

# Instructions for 2012 Schedule EM-C

## GENERAL INSTRUCTIONS

### Purpose of Schedule EM-C

Use Schedule EM-C to request certification of hardware and software expenditures made by a Wisconsin licensed health care provider to maintain medical records in electronic format. A claimant must be certified by the Wisconsin Department of Revenue (department) in order to claim the electronic medical records credit and the certification request must be submitted to the department by January 31, 2013. By February 28, 2013 the department will notify claimants whether or not they meet the certification requirements and the amount of credit the claimant is eligible for.

### How to File

To reduce errors, paperwork, and time, complete Schedule EM-C electronically from January 3 through January 31, 2013 through the department's free online business tax system.

To e-file Schedule EM-C:

- Go to [tap.revenue.wi.gov/services](http://tap.revenue.wi.gov/services)
- Select "Submit Electronic Medical Records Credit – Certification"
- Enter your business information and confirm the mailing address
- Enter the qualified software purchased. You must have the CHPL number for your software, provided by the [Office of the National Coordinator for Health Information Technology](#)
- Enter the qualified hardware purchased
- Enter the preparer information and Submit

### Definitions

"Claimant" means a person who files a claim under this subsection.

"Electronic medical record" means an electronic record of health-related information that includes patient demographic and clinical health information and has the capacity to provide clinical decision support; to support physician order entry; to capture and query information relevant to health care quality;

and to exchange and integrate electronic health information with and from other sources.

"Health care provider" means any of the following licensed under the Wisconsin statutes: nurse, chiropractor, dentist, physician, physician assistant, perfusionist, respiratory care practitioner, physical therapist, podiatrist, dietitian, athletic trainer, occupational therapist, occupational therapy assistant, optometrist, pharmacist, acupuncturist, psychologist, social worker, marriage and family therapist, professional counselor, speech-language pathologist, audiologist, massage therapist, bodywork therapist, a partnership of any providers listed above, a corporation or limited liability company of any providers listed above, a cooperative health care association that directly provides services through salaried employees in its own facility, a hospice, an inpatient health care facility, a community-based residential facility, and a rural medical center.

"Taxable year" means the taxable period on which the taxable income of the taxpayer is computed for federal income tax purposes. The taxable year of a taxpayer who keeps his or her accounting records on the basis of a 52-53 week period ends on the last day of the month closest to the end of the 52-53 week period.

## SPECIFIC INSTRUCTIONS

### Amended Returns

Claimants will be allowed to file an amended Schedule EM-C from January 3, 2013 through January 31, 2013. No amended returns will be accepted after January 31, 2013. Check the box in the upper right hand corner of the schedule if this is an amended return.

**Section A:** Identifying number—Businesses that have been issued a federal employee identification number (FEIN) should enter the FEIN number in the identifying number box; individuals not required to obtain a FEIN should enter their social security number.

**Section B:** Provide the product name and version number of the information technology software used to maintain the electronic medical records, the federal CHPL (Certified Health Information

Technology Product List) number, and amount paid during the 2012 calendar year to maintain electronic medical records. The CHPL product number issued by The Office of the National Coordinator for Health Information Technology. For more information, go to [oncchpl.force.com/ehrcert/CHPLHome](http://oncchpl.force.com/ehrcert/CHPLHome). Choose the appropriate practice type of either ambulatory or inpatient. Click either "browse" to search all inpatient products or "search" to search for the software product by name. Once in the software product list, click the blue hyperlink of the product purchased and the CHPL product number will be displayed at the top of the screen. Enter this number in the CHPL Product Number section located in column B of Schedule EM-C. If additional lines are required, attach a schedule and enter the total from the supplemental schedule on line 8.

Fiscal year filers should enter amounts in section B for the software purchased on or after the first day of their fiscal year that begins in 2012 through December 31, 2012.

**Section C:** Enter a description of the hardware used to maintain medical records in electronic form, the quantity purchased, and the dollar amount paid in 2012.

Fiscal year filers should enter amounts in section C for the software purchased on or after the first day of their fiscal year that begins in 2012 through December 31, 2012.

**Section D:** If you are submitting this form electronically, check the signature box. This serves as an electronic signature and no additional signature is required.

If you are submitting the form by mail, check the certification box, print your name, the date, and sign the form. Send the completed form to:

Wisconsin Department of Revenue  
 Electronic Medical Records Credit  
 PO Box 8932  
 Madison WI 53708-8932

**Allocation of Credit**

The maximum amount of credit that may be awarded to all claimants in a taxable year is \$10,000,000.

If the total amount of hardware and software expenses paid in the calendar year by all claimants does not exceed \$20,000,000; the credit will be equal to 50 percent of the amount the applicant paid during the calendar year in which the information technology hardware and software was purchased.

