Form

5E

## **Wisconsin**

# Election by an S Corporation Not to Be Treated as a Tax-Option Corporation

Mail this form to:

Wisconsin Department of Revenue P.O. Box 8908 Madison, WI 53708-8908

		ireated	as a lax-	Optio	n Corpo	ration		Madison, WI 53708-8908
Corporation Name							A Federa	I Employer ID Number
Number and Street							B State of	f Incorporation & Year
City	S	ZIP Code		C Number of Shareholders		D Number of Shares Issued & Outstanding		
Election is to be effec	tive for taxable ye	ear beginning	j:					
consent to have the cor offective for the taxable the election will automatederal purposes. Each	poration not be to year indicated a atically terminate or shareholder, in	reated as a above and a for the taxa signing this	tax-option corport t least the next able year in whice s election, decla	d outstar oration for 4 taxable ch the cares tha	nding shares or Wisconsin e years for th orporation ac t the informa	franchise or inc his corporation of equires a qualified tion with respect	ome tax purp r any succes ed Subchapte et to his or he	n the date of this election oses. This election will be sor corporation. However S subsidiary (QSub) for name, address, federatrue, correct, and complete
			Endoral Ident	ifiding	Stock	Owned		
Name and Address of Shareholder		nolder	Federal Identifying Number		Number of Date Shares Acquired		Shareho	older's Signature
								nis election, including ar
Signature	a.ia otatoiin	, and u		Title	. 2001 OF 111y			ate

#### Form 5E Instructions

#### **General Instructions**

**Purpose of Form** – A corporation that is an S corporation for federal income tax purposes uses Form 5E to elect not to be a tax-option corporation for Wisconsin tax purposes.

How to Elect – The election not to be a tax-option corporation for Wisconsin requires the consent of persons who hold more than 50% of the shares of the tax-option (S) corporation on the day the election is made. Note: If an S corporation has a qualified Subchapter S subsidiary (QSub) for federal purposes, neither the S corporation nor the QSub may elect out of Wisconsin tax-option (S) treatment.

When to Elect – You must make the election on or before the due date, or extended due date, of the first Wisconsin corporation franchise or income tax return affected by the election. The election is completed by the filling of a Wisconsin franchise or income tax return in accordance with the election. Use Wisconsin Form 4 or Form 5, as appropriate. Caution: Since the corporation will be filing federal Form 1120S, special adjustments may be required to properly determine Wisconsin net income.

Revoking the Election – You may withdraw the "opt-out" election prior to the date of filing the corporation's Wisconsin franchise or income tax return by sending a letter, signed by shareholders holding more than 50% of the corporation's stock, to the Department of Revenue on or before the due date, including extensions, of the corporation's return. If the corporation's return was filed before the due date, or extended due date, you may withdraw the election by filing an amended Wisconsin franchise or income tax return, Form 5S, along with a letter requesting the withdrawal of the "opt-out" election on or before the due date or extended due date.

After the due date, or extended due date, for filing the corporation's Wisconsin franchise or income tax return has passed, the "opt-out" election cannot be withdrawn, and it remains effective for the corporation and any successors for at least the next 4 taxable years after the taxable year to which the election first applies. After the 5-year period, you may revoke the "opt-out" election by filing Wisconsin Form 5R, Revocation of Election by an S Corporation Not to Be a Tax-Option Corporation.

**Exception:** The "opt-out" election is automatically revoked for the taxable year in which a federal S corporation acquires a QSub. In this case, it is not necessary to file Form 5R. You must use Wisconsin Form 5S to report the income of the corporation and its QSub.

### **Specific Instructions**

Fill in the corporation's name and address and enter the appropriate information in blocks A through E.

Enter, in the space provided, the name, address, and federal identifying number (social security number for individuals and federal employer identification number for estates, qualified trusts, and exempt organizations) of each shareholder who is signing the election. Also enter for each shareholder the number of shares owned and the date the stock was acquired. If the shareholder acquired stock on more than one date, enter the last date on which that shareholder acquired stock. Each shareholder must sign in the space indicated. If the stock is held as community property or if the income from the stock is community property or if the income from the stock is community property. Wisconsin's marital property is a form of community property

If you need additional space, attach a schedule containing the required information.

An authorized officer of the corporation must sign this form in the space provided.