarification of Film Production Tax Credits

([2025 Wis. Act 174](#), amend secs. 41.152(1), 71.07(5f)(a)4., (c)2., and (d)3., 71.07(5h)(d)2., 71.28(5f)(a)4., (c)2., and (d)3., 71.28(5h)(d)2., 71.47(5f)(a)4., (c)2., and (d)3., and 71.47(5h)(d)2., effective April 4, 2026)

The Act clarifies the following provisions related to the film production services tax credit and film production company investment tax credit:

Film Production Services Credit

- Application for accreditation or certification must be made to the Wisconsin State Film Office for each taxable year for which accreditation or certification is desired.
- Salaries and wages are "production expenditures" except for salaries and wages related to marketing and distribution of an accredited production.
- A claimant may not use the salary or wages paid to the claimant's two highest-paid employees in the taxable year to claim the credit if the claimant's actual production expenditures for that year are \$1,000,000 or more.
- For transferred credits, the transferee may use the credit to offset the transferee's tax.

Film Production Company Investment Credit

- Application for accreditation or certification must be made to the Wisconsin State Film Office for each taxable year for which accreditation or certification is desired.
- For transferred credits, the transferee may use the credit to offset the transferee's tax.

Visit FilmWisconsin.com for information and applications for the film production credits.

6. New Additional Employer-Provided Child Care Tax Credit

([2025 Wis. Act 183](#), amend secs. 71.05(6)(a)15., 71.21(4)(a), 71.26(2)(a)4., 71.34(1k)(g) and 71.45(2)(a)10., create secs. 71.07(8s), 71.10(4)(cu), 71.28(8s), 71.30(3)(cu), 71.47(8s) and 71.49(1)(cu), effective for taxable years beginning after December 31, 2025)

The Act creates a nonrefundable Wisconsin employer-provided child care tax credit based on the federal employer-provided child care tax credit under sec. [45F](#), of the Internal Revenue Code (IRC).

Definitions

- "Claimant" means an individual, estate, trust, C-corporation, or insurance company that is eligible for and claims the federal employer-provided child care credit for the taxable year to which the claim for the Wisconsin tax credit relates.
- "Federal employer-provided child care credit" means the tax credit under sec. 45F, IRC, in effect for federal purposes on April 5, 2026.

Filing a Claim

- Except as provided in the limitations below, for taxable years beginning after December 31, 2025, a claimant may claim a nonrefundable credit equal to the amount of the federal employer-provided child care credit claimed by the claimant on their federal income tax return for the taxable year to which the claim relates.

Limitations

- The credit may not be claimed for any amount of the federal employer-provided child care credit claimed for any expenditure paid or incurred for a child care facility located outside Wisconsin or for services provided outside Wisconsin.
- A claimant whose federal income tax is increased under sec. 45F(d), IRC, must add to the claimant's Wisconsin tax liability, an amount equal to the amount that the claimant's federal income tax is increased under sec. 45F(d), IRC.
- Partnerships and tax-option (S) corporations may not claim the credit, but the eligibility for, and the amount of, the credit is based on the amounts of the federal employer-provided child care credit claimed. A partnership or tax-option (S) corporation must compute the amount of credit that each of its partners or shareholders may claim and provide that information to each of them. Partners and shareholders may claim the credit in proportion to their ownership interests.

Administration

- The amount of the credit computed for the taxable year must be included in Wisconsin income for the taxable year.
- In the case of a change in ownership or business of a corporation, sec. [383](#), IRC, applies to the carry-over of unused credits.
- If the nonrefundable credit computed is not entirely offset against Wisconsin income or franchise taxes otherwise due, the unused balance may be carried forward and credited against Wisconsin income or franchise taxes otherwise due for the following 15 taxable years to the extent not offset by Wisconsin income or franchise taxes otherwise due in all intervening years between the year in which the expense was incurred and the year in which the carry-forward credit is claimed.
- The department has full power to administer this credit and may take any action, conduct any proceeding and proceed as it is authorized in respect to income and franchise taxes imposed. The income and franchise tax provisions relating to assessments, refunds, appeals, collection, interest, and penalties apply to this credit.
- The credit must be claimed within four years of the unextended due date on which the tax return is due.

7. New Community Development Entity Investment Tax Credit

([2025 Wis. Act 191](#), amend secs. 71.45(2)(a)10. and 76.67(2), create secs. 71.47(11), 71.49(1)(bt) and 76.633, effective for taxable years beginning after December 31, 2024)

The Act creates a nonrefundable credit for insurance companies that make a qualified equity investment in a qualified community development entity. See the Wisconsin Legislative Council's [Act Memo](#) for a summary and bill history.

Overview

The credit works similar to the federal New Markets Tax Credit described under sec. [45D](#), of the Internal Revenue Code (IRC). A federally-approved community development entity that has entered into an allocation agreement with the Community Development Financial Institutions (CDFI) Fund of the U.S. Treasury Department, is eligible to apply for a Wisconsin certification from the Wisconsin Department of Revenue. There is a \$5,000 nonrefundable application fee.

If approved, the qualified community development entity is authorized to receive cash from insurance companies for a qualified equity investment in the qualified community development entity for purposes of the insurance company becoming certified to claim a credit to offset their Wisconsin income/franchise tax liability or to offset certain fees due to the Wisconsin Office of the Commissioner of Insurance. The tax credit is nonrefundable and the amount that may be claimed in a taxable year is equal to 0% of the purchase price of the equity investment for the first taxable year in which the initial investment is made, 0% for the taxable year of the second anniversary date, and 10% for each taxable year of the next five anniversary dates, for a total credit equal to 50% of the qualified equity investment purchase price.

Qualified community development entities use the cash received from insurance companies to make capital or equity investments, or loans to, qualified active low-income community businesses in rural or metro counties in Wisconsin. No more than \$125,000,000 of qualified equity investment authority may be given to all qualified community development entities for use in rural counties and \$125,000,000 for metro counties.

The Process

1. The community development entity submits an application with a nonrefundable \$5,000 application fee to the Wisconsin Department of Revenue for proposed equity investments and to receive certification for authority to receive qualified equity investments for rural and metro areas.
2. The department approves or denies the community development entity's application within 30 days after receiving the application. If approved, the department must provide a written notice of certification to the qualified community development entity.
3. Within 30 days of certification, the qualified community development entity must complete the following:
 - a. Issue qualified equity investments in an amount equal to the total amount of certified qualified equity investment authority.
 - b. Receive cash in the amount of the qualified equity investment issued.
 - c. If not domiciled in Wisconsin, designate at least 50 percent of the qualified equity investment authority as a qualified equity investment under sec. [45D](#), IRC.

4. Within 35 days of certification, the qualified community development entity must complete the following:
 - a. Provide the department with evidence of the cash investment received, or
 - b. If not domiciled in Wisconsin, provide the department with evidence of the designation of at least 50 percent of the qualified equity investment as qualified equity investment under sec. 45D, IRC.

Note: Within 35 days of certification, if certain requirements are met, the qualified community development entity may transfer all or a portion of its authority to its controlling entity or any affiliate or partner of the controlling entity that is also a qualified community development entity. An applicant may not transfer its authority unless the applicant provides the department with the same information of the transferee that was required of the applicant to request certification from the department.

5. The qualified community development entity must provide the department with the name of each insurance company allocated a community development entity investment tax credit and the credit amount.
6. The department must provide certification containing the credit amount and utilization schedule to each insurance company and the qualified community development entity.
7. Insurance companies that receive certification from the department may claim the credit as specified in their notice of certification. No credits claimed are refundable or saleable on the open market. However, an insurance company may transfer their credit to an affiliate of the insurance company that is subject to taxation under [subch. VII of ch. 71](#) or [subch. III of ch. 76](#), Wis. Stats., and notifies the department of the names of the entities and includes a copy of the transfer documents. If the person eligible to claim a credit changes because of a transfer of a qualified equity investment, the qualified community development entity is required to notify the department of the change.

