

Note:

The instructions for Schedule CS have been revised to eliminate references to tuition unit accounts. The director of the Wisconsin 529 College Savings Program has advised that contributions to tuition unit accounts are no longer accepted.

Schedule CS Instructions

College Savings Accounts (Edvest and Tomorrow's Scholar)

PURPOSE OF SCHEDULE CS

Wisconsin provides a subtraction from income for amounts contributed to the Wisconsin state-sponsored college savings program. There are two Wisconsin plans that qualify for the subtraction, Edvest and Tomorrow's Scholar.

Numerous changes have been made to the treatment of the subtraction for contributions and for distributions from the college savings plans. These changes are reflected in this schedule. Beginning in 2014, the maximum subtraction amounts are adjusted for inflation annually and certain distributions must be included in income.

WHO MUST FILE SCHEDULE CS

Schedule CS must be filed by persons who:

- Claim a subtraction from income for contributions to an Edvest or Tomorrow's Scholar account, or
- Received a distribution from an Edvest or Tomorrow's Scholar college savings account that was not used for qualified higher education expenses, or
- Rolled over an amount from an Edvest or Tomorrow's Scholar college savings account into another state's qualified tuition program.

Note: If you have more than one Edvest or Tomorrow's Scholar account, complete a separate Schedule CS for each account with different beneficiaries.

GENERAL INSTRUCTIONS

When can contributions be made? Contributions to an Edvest or Tomorrow's Scholar college savings account for 2014 must be made during 2014 or on or before April 15, 2015. For contributions made between January 1, 2015 and April 15, 2015, be sure they are identified as 2014 contributions if that is your intent. Otherwise they will be considered 2015 contributions.

Who can contribute to an account? The owner of an Edvest or Tomorrow's Scholar account may contribute to the account. The owner of an Edvest or Tomorrow's Scholar college savings account may also authorize any other person to contribute to the account.

May I subtract my contribution to the Edvest or Tomorrow's Scholar account from income? You may be able to subtract the amount you contributed to an Edvest or Tomorrow's Scholar account if you are the owner of the account or were authorized by the owner to make contributions to the account. The subtraction is equal to the amount you contributed to the account for

2014, but not more than \$3,050 per beneficiary (\$1,520 per beneficiary if you are married filing a separate return or a divorced parent).

The total subtraction for a married couple may not exceed \$3,050 per beneficiary.

Example: You are married filing a joint return and have two children. You established an Edvest or Tomorrow's Scholar account for each child. For 2014, you contributed \$3,050 to the account of each child. You may claim a subtraction of \$6,100.

In the case of divorced parents, the total subtraction per beneficiary by the formerly married couple may not exceed \$3,050, and the maximum amount that may be subtracted by each former spouse is \$1,520, unless the divorce judgment specifies a different division of the \$3,050 maximum.

Your subtraction is also limited in that it cannot reduce your Wisconsin income to less than zero. Part-year residents and nonresidents are required to prorate the credit.

SPECIFIC INSTRUCTIONS

Part I Complete Part I if you are the owner of the Edvest or Tomorrow's Scholar account.

Line 1 Fill in the name of the beneficiary of the account.

Line 2 Fill in the amount you contributed to the account for 2014. (See "When can contributions be made?".)

Line 4 To determine your allowable subtraction, complete the following steps:

Step 1 Determine the smaller of the amount you contributed for 2014 or \$3,050 (\$1,520 if married filing a separate return or a divorced parent). See "May I subtract my contribution to the Edvest or Tomorrow's Scholar contribution from income?" for more information on when the \$1,520 limitation applies.

Full-year Wisconsin residents –

Step 2 Your subtraction is equal to the smaller of:

- The amount determined in Step 1, or
- The amount on line 5 of Form 1 less the amounts on lines 6-10 and less all amounts that will be included on line 11 without considering the subtraction for contributions to the Edvest or Tomorrow's Scholar account.

Fill in the amount of your subtraction on line 4 of Schedule CS and line 11 of Form 1 using Code 14.

Part-Year Residents and Nonresidents –

Step 2 Prorate the amount determined in Step 1 as follows:

$$\begin{array}{rcl} \text{Smaller amount from Step 1} & \times & \frac{\text{Wages, unearned income, and net earnings from a trade or business* taxable to Wis.}}{\text{Total wages, unearned income, and net earnings from a trade or business**}} = \text{Tentative Subtraction} \end{array}$$

*Use the amount that will be on line 16, column B of Form 1NPR, without considering the subtraction for contributions to a Wisconsin state-sponsored college savings program less the amount that will be on line 31, column B of Form 1NPR.

** Use the amount that will be on line 16, column A of Form 1NPR, less the amount that will be on line 31, column A of Form 1NPR.

Step 3 Your subtraction is equal to the smaller of the tentative subtraction computed in Step 2 or your total wages, salaries, tips, unearned income, and net earnings from a trade or business taxable to Wisconsin. (See * in Step 2 above.)

Fill in the amount of your subtraction on line 4 of Schedule CS and on line 29 of Schedule M (Form 1NPR).

Line 5 The amount on line 5 may be carried forward to future years and claimed as a subtraction subject to the yearly limitations.

Line 6 Fill in the amount contributed to the Edvest or Tomorrow's Scholar account by others for 2014. See "Who can contribute to an account?" on page 1.

Part II Complete Part II if you contributed to an Edvest or Tomorrow's Scholar account, but you are not the owner of the account.

Line 12 See the line 4 instructions to determine your allowable subtraction.

Line 13 The amount on line 13 may be carried forward to future years and claimed as a subtraction subject to the yearly limitations.

Part III The owner of the Edvest or Tomorrow's Scholar college savings account must complete Part III if, while a Wisconsin resident, (1) you received or authorized a distribution from an Edvest or Tomorrow's Scholar college savings account and all or a portion of the distribution was subject to a federal penalty for the owner or beneficiary of the account because it was not used for qualified higher education expenses or (2) an amount was rolled over by the owner of the account into another state's qualified tuition program.

Line 15 "Qualified higher education expenses" means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary at an eligible education institution. It also includes expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance.

When completing line 15, do not include the portion of the distribution that consists of earnings on the account that was required to be included in federal income of the owner or beneficiary.

Line 16 Fill in the total of the amount you contributed to the college savings account for 2014 plus the amount contributed to the account by all other persons for 2014.

Line 17 *Owner of the Account* – Fill in the amount from line 17 of Schedule CS on line 4 of Form 1 (use Code 01). If you are filing Form 1NPR, fill in the amount from line 17 of Schedule CS on line 16 of Schedule M of Form 1NPR.

Line 19 Include on line 19 both the amount you claimed as a subtraction and the amount claimed as a subtraction by others who contributed to the account.

Fill in the amount from line 19 of Schedule CS on line 4 of Form 1 (use Code 01). If you are filing Form 1NPR, fill in the amount from line 19 of Schedule CS on line 16 of Schedule M of Form 1NPR. If you have an amount on both lines 17 and 19 of Schedule CS, add the amounts on lines 17 and 19 and fill in the total on line 4 of Form 1 (use Code 01) or line 16 of Schedule M of Form 1NPR.

Additional Information

For more information, you may:

Call: (608) 266-2486

Email: income@revenue.wi.gov

Write: Wisconsin Department of Revenue
Mail Stop 5-77
PO Box 8949
Madison WI 53708-8949