

Part II Reconciliation of Book Income or Net Income per Income Statement With Net Income

|  | $1$ <br> Wisconsin | $2$ <br> Outside | $\begin{gathered} 3 \\ \text { Total } \end{gathered}$ |
| :---: | :---: | :---: | :---: |
| 6 Book income or net income per income statement (must agree with Part I, line 5) |  |  |  |
| 7 Addition adjustments to arrive at federal net income (sum of lines 2 through 5 of federal Schedule M-1, or for Schedule M-3 filers, the sum of addition adjustments from Parts II and III) |  |  |  |
| 8 Add lines 6 and 7 |  |  |  |
| 9 Subtraction adjustments to arrive at federal net income (federal Schedule M-1, line 9, or for Schedule M-3 filers, the sum of subtraction adjustments from Parts II and III) |  |  |  |
| 10 Subtract line 9 from line 8. This is federal taxable income before net operating loss deduction and special deductions. |  |  |  |
| 11 Addition adjustments to arrive at Wisconsin net income <br> a Interest income from state and municipal obligations. |  |  |  |
| b State taxes accrued or paid |  |  |  |
| c Related entity interest expenses (from Schedule RT, Part I, Sch. 2K-1, and Sch. 3K-1) |  |  |  |
| d Related entity rental expenses (from Schedule RT, Part I, Sch. 2K-1, and Sch. 3K-1). |  |  |  |
| e Expenses related to nontaxable income |  |  |  |
| f Percentage depletion |  |  |  |
| g Federal section 179 expense deduction in excess of Wisconsin deduction |  |  |  |
| h Federal depreciation/amortization in excess of Wisconsin depreciation/amortization |  |  |  |
| i Amount by which the federal basis of assets disposed of exceeds the Wisconsin basis |  |  |  |
| j Credits computed on Schedules DI, FP, MI, HI, R, R-1, R-2, EB, DC, TC, IE, FC, FT, EC, and DM; and community development finance credit computed |  |  |  |
| k Other <br> (1) |  |  |  |
| (2) |  |  |  |
| 12 Add lines 11a through 11k. This is total additions (enter amount from column 3 on Form 4, line 2) |  |  |  |
| 13 Add lines 10 and 12 . |  |  |  |
| 14 Subtraction adjustments to arrive at Wisconsin net income <br> a Wisconsin dividends received deduction (from Schedule $Y$, line 4) |  |  |  |
| b Related entity interest expenses eligible for subtraction (from Schedule RT, Part II) |  |  |  |
| c Related entity rental expenses eligible for subtraction (from Schedule RT, Part II) |  |  |  |
| d Interest income from related entities whose interest expense was disallowed (obtain |  |  |  |
| Schedule RT-1 from related entity and submit with your return). |  |  |  |
| e Rental income from related entities whose rental expense was disallowed (obtain |  |  |  |
| Schedule RT-1 from related entity and submit with your return). |  |  |  |
| f Subpart F income. |  |  |  |
| g Gross-up of foreign dividend income |  |  |  |
| h Nontaxable income (attach schedule) |  |  |  |
| i Foreign taxes (do not include deemed taxes) |  |  |  |
| j Cost depletion. |  |  |  |
| k Wisconsin depreciation/amortization in excess of federal depreciation/amortization. . |  |  |  |
| I Amount by which the Wisconsin basis of assets disposed of exceeds the federal basis |  |  |  |
| m Federal work opportunity credit wages. |  |  |  |
| n Federal research credit expenses. |  |  |  |
| o Other <br> (1) |  |  |  |
| (2) |  |  |  |
| 15 Add lines 14a through 140. This is total subtractions (enter amount from col. 3 on Form 4, line 4) |  |  |  |
| 16 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) $\qquad$ |  |  |  |

17 a Transfers to Wisconsin branches: Enter the amount of sales \$ , purchases \$ , management fees paid \$ $\qquad$ , interest paid \$ , and royalties paid \$ $\qquad$ by branches outside Wisconsin.
b Transfers to out-of-state branches: Enter the amount of sales \$ $\qquad$ purchases \$ $\qquad$ , management fees paid \$ $\qquad$ , interest paid \$ , and royalties paid \$ $\qquad$ by Wisconsin branches.

Attach an explanation of how transfer prices were determined.
18 Explain how income and expenses were allocated in and outside Wisconsin