Act Provisions

Definitions

- "Metro county" means Columbia, Dane, Green, Iowa, Milwaukee, Ozaukee, Washington, and Waukesha Counties.
- "Principal business operations" means a place or places where at least 60 percent of a qualified active low-income community business's employees work or where employees that are paid at least 60 percent of the business's payroll work. Includes places where an out-of-state business agrees to relocate employees or an in-state business agrees to hire employees using the proceeds of a qualified low-income community investment; if the business satisfies the 60 percent requirement within 180 days, or by a later date agreed by the department, after receiving the qualified low-income community investment.
- "Purchase price" means the amount paid to a qualified community development entity for a qualified equity investment.
- "Qualified active low-income community business" has the meaning given in sec. 45D(d)(2), IRC, modified as follows:
 - Includes a business for the duration that it receives a qualified low-income community investment if the qualified community development entity reasonably expects at the time that it makes the qualified low-income community investment in the business that the business will continue to be considered a qualified active low-income community business

under sec. 45D(d)(2), IRC, throughout the entire period that it receives the qualified low-income community investment.

- Does not include a business that derives or projects to derive 15 percent or more of its annual income from the rental or sale of real estate. This does not apply to a business that is controlled by or under common control with another business if the 2nd business does not derive or project to derive 15 percent or more of its annual income from the rental or sale of real estate and is the primary tenant of the real estate leased from the initial business.
- "Qualified community development entity" has the meaning given in sec. 45D(c), IRC, but includes only entities that have entered into, or that are controlled by an entity that has entered into, an allocation agreement with the CDFI fund with respect to tax credits authorized under sec. 45D, IRC, that includes Wisconsin within the service area set forth in that allocation agreement.
- "Qualified equity investment" means any equity investment in a qualified community development entity to which all of the following apply:
 1. Either of the following applies:
 - a. The equity investment is acquired after December 31, 2024, at its original issuance solely in exchange for cash.
 - b. The equity investment is acquired by an insurance company and a prior holder of the equity investment acquired it after December 31, 2024, at its original issuance solely in exchange for cash.
 2. The qualified community development entity uses at least 100 percent of the purchase price of the equity investment to make qualified low-income community investments in qualified active low-income community businesses that have their principal business operations in Wisconsin.
 3. The equity investment is designated by the community development entity as a qualified equity investment under item number 5. below.
 4. If the qualified community development entity is not domiciled in Wisconsin and the entity's controlling entity, if any, is not domiciled in Wisconsin, the qualified community development entity has designated at least 50 percent of the equity investment as a qualified equity investment under sec. 45D, IRC.
 5. The qualified equity investment authority is certified by the department not to exceed the \$125,000,000 limit for investments in qualified active low-income community businesses having principal business operations in a rural county and not to exceed the \$125,000,000 limit for investments in qualified active low-income community businesses in a metro county.
- "Qualified low-income community investment" means any capital or equity investment in, or loan to, a qualified active low-income community business.
- "Rural county" means any county in Wisconsin that is not a metro county.

Limitations and Administrative Provisions

- No credit may be allowed under sec. 71.47, Wis. Stats., unless it is claimed within four years of the unextended due date on which the tax return is due.
- Credits earned by or allocated to a partnership, limited liability company, or tax-option (S) corporation may be allocated to the partners, members, or shareholders of such entity for their use in accordance with the provisions of any agreement among such partners, members, or

shareholders, and a qualified community development entity must notify the department of the names of the entities that are eligible to claim the credit.

- The amount of credit computed under sec. 71.47(11), Wis. Stats., must be included in Wisconsin income for the taxable year.
- If the nonrefundable credit is computed under sec. 71.47, Wis. Stats., and is not entirely offset against tax imposed under sec. 71.43, Wis. Stats., otherwise due, the unused balance may be carried forward and credited against tax imposed under sec. 71.43, Wis. Stats., for following tax years to the extent not offset by tax imposed under sec. 71.43, Wis. Stats., otherwise due, in all the years between the year in which the qualified entity investment was held on its allowance date and the year in which the carry-forward credit is claimed.
- If the nonrefundable credit is computed under sec. 76.633, Wis. Stats., and is not entirely offset against the fees under secs. 76.60, 76.63, 76.65, 76.66, or 76.67, Wis. Stats., otherwise due, the unused balance may be carried forward and credited against those fees for following years to the extent that it is not offset by those fees otherwise due in all the years between the year in which the qualified entity investment was held on its allowance date and the year in which the carry-forward credit is claimed.

Applications

- A qualified community development entity that seeks to have an equity investment designated as a qualified equity investment that is eligible for the credit must apply to the department for the rural allocation or the metro allocation or both on a form provided by the department and must include all of the following:
 - The name, address, and tax identification number of the applicant and evidence of the applicant's certification as a qualified community development entity by the CDFI fund.
 - A copy of the allocation agreement executed by the applicant or its controlling entity and the CDFI fund.
 - A certificate executed by an executive officer of the applicant attesting that the allocation agreement with the CDFI fund remains in effect and has not been revoked or cancelled.
 - A description of the proposed amount, structure, and purchaser of the equity investment.
 - The amount of qualified equity investment authority applied for from the rural allocation or the metro allocation, or both, as applicable. If the applicant is not domiciled in Wisconsin, the amount applied for may not exceed an amount equal to twice the amount of qualified equity investment authority under sec. 45D, IRC, available to the applicant or its controlling entity.
 - If the applicant is not domiciled in Wisconsin, evidence of the amount of qualified equity investment authority under sec. 45D, IRC, available to the applicant or its controlling entity.
 - A nonrefundable application fee of \$5,000 paid to the department.
- A qualified community development entity may apply for a portion of both the rural allocation and the metro allocation of qualified equity investment authority.
- The department will publish information on its website when the application is available.

Certification of Qualified Equity Investments

- No later than 30 days after receiving an application, the department is to approve or deny the application in full or in part. If the department denies any part of the application, the department must inform the applicant of the grounds for the denial. If the applicant provides any additional

information required by the department or otherwise amends its application within 15 days of the notice of denial, the department must consider the application complete as of the original date of submission. If the applicant fails to provide the information or complete its application within 15 days of the notice of denial, the application remains denied and if the applicant submits an additional application, the department may not consider the additional application complete as of the date of submission of the original application.

