Form 5R

## Wisconsin Revocation of Election by an S Corporation Not to Be a Tax-Option Corporation

Mail this form to: Wisconsin Department of Revenue PO Box 8908

	Not to Be a Tax-Option Corporation							Madison WI 53708-8908	
Corporation Name							A Federal E	mployer ID Number	
Number and Street					<b>B</b> State of Ir	ncorporation and Year			
City	Sta	te	ZIP Code (+ 4 digit	Code (+ 4 digit suffix if known) C Number of Sh				D Number of Shares Issued and	
December 19 to the more of					Outstandi	Outstanding			
Revocation is to be effect	ve for taxable year be	ginning	: <u>M M D D</u>	C C Y	Y				
he undersigned, ov ate of this revocation ome tax purposes. evocation, declares wnership has been	on, consent to h This revocation that the inform	ave t will b nation	he corporation be effective fo with respect	be treat the tax to his o	ed as a tax- able year ind r her name,	option corpordicated above address, fed	ation for Wisc . Each sharel eral identifyin	onsin franchise or holder, in signing tl g number, and sto	
		Federal Identifying Number	Stock	Owned					
Name and Address of Shareholder				Number of Shares	Date Acquired	Shareho	older's Signature		

Title

Date

Signature

## Form 5R Instructions

## **General Instructions**

Purpose of Form – A federal S corporation that has elected not to be a tax-option corporation for Wisconsin tax purposes and that subsequently wishes to elect Wisconsin tax-option status uses Form 5R to revoke the "opt-out" election. As a result of revoking the "opt-out" election, the income of the tax-option (S) corporation will be taxed to the shareholders of the corporation rather than to the corporation itself, with certain exceptions.

Who May Revoke – Once the election not to be a taxoption corporation for Wisconsin purposes has been completed, it remains in effect 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 this 5-year period, the "opt-out" election may be revoked. The revocation requires the consent of persons who hold more than 50% of the shares of the S corporation on the day the revocation is made.

**Exception:** The "opt-out" election is automatically revoked for the taxable year in which a federal S corporation acquires a qualified Subchapter S subsidiary (QSub) for federal purposes. Since neither the S corporation nor the QSub may elect out of Wisconsin tax-option (S) treatment, it is not necessary to file Form 5R.

When to Revoke – You must file Form 5R on or before the due date, or extended due date, of the first Wisconsin corporation franchise or income tax return affected by the revocation.

Corporations that are treated as tax-option (S) corporations for Wisconsin purposes must file Wisconsin Form 5S, Wisconsin Tax-Option (S) Corporation Franchise or Income Tax Return.

## **Specific Instructions**

Fill in the corporation's name and address and enter the appropriate information in items 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 revocation. 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, the consent must be signed by both husband and wife. 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.