



**Part II Reconciliation of Book Income With Net Income**

|  | 1<br>Wisconsin | 2<br>Outside | 3<br>Total |
|--|----------------|--------------|------------|
| <b>6</b> Book income (must agree with Part I, line 5) .....  |                |              |            |
| <b>7</b> Addition adjustments to arrive at federal net income (sum of lines 2 through 5 of federal Schedule M-1) .....   |                |              |            |
| <b>8</b> Add lines 6 and 7 .....   |                |              |            |
| <b>9</b> Subtraction adjustments to arrive at federal net income (federal Schedule M-1, line 9) .....  |                |              |            |
| <b>10</b> Subtract line 9 from line 8. This is federal taxable income before net operating loss deduction and special deductions .....   |                |              |            |
| <b>11</b> Addition adjustments to arrive at Wisconsin net income   |                |              |            |
| <b>a</b> Interest income from state and municipal obligations .....  |                |              |            |
| <b>b</b> State taxes accrued or paid .....   |                |              |            |
| <b>c</b> Environmental and windfall profit taxes accrued or paid .....   |                |              |            |
| <b>d</b> Expenses related to nontaxable income .....   |                |              |            |
| <b>e</b> Percentage depletion .....  |                |              |            |
| <b>f</b> Federal depreciation/amortization in excess of Wisconsin depreciation/amortization .....  |                |              |            |
| <b>g</b> Amount by which the federal basis of assets disposed of exceeds the Wisconsin basis .....   |                |              |            |
| <b>h</b> Manufacturer's sales tax credit (see instructions) .....  |                |              |            |
| <b>i</b> Research credits computed (from Schedule R, lines 15 or 28 and 32) .....  |                |              |            |
| <b>j</b> Development zones credit computed (from Schedule DC, line 5) .....  |                |              |            |
| <b>k</b> Community development finance credit (from Schedule C1, line 5) .....   |                |              |            |
| <b>l</b> Farmland preservation credit (from prior Schedule FC, line 16) .....  |                |              |            |
| <b>m</b> Farmland tax relief credit (from prior Schedule FT, line 6) .....   |                |              |            |
| <b>n</b> Other (1) _____   |                |              |            |
| (2) _____  |                |              |            |
| (3) _____  |                |              |            |
| <b>12</b> Add lines 11a through 11n. This is total additions (enter amount from column 3 on Form 4, line 2)  |                |              |            |
| <b>13</b> Add lines 10 and 12 .....  |                |              |            |
| <b>14</b> Subtraction adjustments to arrive at Wisconsin net income  |                |              |            |
| <b>a</b> Wisconsin dividends received deduction (from Schedule Y, line 4) .....  |                |              |            |
| <b>b</b> Subpart F income .....  |                |              |            |
| <b>c</b> Gross-up of foreign dividend income .....   |                |              |            |
| <b>d</b> Nontaxable income (attach schedule) .....   |                |              |            |
| <b>e</b> Foreign taxes (do not include deemed taxes) .....   |                |              |            |
| <b>f</b> Cost depletion .....  |                |              |            |
| <b>g</b> Wisconsin depreciation/amortization in excess of federal depreciation/amortization .....  |                |              |            |
| <b>h</b> Amount by which the Wisconsin basis of assets disposed of exceeds the federal basis .....   |                |              |            |
| <b>i</b> Federal work opportunity credit wages .....   |                |              |            |
| <b>j</b> Federal research credit expenses .....  |                |              |            |
| <b>k</b> Other (1) _____   |                |              |            |
| (2) _____  |                |              |            |
| (3) _____  |                |              |            |
| <b>15</b> Add lines 14a through 14k. This is total subtractions (enter amount from col. 3 on Form 4, line 4)   |                |              |            |
| <b>16</b> Subtract line 15 from line 13. This is net income. Enter amount from column 1 on Form 4, line 11 (amount from column 3 must agree with amount on Form 4, page 1, line 5) ..... |                |              |            |

**17** Were any products or supplies transferred between Wisconsin branches and branches outside Wisconsin?  Yes  No

If yes, enter the approximate amount of transfers into Wisconsin \$ \_\_\_\_\_ and out of Wisconsin \$ \_\_\_\_\_, and attach an explanation of how transfer prices were determined.

**18** Explain how income and expenses were allocated in and outside Wisconsin \_\_\_\_\_