

Instructions for 2015 Form 6BL

Wisconsin Net Business Loss Carryforward for Combined Group Members

Purpose of Form 6BL

Corporations that are members of combined groups use Form 6BL to determine the amount of available net business loss carryforward for the current year. Corporations that are single entity filers must complete Form 4BL.

Net business losses may be carried forward and offset against net income for up to 20 years. The corporation must have sustained the loss in a taxable year in which it was subject to Wisconsin franchise or income taxation. **Carrybacks are not permitted.**

For taxable years beginning on or after January 1, 2012, up to 5% of a corporation's unused and unexpired Wisconsin net business loss carryforward incurred prior to January 1, 2009 and not used in any taxable year beginning before January 1, 2012, may be shared with other members of the combined group. Unused losses may be carried forward, but must be used prior to taxable years that begin after December 31, 2031. See the common question, "net business losses for combined groups" available at revenue.wi.gov/faqs/ise/combrptd.html for further information.

In the case of a merger, acquisition, ownership change, etc., occurring in the 1987 taxable year or thereafter, any net business losses that would be available to the predecessor corporation are available to the successor corporation, as provided in section 381 of the Internal Revenue Code (IRC). However, the Wisconsin losses may be limited as provided in IRC section 382. **Provide the predecessor's name and FEIN and attach a copy of its Form 4BL or 6BL to document the Wisconsin loss.**

Form 6BL should only be used by corporations filing as a member of a combined group.

Note: Combined group members must use business loss carryforwards in a specific order. A combined group member shall apply net business loss (NBL) carryforwards in the order that the underlying NBL was incurred and in the following order:

1. For 100% Wisconsin combined groups only: sharing of current year unitary losses;
2. Its own pre-2009 NBL carryforward to offset its own Wisconsin net income from separate entity items;
3. Its own pre-2009 NBL carryforward to offset its share of the Wisconsin combined group's Wisconsin income;
4. Its own post-2009 shareable NBL carryforward to offset its share of the Wisconsin combined group's Wisconsin income;
5. Its share of post-2009 shareable NBL carryforward from other combined group members to offset its share of the Wisconsin combined group's Wisconsin income;
6. Its share of shareable pre-2009 NBL carryforward from other combined group members up to the allowable 5% amount to offset its share of the Wisconsin combined group's Wisconsin income.

Column (b). For the years shown in column (a), enter the amount, if any, of Wisconsin net income **before** applying any net business loss carryforwards. If the corporation originally filed as a separate entity, enter the Wisconsin net income amount from the separate Wisconsin franchise or income tax return. If the corporation filed as part of a Wisconsin combined franchise or income tax return, enter the Wisconsin net income amount from your Wisconsin Form 6. The Wisconsin net income amount would be from Form 6, Part III, line 2 + 3 + 4 - 5.

Losses Incurred

Column (c). For the years shown in column (a), enter the amount, if any, of Wisconsin net business loss incurred. If the corporation filed as a separate entity, enter the Wisconsin net business loss amount from the separate Wisconsin franchise or income tax return.

Column (d). For the taxable years shown in column (a) that occur on or after January 1, 2009, enter the amount, if any, of a shareable Wisconsin net business loss incurred. If the corporation filed as part of a Wisconsin combined franchise or income tax return, enter the Wisconsin net business loss amount from the Wisconsin Form 6, Part III, line 2 + 3 + 4 – 5.

Column (e). Enter the amount of unused pre-2009 net business losses that are shareable with other combined group members.

Losses Used & Expired

Column (f). For those years in which income is reported in column (b), enter as a negative number any net business losses from prior years which were used to offset that income. Apply only as much loss as needed to reduce the income to zero. The amount of non-shareable net business loss used would be from the separate Wisconsin franchise or income tax return for separate entity filers or from the Wisconsin Form 6, Part IV, line 7, if the corporation filed as part of a Wisconsin combined franchise or income tax return.

Also enter any non-shareable net business loss from a prior year that expired at the end of this taxable year.

Column (g). Enter as a negative number any net business losses from prior years which were used to offset your income or the income of other members of the combined group. The amount of shareable net business loss used would include any amounts that you are sharing with other members of the combined group. The amount of shareable net business loss used would be from your Wisconsin Form 6, Part IV, line 10 plus line 13. **Reminder:** post-2009 net business loss carryforwards must be used before pre-2009 net business loss carryforwards.

Also enter any shareable net business loss from a prior year that expired at the end of this taxable year.

Column (h). Enter as a negative number any pre-2009 net business losses from prior years which were used to offset your income or the income of other members of the combined group. The amount of shareable net business loss used would be from your Wisconsin Form 6, Part IV, line 16.

Remaining Losses Available

Column (i). Enter the total non-shareable net business loss carryforward available at the end of each taxable year. This is the column (i) amount for the immediately preceding taxable year decreased by (1) any non-shareable loss used to offset your net income and (2) any non-shareable loss that expired at the end of the taxable year.

Enter the amount from line 30, column (i) on your column of Form 6, Part IV, line 6.

Column (j). Enter the total shareable net business loss carryforward available at the end of each taxable year. This is the column (j) amount for the immediately preceding taxable year increased by any net business loss incurred in the taxable year and decreased by (1) any shareable loss used to offset your net income or the net income of the other members of the combined group and (2) any shareable loss that expired at the end of the taxable year.

Enter the amount from line 30, column (j) on your column of Form 6, Part IV, line 9.

Column (k). Enter the total pre-2009 shareable net business loss carryforward available at the end of each taxable year. This is the column (k) amount for the immediately preceding taxable year decreased by (1) any pre-2009 shareable loss used to offset your net income or the net income of the other members of the combined group and (2) any pre-2009 shareable loss that expired at the end of the taxable year.

Enter the amount from line 30, column (k) on your column of Form 6, Part IV, line 9.

Additional Information and Assistance

Web Resources. The Department of Revenue has a web page dedicated to combined reporting issues, including:

- Common questions
- Training materials
- Links to Administrative Code sections that relate to combined reporting
- Articles on combined reporting

Access the combined reporting web page at: revenue.wi.gov/comb rept/index.html

For questions that do not relate to combined reporting, the web page also has a library of frequently asked questions on general business tax topics, available at: revenue.wi.gov/faqs/index.html

Contact Information. If you cannot find the answer to your question in the resources available on the Department of Revenue's web page, contact the Department using any of the following methods:

- E-mail your question to DORFranchise@revenue.wi.gov
- Call (608) 266-2772
(Telephone help is also available using TTY equipment. Call the Wisconsin Telecommunications Relay System at 711 or, if no answer, (800) 947-3529. These numbers are to be used only when calling with TTY equipment.)
- Send a fax to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 3-107, PO Box 8906, Madison, WI 53708-8906