

Name	Identifying Number
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<b>1</b> Fill in the number of gallons of biodiesel fuel you produced in Wisconsin during the taxable year. If the number of gallons is less than 2,500,000, you do not qualify for the credit . . . . .	<b>1</b>	
<b>2</b> Multiply the number on line 1 by .10 (10 cents) . . . . .	<b>2</b>	
<b>3</b> Fill in the biodiesel fuel production credit passed through from other entities . . . .	<b>3</b>	
<b>4</b> Add the amounts on lines 2 and 3 . . . . .	<b>4</b>	
<b>5</b> Maximum yearly credit . . . . .	<b>5</b>	\$1,000,000
<b>6</b> Fill in the smaller of line 4 or line 5. This is your 2012 biodiesel fuel production credit (see instructions) . . . . .	<b>6</b>	
<b>6a</b> Fiduciaries – Fill in the amount of credit allocated to beneficiaries . . . . .	<b>6a</b>	
<b>6b</b> Fiduciaries – Subtract line 6a from line 6 . . . . .	<b>6b</b>	

**Instructions for 2012 Schedule BC**

**GENERAL INSTRUCTIONS**

**Purpose of Schedule BC**

Use Schedule BC to claim the biodiesel fuel production credit. The credit is available for taxable years beginning after December 31, 2011, and before January 1, 2015.

**Who is Eligible to Claim the Credit**

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, tax-option (S) corporation, insurance company, or tax-exempt organization may be eligible for the credit based on the number of gallons of biodiesel fuel produced in Wisconsin during the taxable year.

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credit; instead the credit flows through to the partners, members, or shareholders based on their ownership interests.

Estates and trusts share the credit with their beneficiaries in proportion to the income allocable to each.

**Definition**

"Biodiesel fuel" means a fuel that is comprised of monoalkyl esters of long chain fatty acids derived from vegetable oils or animal fats. The fuel must (1) be registered as a biodiesel fuel by the manufacturer under 40 CFR Part 79, (2) be pure biodiesel fuel, is identified as such with the alphanumeric B100, and does not contain any petroleum product, any additive, or other foreign material, and (3) meet all of the applicable requirements of the American Society for Testing and Materials.

## Credit is Income

The credit that you compute on Schedule BC is income and must be reported on your Wisconsin franchise or income tax return in the year computed.

## Carryforward of Unused Credits

The biodiesel fuel production credit is nonrefundable. Any unused credit may be carried forward for 15 years.

If there is a reorganization of a corporation claiming the biodiesel fuel production credit, the limitations provided by Internal Revenue Code section 383 may apply to the carryover of any unused credit.

## SPECIFIC INSTRUCTIONS

**Line 1** To qualify for the credit, you must produce at least 2,500,000 gallons of biodiesel fuel in Wisconsin during the taxable year. Do not complete Schedule BC if you produce less than 2,500,000 gallons.

**Line 3** Fill in the amount of biodiesel fuel production credit passed through from tax-option (S) corporations, partnerships, LLCs treated as partnerships, estates, or trusts. The pass-through credit is shown on Schedule 5K-1 for shareholders of tax-option (S) corporations, Schedule 3K-1 for partners and LLC members, and Schedule 2K-1 for beneficiaries of estates or trusts.

**Line 6** Enter the amount of credit from line 6 on line 3 of Schedule CR. See the following exceptions:

- If the claimant is a combined group member, enter the amount of credit on Form 4M instead of Schedule CR.
- Tax-option (S) corporations, partnerships, and LLCs treated as partnerships should prorate the amount of credit on line 6 among the shareholders, partners, or members based on their ownership interest. Show the credit for each shareholder on Schedule 5K-1 and for each partner or member on Schedule 3K-1.
- Fiduciaries – Complete lines 6a and 6b.

**Line 6a** *Fiduciaries* – Prorate the credit from line 6 between the entity and its beneficiaries in proportion to the income allocable to each. Show the beneficiaries' portion of the credit on line 6a. Show the credit for each beneficiary on Schedule 2K-1.

**Line 6b** Subtract line 6a from line 6. This is the estate's or trust's portion of the credit. Fill in here and on line 3 of Schedule CR.

## Required Attachment to Return

File your completed Schedule BC with your Wisconsin franchise or income tax return.

## Additional Information

For more information, you may contact any Department of Revenue office or:

- Call (608) 266-2772
- E-mail your question to: [corp@revenue.wi.gov](mailto:corp@revenue.wi.gov).