- If the department determines that an application is complete, the department must certify the equity investment proposed by the application as a qualified equity investment that is eligible for the credit, subject to limitations provided in the certification of qualified equity investment provisions.
- If the amount of qualified equity investment authority for the rural allocation is insufficient to certify all amounts of qualified equity investment applied for, the department must prorate the amounts certified among the approved applicants in proportion to the ratio of the amount of qualified equity investment authority applied for by an applicant for the rural allocation to the total amount of qualified equity investment applied for the rural allocation by all applicants.
- If the amount of qualified equity investment authority for the metro allocation is insufficient to certify all amounts of qualified equity investment applied for, the department must prorate the amounts certified among the approved applicants in proportion to the ratio of the amount of qualified equity investment authority applied for by an applicant for the metro allocation to the total amount of qualified equity investment applied for the metro allocation by all applicants.
- The department is to certify an amount of qualified equity investments that generates no more than the following amounts of credits under sec. 71.47(11) or 76.633, Wis. Stats., for a taxable year, excluding any credits under sec. 71.47(11) or 76.633, Wis. Stats., carried forward from a previous taxable year:
 - For credits for qualified equity investments in rural counties, \$12,500,000.
 - For credits for qualified equity investments in metro counties, \$12,500,000.
- If the department cannot grant in full a certification for a tax credit under sec. 71.47(11) or 76.633, Wis. Stats., because of the \$12,500,000 limit, the department is to certify the portion of the credit, if any, allowed under the limit unless the applicant elects to withdraw its application.
- If a qualified community development entity does not satisfy the requirements after receiving certification from the department, the certification granted to the qualified community development entity lapses.
- The department is to award any qualified equity investment authority that lapses on a pro rata basis to applicants that received awards of qualified equity investment authority and that agree to designate any additional qualified equity investment authority awarded as a qualified equity investment under sec. 45D, IRC, and to satisfy the 30 day requirements (described above) after receiving notice of the additional qualified equity investment authority.
- If the department does not award the full amount of the rural allocation or metro allocation or both, the requirements applicable to qualified community development entities not domiciled in Wisconsin do not apply and the department is to establish a date for accepting additional applications.

Recapture

- The department must recapture credits, and future credits are forfeited, if any of the following apply:

1. Any amount of the federal tax credit under sec. 45D, IRC, available with respect to a qualified equity investment that is eligible for Wisconsin community development entity investment tax credit is recaptured under sec. 45D, IRC. The department must recapture the same proportion of the Wisconsin credit that is recaptured under sec. 45D, IRC.
 2. The qualified community development entity that issued the qualified equity investment redeems or makes principal repayment with respect to the qualified equity investment before the 7th anniversary of the issuance of the qualified equity investment. The department must recapture an amount of the credit proportionate to the amount of the redemption or repayment with respect to the qualified equity investment.
 3. The qualified community development entity fails to invest at least 100 percent of the cash purchase price of the qualified equity investment in qualified low-income community investments in rural or metro counties, as applicable, within 12 months of the issuance of the qualified equity investment or to maintain such level of investment in qualified low-income community investments in rural or metro counties, as applicable, until the last credit allowance date for such qualified equity investment.
- A qualified community development entity must use the proceeds from qualified low-income community investments made from the rural allocation to make qualified low-income community investments in qualified active low-income community businesses with principal business operations in a rural county.
 - A qualified community development entity must use the proceeds from qualified low-income community investments made from the metro allocation to make qualified low-income community investments in qualified active low-income community businesses with principal business operations in a metro county.
 - An investment is considered maintained by a qualified community development entity even if the investment has been sold or repaid if the qualified community development entity reinvests an amount equal to the capital returned to or recovered by the qualified community development entity from the original investment, excluding any profits realized, in another qualified low-income community investment in a rural or metro county, as applicable, within 12 months of the receipt of the capital. Periodic loan repayments received by a qualified community development entity from a qualified active low-income community business within a calendar year are considered maintained in qualified low-income community investments if the qualified community development entity reinvests such amounts in qualified low-income community investments by the end of the following calendar year.
 - A qualified community development entity is not required to reinvest capital returned from qualified low-income community investments after the 6th anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, and the qualified low-income community investment is considered held by the qualified community development entity through the 7th anniversary of the qualified equity investment's issuance.
 - No more than \$10,000,000 in qualified low-income community investments made in any one particular qualified active low-income community business, including all of its affiliates, may count towards satisfying the requirement to invest at least 100 percent of the cash purchase price of the qualified equity investment in qualified low-income community investments in rural or metro counties, as applicable, within 12 months of the issuance of the qualified equity investment or to maintain such level of investment in qualified low-income community investments in rural or metro counties, as applicable, until the last credit allowance date for such qualified equity investment, whether made by one or several qualified community development entities, excluding any redeemed or repaid qualified low-income community investments by the qualified active low-income community business.

- The department must provide notice to a qualified community development entity of a proposed recapture of credits. If the qualified community development entity fails or is unable to cure the deficiency that the proposed recapture is based on within 90 days of the notice, the department must provide the qualified community development entity and the insurance company from whom the credit is to be recaptured with a final order of recapture.
- A credit for which a final recapture order is issued must be recaptured by the department from the insurance company who claimed the credit on a tax return.
- The qualified equity investment authority related to recaptured credits lapses to the department and must be awarded pro rata to applicants that received awards of qualified equity investment authority, and have not had any community development entity investment tax credits recaptured.

Examination and Advisory Letters

- The department may conduct examinations to verify that the requirements for qualified equity investments and community development entity investment tax credits are satisfied.
- The department may issue advisory letters to individual qualified community development entities and their investors that are limited to the specific facts outlined in an advisory letter request from a qualified community development entity. An advisory letter issued may not be relied on by any person other than the qualified community development entity that requested the letter and persons eligible to claim credits generated from investments in the qualified community development entity.
- In issuing advisory letters and making determinations, to the extent applicable, the department must use sec. 45D, IRC, and the regulations issued thereunder as guidance.

Annual Report

- No later than May 1 of each year during which a credit allowance date occurs, each qualified community development entity that has been certified by the department must submit an annual report to the department. The report must include all of the following:
 1. Information with respect to all qualified low-income community investments made by the qualified community development entity, including:
 - a. The date and amount of, and bank statements or wire transfer reports documenting, the qualified low-income community investments.
 - b. The name and address of each qualified active low-income community business funded by the qualified community development entity, the number of persons employed by the business at the time of the initial qualified low-income community investment, and a brief description of the business and the financing.
 - c. The number of employment positions maintained by each qualified active low-income community business as of the date of the report or at the end of the preceding calendar year and the average annual salaries of the positions.
 - d. Total number of employment positions created and retained as a result of qualified low-income community investments and the average annual salaries of those positions.
 - e. A certification by its chief executive officer or similar officer that the qualified community development entity is in compliance with the requirements provided in the *Recapture* provisions of this Act.

- f. Any changes with respect to persons entitled to claim the credit with respect to qualified equity investments issued by the qualified community development entity since its last annual report.
- No report is required to be made with respect to a qualified equity investment before the first anniversary of the credit allowance date of the qualified equity investment.
- A qualified community development entity is not required to provide annual report information for qualified low-income community investments that have been redeemed or repaid.

8. Extend Research Income and Franchise Tax Credit Carry-Over Period

([2025 Wisconsin Act 220](#), repeal secs. 71.28(5b)(d)1. and 71.47(5b)(d)1., renumber and amend secs. 71.07(4n)(d) to 71.07(4n)(d)1., and 71.28(5)(b) to 71.28(5)(b)1., amend secs. 71.07(2dm)(h), (2dx)(e)1., (2dy)(d)1., (3g)(c), (3h)(d)1., (3n)(f), (4k)(e)2.b., (5b)(d)1., (5d)(d)2., (5g)(d)1., (5i)(d), (5j)(d)1., (5k)(d), (5n)(d)1., (5r)(d)1., (5rm)(d)1., (6n)(d)1., (8b)(e), (9m)(e), (9r)(g), (10)(d), 71.28(1dm)(h), (1dx)(e)1., (1dy)(d)1., (3g)(c), (3h)(d)1., (3n)(f), (4)(f), (4)(k)2., (5g)(d)1., (5i)(d), (5j)(d)1., (5k)(d), (5n)(d)1., (5r)(d)1., (5rm)(d)1., (6)(e), (6n)(d)1., (8b)(e), (10)(d), 71.47(1dm)(h), (1dx)(e)1., (1dy)(d)1., (3g)(c), (3h)(d)1., (3n)(f), (4)(f), (4)(k)2., (5g)(d)1., (5i)(d), (5j)(d)1., (5k)(d), (5r)(d)1., (5rm)(d)1., (6)(e), (6n)(d)1., (8b)(e), (10)(d), and create secs. 71.07(4n)(d)2., 71.28(5)(b)2., (5b)(e), (5b)(f), (5b)(g), (5b)(h), 71.47(5b)(e), (5b)(f), (5b)(g) and (5b)(h), effective April 10, 2026.)

