

Wisconsin Department
of Revenue

File with Wisconsin Form 4, 4I, 4T, or 5

Read instructions before filling in this schedule

| | |
|------|--------------------|
| Name | Identifying Number |
|------|--------------------|

Part I Credit for Increasing Research Expenses

| | | |
|--|----------|--|
| 1 Enter Wisconsin research wage expenses for qualifying activities | 1 | |
| 2 Enter Wisconsin research supplies expenses for qualifying activities | 2 | |
| 3 Enter Wisconsin research computer rental expenses for qualifying activities | 3 | |
| 4 Enter applicable percentage of Wisconsin contract research expenses for qualifying activities | 4 | |
| 5 Add lines 1 through 4 | 5 | |
| 6 Enter wages included on line 5 that qualify for the Wisconsin development zones credit | 6 | |
| 7 Subtract line 6 from line 5. This is the total Wisconsin research expenses for the qualifying activities . | 7 | |

Section A Regular Credit. Complete this section only if you are claiming the regular credit.

- Skip this section and go to section B if you are electing the alternative incremental credit.
- Check box if this is a one-time only change in election.

| | | |
|--|-----------|---|
| 8 Enter average annual Wisconsin gross receipts from the Worksheet on page 2, line 5 | 8 | |
| 9 Enter Wisconsin fixed-base percentage, but not more than 16% (0.16) from the Worksheet on page 2, line 18. (Format as "xx.xxxx%"). | 9 | % |
| 10 Multiply line 8 by the percentage on line 9. This is the base amount. | 10 | |
| 11 Subtract line 10 from line 7. If zero or less, enter zero (0). | 11 | |
| 12 Multiply line 7 by 50% | 12 | |
| 13 Enter the smaller of line 11 or line 12 | 13 | |
| 14 Multiply line 13 by 10% (0.10). Continue with line 28. | 14 | |

Section B Alternative Incremental Credit. Complete this section only if you are claiming the alternative incremental credit.

- Skip this section and go to line 28 if you completed Section A.
- Check box if this is a one-time only change in election.

| | | |
|---|-----------|--|
| 15 Enter average annual Wisconsin gross receipts from the Worksheet on page 2, line 5 | 15 | |
| 16 Multiply line 15 by 1% (0.01). | 16 | |
| 17 Subtract line 16 from line 7. If zero or less, enter zero (0) | 17 | |
| 18 Multiply line 15 by 1.5% (0.015) | 18 | |
| 19 Subtract line 18 from line 7. If zero or less, enter zero (0). | 19 | |
| 20 Subtract line 19 from line 17. If zero or less, enter zero (0). | 20 | |
| 21 Multiply line 15 by 2% (0.02). | 21 | |
| 22 Subtract line 21 from line 7. If zero or less, enter zero (0). | 22 | |
| 23 Subtract line 22 from line 19. If zero or less, enter zero (0). | 23 | |
| 24 Multiply line 20 by 2.65% (0.0265) | 24 | |
| 25 Multiply line 23 by 3.2% (0.032) | 25 | |
| 26 Multiply line 22 by 3.75% (0.375) | 26 | |
| 27 Add lines 24, 25, and 26 | 27 | |
| 28 Carryover of unused research expense credit (see instructions) | 28 | |
| 29 Add line 14 or line 27 to line 28. This is the available research expense credit for activities related to certain energy efficient products | 29 | |

Part II Credit for Research Facilities

| | | |
|---|-----------|--|
| 30 Total qualified research facility expenditures for qualifying activities | 30 | |
| 31 Multiply line 30 by 10% (0.10) | 31 | |
| 32 Carryover of unused research facilities credit (see instructions) | 32 | |
| 33 Add lines 31 and 32. This is the available research facilities credit for activities related to certain energy efficient products | 33 | |

WORKSHEET

| Average Annual Wisconsin Gross Receipts | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 |
|--|---------------------|---------------------|---------------------|---------------------|
| 1 Total gross receipts | | | | |
| 2 Out-of-state receipts included on line 1 | | | | |
| 3 Subtract line 2 from line 1 | | | | |
| 4 Add line 3, columns a through d | | | | |
| 5 Divide amount on line 4 by 4. This is average annual Wisconsin gross receipts to enter on Schedule R-2, line 8 or line 15 | | | | |

Wisconsin Fixed-Base Percentage

On lines 6-9 and 11 below, include only expenses for qualifying activities related to certain energy efficient products, as described in the instructions.

| | (a) 1984 | (b) 1985 | (c) 1986 | (d) 1987 | (e) 1988 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| 6 Wisconsin research wage expenses | | | | | |
| 7 Wisconsin research supplies expenses | | | | | |
| 8 Wisconsin research computer rental expenses | | | | | |
| 9 Wisconsin contract research expenses | | | | | |
| 10 Add lines 6 through 9 | | | | | |
| 11 Wages for Wisconsin development zones credit | | | | | |
| 12 Subtract line 11 from line 10 | | | | | |
| 13 Add line 12, columns a through e | | | | | |
| 14 Total gross receipts | | | | | |
| 15 Out-of-state receipts on line 14 | | | | | |
| 16 Subtract line 15 from line 14 | | | | | |
| 17 Add line 16, columns a through e | | | | | |
| 18 Divide line 13 by line 17. <i>Format as "xx.xxx%."</i> This is the Wisconsin fixed-base percentage to enter on Schedule R-2, line 9 | | | | | % |