If the total amount of hardware and software expenses paid in the calendar year by all claimants exceeds \$20,000,000; the total available credits of \$10,000,000 will be allocated to each certified applicant in proportion to the amount paid during the calendar year.

**Example:** Health Care Providers A, B, and C are certified to claim the electronic medical records credit for the following amounts paid in 2012 for certified hardware and software:

A	\$ 8,000,000
B	\$12,000,000
<u>C</u>	<u>\$ 4,000,000</u>
Total	\$24,000,000

The \$10,000,000 of available credits are allocated to A, B, and C based on their proportionate share of the total amount of \$24,000,000 paid.

Health Care Provider A is allocated a credit of \$3,333,333 computed as follows:  $(\$8,000,000 \div \$24,000,000) \times \$10,000,000$ .

Health Care Provider B is allocated a credit of \$5,000,000 computed as follows:  $(\$12,000,000 \div \$24,000,000) \times \$10,000,000$ .

Health Care Provider C is allocated a credit of \$1,666,667 computed as follows:  $(\$4,000,000 \div \$24,000,000) \times \$10,000,000$ .

**Fiscal Year Filers**

The maximum amount of credit that may be awarded in a calendar year is \$10,000,000. For fiscal year filers, the amount to enter in sections B and C for qualified medical hardware and software purchased is the amount paid during the claimants fiscal year which begins in 2012 through December 31, 2012, not the amount paid during the entity's fiscal taxable year. The applicant must allocate the credit awarded for the calendar year and claim it in its respective taxable fiscal year.

**Example:** An applicant has a fiscal year beginning October 1, 2012 and ending on September 30, 2013. The applicant will file a certification request on a 2012 Schedule EM-C for the period of October 1, 2012 through December 31, 2012 by January 31, 2013.

By January 31, 2014, the applicant will file a 2013 Schedule EM-C for the amounts paid for information technology hardware and software from January 1, 2013 through December 31, 2013.

The applicant is awarded electronic medical record credits of \$10,000 and \$12,000 for the calendar years 2012 and 2013 respectively. The applicant paid the following amounts for certified information technology software and hardware:

<u>Date</u>	<u>Amount</u>
11/02/12	\$20,000
2/04/13	\$ 8,000
8/01/13	\$ 5,000
9/27/13	\$ 4,000
10/22/13	\$ 3,000
12/16/13	\$10,000

The department will notify the applicant by February 28, 2013 of the credit that may be claimed based on the expenses paid in the 2012 calendar year. In this example the applicant may claim an electronic medical records credit of \$10,000.

For expenses paid in the 2013 calendar year, the department will notify the applicant of the allowable credit by February 28, 2014. In this example, applicant is eligible for a credit of up to \$15,000; however, the department has allocated a credit of \$12,000. Because the applicant has a fiscal taxable year that begins in 2012 and ends in 2013, an allocation is required in order to determine the amount of credit that may be claimed in the 2012 and 2013 taxable years. The credit for the 2013 calendar year must be allocated to the applicants fiscal year based on a ratio consisting of the amounts paid during the calendar year that falls within the dates of the taxpayers fiscal year divided by the total amounts paid in the 2013 calendar year, with the result multiplied by the applicant's credit awarded for the 2013 calendar year.

### 2012 Calendar Year Certification

$$\begin{aligned} &\underline{\$20,000} \\ &\$20,000 \times \$10,000 = \$10,000 \end{aligned}$$

### 2013 Calendar Year Certification

Computation for 2012 fiscal year:

$$\begin{aligned} &\underline{\$17,000}^1 \\ &\$30,000^2 \times \$12,000 = \$6,800 \end{aligned}$$

The amount of \$16,800 (\$10,000 + \$6,800) is entered on line 1 of the 2012 Schedule EM.

<sup>1</sup> \$8,000+\$5,000+\$4,000

<sup>2</sup> \$8,000+\$5,000+\$4,000+\$3,000+\$10,000

Computation for 2013 fiscal year:

$$\begin{aligned} &\underline{\$13,000}^3 \\ &\$30,000^4 \times \$12,000 = \$5,200 \end{aligned}$$

Enter this amount on line 1 of the 2013 Schedule EM.

<sup>3</sup> \$3,000+\$10,000

<sup>4</sup> \$8,000+\$5,000+\$4,000+\$3,000+\$10,000

### **Additional Information**

For more information, you may:

- Access common questions of the electronic medical records credit at: [revenue.wi.gov/faqs/ise/elecmedrec.html](http://revenue.wi.gov/faqs/ise/elecmedrec.html)
- E-mail your question to [corp@revenue.wi.gov](mailto:corp@revenue.wi.gov)
- Call (608) 266-2772 [TTY: Call the Wisconsin Telecommunications Relay System at 711, if no answer, dial 1-800-947-3529]
- Send a FAX to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, PO Box 8906, Madison, WI 53708-8906.