The act extends the carry-over period of claimants' unused research income and franchise tax credits from 15 years to 50 years after the credit is initially claimed. The new provision applies to previously claimed research credits that are carried over, remain unused, and have not expired as of April 10, 2026.

9. New Long-Term Care Insurance Assessment Tax Credit

([2025 Wis. Act 227](#), amend secs. 71.05(6)(a)15., 71.10(4)(i), 71.21(4)(a) and (6)(d)3., 71.26(2)(a)4., 71.30(3)(f), 71.34(1k)(g), 71.365(4m)(d)2., 71.45(2)(a)10., 71.49(1)(f), 76.67(1) and (2), 646.11(2), and 646.51(3)(am), (4)(a), and (7)(b), and create secs. 20.835(2)(de), 71.07(12), 71.10(4)(co), 71.28(12), 71.30(3)(dh), 71.47(12), 71.49(1)(dh), 76.633, 646.03(3m), and 646.51(3)(bm) and (7)(bm), effective for taxable years beginning after December 31, 2026)

([2025 Wis. Act 228](#), amend sec. 20.835(2)(de), effective July 1, 2026)

Act 227 creates a nonrefundable and refundable credit for long-term care insurance assessments paid by insurers. The credit is equal to 20 percent of the amount of the long-term care insurance assessment paid by the insurer. The credit may be claimed for the tax year after the claimant paid the long-term care insurance assessment and for the following four years. The credit is refundable for disability insurers and nonrefundable for all others.

Act 228 amends the appropriation in Act 227 for the refundable long-term care insurance assessment credit available for disability insurers.

Definitions

- "Claimant" means a person who files a claim for the long-term care insurance assessment credit.
- "Disability insurer" means an insurer classified as a disability insurer under sec. 646.51(3)(bm)2., Wis. Stats.

Filing a Claim

- Subject to the limitations below, for taxable years beginning after December 31, 2026, a claimant may claim a credit for the taxable year following the taxable year the claimant pays a long-term care assessment under sec. 646.51(3)(bm), Wis. Stats., and for the immediately following 4 taxable years. The credit is equal to 20 percent of the assessment under sec. 646.51(3)(bm), Wis. Stats., paid by the claimant.

Limitations

- A partnership, limited liability company, or tax-option (S) corporation, including a partnership, limited liability company, or tax-option (S) corporation that makes an election to pay tax at the entity level under sec. [71.21\(6\)\(a\)](#) or [71.365\(4m\)\(a\)](#), Wis. Stats., may claim the credit.
- A partnership's partners, limited liability company's members, and tax-option (S) corporation's shareholders may not claim the credit.

Administration

- In the case of a change in ownership or business of a corporation, sec. [383](#), IRC, applies to the carry-over of unused credits.
- The department has full power to administer this credit and may take any action, conduct any proceeding and proceed as it is authorized in respect to income and franchise taxes imposed.
- The income and franchise tax provisions relating to assessments, refunds, appeals, collection, interest, and penalties apply to this credit.
- The credit must be claimed within four years of the unextended due date on which the tax return is due.
- The amount of computed credit must be included in the claimant's Wisconsin income for the taxable year, except that credits computed by a partnership, LLC, or tax-option (S) corporation and passed through to partners, members, or shareholders must be added to the partnership's, LLC's, or tax-option (S) corporation's income.

Long-term Care Assessments Under the Insurance Security Fund

- The insurance security fund board (board) will calculate the assessments against life, annuity, and disability premiums written in Wisconsin, including disability premiums written by health maintenance organization insurers.
- The board will calculate the percentage of life insurance, annuity contract, and disability insurance premiums written by each life insurer and by each disability insurer, including health maintenance organization insurers. The calculation is based on each insurer's total life insurance, annuity contract, and disability insurance premiums written in Wisconsin for the year preceding the year in which the assessment is authorized by the board, provided that the board's calculations exclude long-term care and disability income insurance premiums.
- If the percentage of life insurance and annuity contract premiums written in Wisconsin by an insurer exceeds 50 percent of the insurer's total life insurance, annuity contract, and disability insurance premiums written in Wisconsin for the year preceding the year in which the assessment is authorized by the board, the insurer must be classified as a life insurer.
- If the percentage of disability insurance premiums, including premiums on products issued by health maintenance organization insurers, written in Wisconsin by an insurer exceeds 50 percent of the insurer's total life insurance, annuity contract, and disability insurance premiums

written in Wisconsin for the year preceding the year in which the assessment is authorized by the board, the insurer must be classified as a disability insurer.

- If the percentage of life insurance and annuity contract premiums and the percentage of disability insurance premiums written in Wisconsin by an insurer each equal 50 percent of the insurer's total life insurance, annuity contract, and disability insurance premiums written in Wisconsin for the year preceding the year in which the assessment is authorized by the board, the insurer will be assigned the classification with the lower assessment base.
- If an insurer issues only disability income products or only long-term care insurance products in Wisconsin for the year preceding the year in which the assessment is authorized by the board, the insurer must be classified as a disability insurer.
- The board will allocate 50 percent of the total assessment authorized by the board for the long-term care insurance account to life insurers and 50 percent of the total assessment authorized by the board for the long-term care insurance account to disability insurers.
- The board will calculate the allocations for each insurer as a percentage of the total premiums written in Wisconsin by insurers in the classes for the year preceding the year in which the assessment is authorized by the board. If the assessment data for the year immediately preceding the year in which the board authorizes the assessment is not available when the assessment is called, the board may use the assessment data for the most recent year for which data is available.
- Upon an insurer's payment of a long-term care assessment, the fund will require the insurer to elect to claim one of the following: Income and franchise tax credit under sec. 71.07(12), 71.28(12), or 71.47(12), Wis. Stats., or insurer license fee credit under sec. 76.633, Wis. Stats.
- If an insurer elects to claim an income and franchise tax credit, no later than 60 days after a long-term care assessment is collected from the insurer, the fund will issue to the insurer a certification of the amount of the assessment that the insurer may claim as eligible for the credit.

The fund will certify the amount of the assessment imposed on an insurer that the insurer may claim as a credit under sec. 71.07(12), 71.28(12), 71.47(12), or 76.633, Wis. Stats. No later than 60 days after the collection of an assessment imposed on insurers, the fund will provide to the Office of the Commissioner of Insurance and the Wisconsin Department of Revenue a certification of the following: The amount of the assessment that each insurer may claim as eligible for the credit under sec. 71.07(12), 71.28(12), 71.47(12), or 76.633, Wis. Stats. and the election made by each insurer described above.

10. Changes to Low-Income Housing Tax Credit

([2025 Wis. Act 236](#)), renumber sec. 76.639(3), amend secs. 71.07(8b)(a)7. and (c)2., 71.28(8b)(a)7. and (c)2., 71.47(8b)(a)7. and (c)2., 76.639(1)(g), 76.67(2), and 234.45(1)(e), and create secs. 76.639(3)(b), and 234.45(1)(em) and (5m), effective for taxable years beginning after December 31, 2024).

The Act makes the following changes to the low-income housing tax credit:

- Removes the requirement that projects must be financed with tax-exempt bonds.
- Clarifies that if the Wisconsin Department of Revenue makes an audit assessment at the entity level, the pass-through entity (as opposed to the pass-through members) may be responsible for any tax liability arising from a dispute with the department relating to claiming the credit.
- Allows an insurer who is a member of a pass-through entity to claim the credit.

- Requires that 35% of the tax credits allocated by the Wisconsin Housing and Economic Development Authority (WHEDA) must be allocated to rural areas, defined as a city, village, or town with a population of fewer than 10,000 that is at least 10 miles away from any other city, village, or town that has a population of 50,000 or more. This requirement does not apply in any year in which WHEDA does not receive sufficient applications for qualified developments located in rural areas that are timely submitted and meet all threshold requirements of the allocation plan.

11. Changes to the Supplement to Federal Historic Rehabilitation Tax Credit

([2025 Wis. Act 238](#), repeal secs. 71.07(9m)(a)1m., 71.28(6)(a)1m. and 71.47(6)(a)1m.; amend secs. 71.07 (9m)(a)2m., (a)3., (c)(intro.), (c)1., (cm), (cn)(intro.), (g)1., and (h), 71.28(6)(a)2m., (a)3., (c)(intro.), (c)1., (cm), (cn)(intro.), (g)1., and (h), 71.47(6)(a)2m., (a)3., (c)(intro.), (c)1., (cm), (cn)(intro.), (g)1., and (h), and 238.17 (2), and create 71.07(9m)(a)4., 71.28(6)(a)4. and 71.47(6)(a)4., effective April 10, 2026)

The Act makes the following changes relating to the supplement to federal historic rehabilitation tax credit:

1. Considers a qualified rehabilitated building to have been "substantially rehabilitated" under sec. 47(c)(1)(B)(i), of the Internal Revenue Code, if the qualified rehabilitation expenditures during the 24-month period are at least \$50,000. The change applies for taxable years beginning after December 31, 2025.
2. Under current law, the rehabilitation must be recommended by the State Historic Preservation Officer for approval by the federal Secretary of Interior regardless of whether the federal credit is claimed. The Act provides that if the federal credit is not claimed, only the State Historic Preservation Officer must approve the rehabilitation.
3. Clarifies that a credit claimed for Wisconsin must be claimed at the same time as federal regardless of whether the federal credit is claimed.
4. Changes the \$3.5 million per-parcel limit for all projects undertaken on the same parcel from being a lifetime limit to a 15-year limit.

12. New Rail Infrastructure Modernization and Maintenance Tax Credits

([2025 Wis. Act 242](#), amend secs. 71.05(6)(a)15., 71.21(4)(a), 71.26(2)(a)4., 71.34(1k)(g) and 71.45(2)(a)10., create secs. 71.07(8t) and (8v), 71.10(4)(cu) and (cv), 71.28(8t) and (8v), 71.30(3)(cu) and (cv), 71.47(8t) and (8v), 71.49(1)(cu) and (cv), 189.02(8), and 238.309, effective for taxable years beginning after December 31, 2025)

The Act creates two income and franchise tax credits, one for rail infrastructure modernization expenditures and another for rail infrastructure maintenance expenditures.

Rail Infrastructure Modernization Credit

The Act allows the Wisconsin Economic Development Corporation (WEDC) to certify three different types of entities for the rail infrastructure modernization credit.

1. Railroad companies that have a railroad in Wisconsin and that are classified as a class II or class III railroad for the taxable year.
2. Owners or lessees of a rail siding, industrial spur, or industry track on or adjacent to a railroad in Wisconsin during the taxable year.

3. A local government, defined as a city, village, town, county or American Indian band or tribe in Wisconsin or a unit or instrumentality of a city, village, town or county.

The Act requires that a claim be filed for a taxable year starting after December 31, 2025, and before January 1, 2031. A claimant may claim an amount equal to 50 percent of qualified new rail infrastructure expenditures made by the claimant during the taxable year to which the claim relates.

Qualified new rail infrastructure expenditures are capital expenditures for rail infrastructure and improvements in Wisconsin placed in service after December 31, 2025. Such expenditures include the acquisition of right of way; engineering; construction of new track such as industrial leads, switches, spurs and sidings; rehabilitation of existing inactive track to reinstate operation; loading dock improvements; and transloading structures involved with servicing customer locations or expansions.

Limitations

- A claimant may not use an expenditure to claim both a rail infrastructure modernization credit and a rail infrastructure maintenance credit.
- The total amount of the credit for a taxable year may not exceed \$2,000,000 per credit application.
- The claimant must include a copy of the claimant's verification from WEDC with their tax return.
- Partnerships, tax option corporations, and limited liability companies may not claim the credit. These entities must compute the amount of credit that each of its partners, shareholders, or members may claim in proportion to their ownership interests and provide that information to each of them.

In each calendar year, WEDC may only allocate up to \$10,000,000 in tax benefits for railroad infrastructure modernization. If a claimant's taxable year begins or ends on a different date than the calendar year begins or ends, the \$10,000,000 calendar-year limit includes a portion of the claimant's tax benefits calculated based on the number of days in the claimant's taxable year that fall within the calendar year.

Rail Infrastructure Maintenance Credit

The rail infrastructure maintenance credit allows WEDC to certify one type of entity to claim the credit. Only a railroad company that has railroad in Wisconsin that is classified as a class II or class III railroad for the taxable year may be certified to claim the credit.

The Act requires that a claim be filed for a taxable year starting after December 31, 2025, and before January 1, 2031. A claimant may claim an amount equal to 50 percent of the qualified short line railroad maintenance expenditures made by the claimant during the taxable year to which the claim relates.

Qualified short line railroad maintenance expenditures are defined as follows:

- Gross expenditures for railroad infrastructure rehabilitation or maintenance improvements located in Wisconsin, including rail, tie plates, joint bars, fasteners, switches, ballast, subgrade, roadbed, industrial leads, sidings, signs, safety barriers, crossing signals and gates, and related track structures.
- Gross expenditures for third-party labor related to the expenditures in the first bullet point.

- Gross expenditures for wages paid to employees in positions directly related to maintenance activities described in the first bullet point.

Limitations

- No credit may be claimed based on qualified short line railroad expenditures used to claim a tax credit under federal law or that are funded by a federal or state grant.
- No claimant may use an expenditure to claim both the rail infrastructure modernization credit and the rail infrastructure maintenance credit.
- The total amount of rail infrastructure maintenance credits for a taxable year may not exceed \$5,000 multiplied by the number of miles of railroad track owned or leased by the claimant in Wisconsin on December 31 of the taxable year to which the claim applies.
- The claimant must include a copy of the claimant's verification from WEDC with their tax return.
- Partnerships, tax option corporations, and limited liability companies may not claim the credit. These entities must compute the amount of credit that each of its partners, shareholders, or members may claim in proportion to their ownership interests and provide that information to each of them.

Provisions Applicable to Both Rail Credits

Administration

- The Wisconsin Department of Revenue must be notified by WEDC of certification of tax benefits within 30 days after WEDC grants a certification.
- The amount of the credit computed for the taxable year must be included in Wisconsin income for the taxable year.
- In the case of a change in ownership or business of a corporation, sec. [383](#), IRC, applies to the carry-over of unused credits.
- If the nonrefundable credit computed is not entirely offset against Wisconsin income or franchise taxes otherwise due, the unused balance may be carried forward and credited against Wisconsin income or franchise taxes otherwise due for the following 5 taxable years to the extent not offset by Wisconsin income or franchise taxes otherwise due in all intervening years between the year in which the expense was incurred and the year in which the carry-forward credit is claimed.
- The department has full power to administer this credit and may take any action, conduct any proceeding and proceed as it is authorized in respect to income and franchise taxes imposed. The income and franchise tax provisions relating to assessments, refunds, appeals, collection, interest, and penalties apply to this credit.
- The credit must be claimed within four years of the unextended due date on which the tax return is due.
- If WEDC revokes the credit, the amount of credit used to offset tax by the taxpayer and transferee must be added to the tax liability of the taxpayer.

Transferability

A claimant may sell or otherwise transfer a credit claimed, in whole or in part, to another person who is subject to taxes imposed under sec. [71.02](#), [71.23](#), or [71.43](#), Wis. Stats. The transferor must

notify the department of the transfer and submit with that notification a copy of the transfer documents, and the department approves the transfer. The transferor may also file a claim for the credit on a form prescribed by the department at the time of the transfer request. The transferee may first use the credit to offset tax in the taxable year of the transferor in which the transfer occurs. The transferee may only use the credit to offset tax in taxable years still available to the original claimant. If an original claimant's certification is revoked by WEDC, and they already transferred the credit, the transferee may not use the credit.

C. Sales and Use Tax

1. Changes to the Exemption for Real Estate Broker Memberships

([2025 Wis. Act 108](#), amend sec. 77.54(72), effective June 1, 2026)

The Act amends the sales and use tax exemption for a membership sold to a real estate broker licensed under ch. [452](#), Wis. Stats. To qualify for the exemption, a broker who obtains access to information about real estate listings from other real estate brokers is no longer required to offer, pursuant to the broker's membership agreement, to both compensate and cooperate with real estate brokers in brokering sales of properties.

2. Repeal Obsolete Tax Provisions

([2025 Wis. Act 118](#), effective March 29, 2026)

The Act repeals the following obsolete provisions in ch. [77](#), Wis. Stats.

- Definition of building in sec. 77.54(57d)(a)1., Wis. Stats.
- Sales tax holiday exemption in sec. 77.54(67), Wis. Stats.
- Qualified child sales and use tax rebate for 2018 in sec. 77.68, Wis. Stats.

3. No Exemption Certificate Needed for Precious Metal Bullion

([2025 Wis. Act 124](#), amend secs. 77.52(13) and 77.53(10), effective March 29, 2026)

The Act eliminates the requirement for sellers to obtain and purchasers to provide an exemption certificate for exempt sales and purchases of precious metal bullion (sec. [77.54\(74\)](#) Wis. Stats.).

4. Corrections to Tax Provisions

(2025 Wis. Acts [127](#), [129](#), [130](#)), effective March 29, 2026)

The Acts include various changes to ch. [77](#), Wis. Stats., for the purpose of making insubstantial corrections.

For additional information, see the Wisconsin Legislative Council's [Act 127 Memo](#), [Act 129 Memo](#), and [Act 130 Memo](#).

5. New Exemption for Nuclear Fusion Technology Projects

([2025 Wis. Act 165](#), create sec. 77.54(76), effective July 1, 2026)

The Act creates a sales and use tax exemption for the sale of and the storage, use, or other consumption of tangible personal property or property under sec. [77.52\(1\)\(c\)](#), Wis. Stats., exclusively and directly used for a nuclear fusion technology project and used solely at the nuclear fusion technology project's location, including purchases of tangible personal property or property under sec. 77.52(1)(c), Wis. Stats., made by construction contractors who transfer such property to their customers in fulfillment of a real property construction activity.

For this exemption, nuclear fusion technology project means a project that has the purpose of undertaking the controlled fusion of atomic nuclei or research thereupon, including energy generation, propulsion systems, materials research, medical isotope production, neutron sources, plasma physics research, and any other application making use of fusion reactions or fusion-enabling technologies.

To claim the exemption, a purchaser must provide its vendor with a fully completed Wisconsin sales and use tax exemption certificate for purchases made on or after July 1, 2026. One of the following exemption certificates may be used:

- [Form S-211](#), *Wisconsin Sales and Use Tax Exemption Certificate*: Check the box for "other exemptions provided by law" and enter "Nuclear Fusion Technology Projects."
- [S-211E](#), *Electronic Wisconsin Sales and Use Tax Exemption Certificate*: Check the box for "Nuclear Fusion Technology Projects."

6. New Exemption for Persons Engaged in Contract Research Services

([2025 Wis. Act 190](#), renumber and amend sec. 77.54(57d)(a)4. to 77.54(57d)(a)4.(intro.); create sec. 77.54(57d)(a)2m., (a)4.b. and (b)4., effective July 1, 2026)

The Act expands the sales and use tax exemption for qualified research, under sec. [77.54\(57d\)\(b\)](#), Wis. Stats., to include persons engaged in contract research services in Wisconsin.

The Act defines contract research services to mean research conducted by a person on behalf of a customer that, if performed by employees of the customer, would constitute qualified research.

The Act modifies the definition of qualified research to include qualified research funded by customers for whom contract research services are provided.

To claim the exemption, a purchaser must provide its vendor with a fully completed Wisconsin sales and use tax exemption certificate for purchases on or after July 1, 2026. One of the following exemption certificates may be used:

- [Form S-211](#), *Wisconsin Sales and Use Tax Exemption Certificate*: Check the box for "other exemptions provided by law" and enter "Contract Research Services."
- [S-211E](#), *Electronic Wisconsin Sales and Use Tax Exemption Certificate*: Check the box for "Contract Research Services."

D. Excise Tax

1. Updates to the Electric Vehicle Charging Tax

([2025 Wis. Act 211](#), amend sec. 77.9972(1)(b), retroactively effective January 1, 2025; renumber sec. 77.997(1) to 77.997(2), amend secs. 77.54(71)(a) and (b), and 77.9973(2), and create sec. 77.997(1m), effective April 10, 2026)

Under current law, an excise tax is imposed at the rate of 3 cents per kilowatt-hour on electricity delivered or placed into the battery or other energy storage device of an electric vehicle by:

- A Level 3 charger of an electric vehicle charging station.
- A Level 1 or Level 2 charger installed on or after March 22, 2024, of an electric vehicle charging station.

The excise tax does not apply to electricity delivered or placed by a charger of an electric vehicle charging station located at a residence.

The Act makes the following additions and updates to the electric vehicle charging tax:

- Defines "electric vehicle" to have the same meaning given in the code of federal regulations in 23 CFR 680.104 and means a motor vehicle that is either partially or fully powered on electric power received from an external power source. For purposes of the tax, "electric vehicle" does not include golf carts, electric bicycles, or other micromobility devices.
- Clarifies the tax is not owed by any charger of an electric vehicle charging station located at a residence.
- Requires a single-owner entity that is disregarded as a separate entity for income tax purposes that owns, operates, manages, or leases an electric vehicle charging station to register and file tax returns with the department rather than the owner of the entity.

See the new tax law article, *Electric Vehicle Charging Station Registration and Excise Tax*, in [Wisconsin Tax Bulletin 225](#) (April 2024), page 11, and [Publication 305](#), *Electric Vehicle Charging Tax Information*, for additional information.

E. Unclaimed Property

1. Penalties for Fraudulent Unclaimed Property Claims

([2025 Wis. Act 112](#), amend secs. 177.1104, 177.1204(title), and 177.1205, and create secs. 177.1201(4) and 177.12045, effective March 22, 2026)

The Act creates civil and criminal penalties for filing a claim with the Wisconsin Department of Revenue for the property of another person without the other's consent and with intent to deprive the rightful owner of the property. A person who files such a claim is subject to a penalty equal to the total value of the property, is guilty of a Class I felony, and may be assessed the cost of prosecution.

The Act also creates a penalty for a claim submitted to the department by a locator service under an agreement that does not comply with the requirements under current law sec. [177.1301\(2\)](#), Wis. Stats. The penalty is equal to the value of the unclaimed property plus:

- \$1,000 for property valued at no more than \$15,000, or
- \$2,500 for property valued at more than \$15,000

If a locator service is assessed a penalty, no later than 90 days after the locator's right to appeal the assessment has expired, the department must post on its website the name and address of the locator service and the amount of penalty assessed. The information will remain on the website for at least 12 months following the date the information was initially posted.

In addition, upon request from the department, the attorney general is authorized to represent the state or to assist the district attorney in the prosecution of any civil or criminal penalty case. Finally, the department may waive, in whole or in part, the civil and criminal penalties.

Income and Franchise Tax Updates and Reminders

Administrative Rule for Commercial Loan Income Exemption

Section [Tax 3.10](#), Wis. Adm. Code, for the Commercial Loan Income exemption (sec. [71.26\(i\)](#), Wis. Stats.) was added to ch. Tax 3, Wis. Adm. Code. The Wisconsin Administrative Code sections were published in [Administrative Register 843A1](#) on March 2, 2026, and became effective April 1, 2026.

Film Tax Incentive Applications Now Available

Applications for the Film Production Company Investment Tax Credit and Film Production Services Tax Credit are now available on the [Film Wisconsin](#) website.

The Film Wisconsin website includes additional information about eligibility for the credits and an overview of eligible production expenditures. A summary of each credit is available in the new tax law articles, *Film Production Services Credit*, and *Film Production Company Investment Credit*, in the [Wisconsin Tax Bulletin 230](#) (July 2025), pages 3 through 8.

Sales and Use Tax Updates and Reminders

Penny Shortages and the Impact on Wisconsin Sales and Use Tax

The United States Treasury stopped minting or producing new pennies for general circulation. As a result, many businesses are rounding transactions when a customer pays in cash and the business does not have enough pennies to provide exact change. The Wisconsin Department of Revenue and the Wisconsin Department of Agriculture, Trade and Consumer Protection published guidance describing the impact on businesses that round cash transactions due to penny shortages. See the guidance by searching "penny" on each agency's website or click on the links below.

- [Penny Shortages and the Impact on Wisconsin Sales and Use Tax](#)
- [Cash Transaction Rounding Guidance](#)

Free In-Person Classes for Wisconsin/Minnesota Seminars

There are still spots available for the upcoming Wisconsin/Minnesota sales and use tax basics seminars. The Wisconsin and Minnesota Departments of Revenue partner to present an overview of Minnesota and Wisconsin sales and use tax laws for companies that do business in both states.

These classes are designed for business owners, bookkeepers, purchasing agents, and accountants seeking a working knowledge of each state's laws and how to meet their obligations. The upcoming free seminars are as follows:

- May 12, 2026 – La Crosse, WI
- May 21, 2026 – Duluth, MN
- May 26, 2026 – Afton, MN

The specific dates, times, and locations of the seminars, as well as registration information, is available on the [Training](#) page of the department's website.

City of Sturgeon Bay and Town of Minocqua Adopt Premier Resort Area Tax

Two municipalities recently adopted the 0.5% premier resort area tax effective July 1, 2026:

- City of Sturgeon Bay
- Town of Minocqua

Certain sellers, described in the department's [Premier Resort Area Tax](#) common questions, must report taxable sales made to customers in a premier resort area on a premier resort area tax (PRAT) return, available in My Tax Account. These sellers must be registered to collect and report the tax (current PRAT filers do not need to register again).

If you need to register to collect premier resort area tax, send us your legal name, address, and Wisconsin Tax Number by:

- Email: DORRegistration@wisconsin.gov
- Fax: (608) 327-0232, or
- Mail: Wisconsin Department of Revenue
Attn: Registration Unit
PO Box 8902
Madison, WI 53708-8902

For more information, see [Publication 403](#), *Premier Resort Area Tax*.

If you have questions, contact us at (608) 266-2776.

Updated Sales and Use Tax Publications

Several publications have been updated or added as of April 2026. The updated publications and important changes include:

- [Publication 204](#), *Sales and Use Tax Information for Colleges, Universities, and Technical Colleges*
 - Part 1.H: Includes information about marketplace providers.
- [Publication 245](#), *Schools Sales and Use Tax Information*
 - Part 4: Includes information about marketplace providers.
 - Part 7.C: Updates law changes for purchases by nonprofit organizations.
 - Part 8: Updates law changes for the nonprofit occasional exemption.
 - Part 10: Updates law changes for exemption for building materials for certain facilities owned by qualifying entities.
- New [Fact Sheet 2115](#), *Motor Vehicle Fuel Users*
 - The fact sheet replaces Publication 222 previously available on the department's website.

- The fact sheet provides information to determine if use tax is owed on your purchase of motor fuel as a result of receiving a Wisconsin motor vehicle fuel excise tax refund.
- New [Fact Sheet 2116](#), *Cemetery Monument Dealers*
 - This fact sheet replaces Publication 211 previously available on the department's website.
 - The fact sheet explains how Wisconsin sales and use taxes apply to cemetery monument dealers.

Excise Tax Updates and Reminders

Sale of Electronic Vaping Devices Containing Hemp in Wisconsin

Starting July 2, 2026, no electronic vaping devices may be sold or offered for sale in Wisconsin unless listed on [Wisconsin's Electronic Vaping Device Directory](#). This ends the deferred application of the electronic vaping device directory laws for electronic vaping devices containing hemp, as defined in sec. [94.55\(1\)](#), Wis. Stats., and not containing nicotine. Manufacturers of electronic vaping devices containing hemp and not containing nicotine, must certify their devices for listing on the Directory no later than **July 1, 2026**, and annually thereafter. Manufacturers may submit their certification through [My Tax Account](#).

Note: A component, part, or accessory of an electronic vaping device and the liquids or other substances that may be aerosolized or vaporized by such device are also electronic vaping devices that must be listed on the directory; secs. [134.65\(1a\)\(b\)](#) and [995.15](#), Wis. Stats.

Retailers and wholesalers must determine if the electronic vaping devices they sell in Wisconsin are listed on the directory. Manufacturers, distributors, and retailers that sell electronic vaping devices not listed on the directory are also engaging in unfair and deceptive trade practice in violation of Wisconsin law (sec. [100.20](#), Wis. Stats.), and such products may be seized and destroyed.

- Beginning **July 2, 2026**, devices containing hemp not listed on the directory are subject to seizure.
- Beginning **September 1, 2026**, devices containing hemp not listed on the directory are subject to a forfeiture of \$1,000 per day for each device.

Additional information is available on the department's [Cigarette, Tobacco, and Vapor products](#) web page.

Unclaimed Property Updates and Reminders

Matching Program Continues to Return Millions of Unclaimed Property to Owners

The department began matching unclaimed property owners with income tax records in 2015. Since the program started, approximately \$68.5 million in unclaimed property has been returned to more than 392,000 owners. This year's matching program has identified 33,373 owners with approximately \$6.2 million in refund checks to owners.

How the Matching Program Works

The department matches unclaimed property information reported (e.g., social security numbers) with income tax records. When a match is made, the department first offsets any debts, and then mails one of two different notices to the individual depending on the value of unclaimed property.

Notice of Claim Refund – Unclaimed Property (if the amount payable is \$2,000 or less)

- A check is attached to the notice when there is a refund payable
- The notice may include:
 - An itemized list of the property refunded to the owner
 - Any interest paid and the specific property to which the interest relates
 - The amount and type of debts, if any, that were paid from the proceeds of the unclaimed property
 - Contact information for questions

Action Required – Claim your Unclaimed Property (if the amount payable is more than \$2,000)

- The notice lists items and amounts of unclaimed property
- The owner must follow the instructions in the notice to file a claim for the property
- Upon approval of the claim, the department sends the refund to the owner

Department Contact Information

Persons receiving one of these notices are encouraged to visit the department's [Unclaimed Property](#) web page to search for additional unclaimed property they may have.

Call: (608) 264-4594 (Mon-Fri, 7:45 a.m. - 4:30 p.m.)

Email: DORUnclaimedProperty@Wisconsin.gov

Enforcement Report

The Wisconsin Department of Revenue's Office of Criminal Investigation investigates individuals and businesses suspected of committing tax crimes and seeks criminal prosecution for those crimes. Summarized below are recent outcomes from the department's criminal investigations.

To report tax fraud, go to www.revenue.wi.gov and click the "Report tax fraud" link under Quick Links.

Wood County Woman Sentenced to Prison for Theft and Fraud

On March 13, 2026, Jenny Wicke was sentenced to two years of state prison, imposed and stayed, and four years of probation. Wicke was ordered to pay restitution to Wood County and the Wisconsin Department of Revenue.

In April 2025, Wicke was charged with two counts of filing fraudulent income tax returns, three counts of filing fraudulent claims for tax credits, eight counts of misstated facts in food stamp applications, one count of money laundering, and one count of resisting or obstructing an officer.

In September 2025, Wicke was charged with eight additional charges: Four counts of theft of sales tax, one count of filing a fraudulent income tax return, one count of money laundering, one count of computer crime for modifying data, and one count of permitting a gambling machine on premises.

On March 13, 2026, Wicke pled no contest in Wood County Circuit Court to two counts of theft of sales tax and four counts of food stamp fraud.

According to the criminal complaints, Wicke operated West River Café and failed to report cash sales on income tax returns and sales tax returns. Wicke also falsified applications for food stamps and fraudulently received food stamps for several years.

The charges in this case were the result of an investigation by the Wisconsin Department of Revenue's Office of Criminal Investigation, Wisconsin Department of Justice's Division of Criminal Investigation and the Nekoosa Police Department.

Walworth County Tax Return Preparer Sentenced to Prison for Theft and Filing False Income Tax Returns

On March 6, 2026, Mauricio Castaneda, a Whitewater tax return preparer, was sentenced to four years and six months in the Wisconsin State Prison System in Walworth County for felony theft charges and filing false income tax returns. Castaneda was also ordered not to prepare or file tax returns for any other person. Castaneda was charged with these crimes in Walworth County on August 21, 2023.

According to the criminal complaint, Castaneda operated El Nevado Taxes in Whitewater. From February 2021 to February 2022, Castaneda filed 33 false tax returns and received refunds of \$33,356. The Wisconsin Department of Revenue's Office of Criminal Investigation (OCI) identified 307 additional fraudulent tax returns Castaneda filed, preventing \$298,300 in fraudulent refunds from being issued.

Castaneda's scheme involved using clients' tax records and wage information to file fraudulent tax returns to personally receive refunds. Castaneda also often filed the tax returns with fictitious spouse information to claim larger refunds. Castaneda used various addresses to receive the refunds, including Castaneda's home address on 100 tax returns and business address on 89 tax returns. Castaneda deposited the refund checks into personal bank accounts.

The Criminal Litigation Unit in the Wisconsin Department of Justice (DOJ) prosecuted the case following the investigation by OCI.

Report on Litigation

Summarized below are recent significant Wisconsin Tax Appeals Commission (Commission) and Wisconsin Court decisions.

Individual Income Tax

Native American Exemption

U'si Ch-ab a/k/a Alan Nathan Carroll, Jr. v. Wisconsin Department of Revenue (Wisconsin Tax Appeals Commission, March 18, 2026)

The issue in this case is whether Alan Nathan Carroll, Jr., was required to file Wisconsin income tax returns and pay any corresponding tax for the 2020 and 2022 taxable years.

During 2020 and 2022 Taxpayer worked as an employee of Oshkosh Defense, LLC. Taxpayer did not file Wisconsin income tax returns for those years. In January 2024, the department sent Taxpayer Notices of Estimated Tax Amount Due – Individual Income Tax based on the information available to the department, including Forms W-2 filed by Oshkosh Defense, LLC. Taxpayer filed a petition for redetermination with the department, and after that was denied, Taxpayer filed a petition for review with the Commission.

Taxpayer argued that they were excluded from being subject to Wisconsin's income tax laws due to being an Indigenous Aborigine American and member of the Onkwehonwe Mohawks within the Iroquois Confederacy of Aborigine American People. In support of the argument, Taxpayer cited language within the United States Constitution, plus a plethora of documents and other sources that have no legal bearing on the case.

The Commission found that the only exemption for Native Americans granted under state or federal law is based on the United States Supreme Court case *McClanahan v. State Tax Commission of Arizona*. The decision in that case concluded "reservation Indians with income derived wholly from reservation sources are exempt from state income taxation." The Indian Income Tax Exemption, as it had become known, was further clarified in *Joan LaRock v. Wisconsin Department of Revenue*. The exemption is only available to enrolled members of a federally recognized tribe who live and work on their own tribal land.

Taxpayer did not live or work on tribal lands during 2020 or 2022. Furthermore, the Onkwehonwe Mohawks is not a federally recognized tribe and did not have any tribal lands within the state of Wisconsin during those years, nor does it have any today. Accordingly, the Commission ruled that Taxpayer was required to file Wisconsin income tax returns for taxable years 2020 and 2022 and upheld the department's notices.

The taxpayer petitioned for a rehearing that was denied due to being untimely.

Corporation Franchise and Income Taxes

Nexus - Foreign Corporation Selling Travel Services

ASAP Cruises, Inc. v. Wisconsin Department of Revenue

A party may file with the Supreme Court a petition to review an adverse decision by the Court of Appeals as provided in sec. [808.10](#), Wis. Stats. ASAP Cruises, Inc., petitioned the Wisconsin Supreme Court to review the adverse decision they received from the Wisconsin Court of Appeals.

ASAP denies being subject to franchise tax in Wisconsin. The two reasons for the denial are at the center of the various decisions:

1. Does [Public Law 86-272](#) only apply to the sale of tangible personal property or are sales of tangible personal property only the "lower limit" of activity that a State is prohibited from taxing?
2. Does the taxpayer sell tangible personal property or a service? Petitioners argued that what they were selling software as a service (SaaS).

The Appeals Court concluded the following:

1. The plain language of Public Law 86-272 applies only to the solicitation of sales of tangible personal property.
2. ASAP Cruises, Inc., sells travel services and is not selling tangible personal property and therefore is subject to Wisconsin franchise tax.

The Wisconsin Supreme Court denied review, so as determined by the Wisconsin Appeals Court, the decision of the Tax Appeals Commission stands.

See [Wisconsin Tax Bulletin 218](#) (July 2022), pages 13-15, for a summary of the Wisconsin Tax Appeals Commission's decision.

See [Wisconsin Tax Bulletin 230](#) (July 2025), page 16, for a summary of the Wisconsin Court of Appeals decision.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of April 30, 2026: chs. 20, 39, 41, 46, 69, 71, 76, 77, 134, 177, 189, 234, 238, 645, 943, and 995, [Wis. Stats.](#), and chs. Tax 1, 2, 3, 4, 9, 10, and 11, [Wis. Adm. Code](#). Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.

Public Comments

The public may [submit comments on guidance documents](#) at any time.