

**WISCONSIN DEPARTMENT OF REVENUE  
DIVISION OF INCOME, SALES, AND EXCISE TAX**

**NOTICE OF PROPOSED GUIDANCE DOCUMENTS**

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

**SUBMITTING PUBLIC COMMENTS**

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

**DEADLINE FOR SUBMISSION**

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

<b>Document Number</b>	<b>Document Title</b>
<b>100107</b>	Credits with Combined Reporting - Common Questions

State of Wisconsin  
Department of Revenue

## E - Credits

**This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.**

1. How may a corporation share refundable and nonrefundable tax credits and nonrefundable tax credit carryforwards under combined reporting?

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1. **How may a corporation share refundable and nonrefundable tax credits and nonrefundable tax credit carryforwards under combined reporting?**

In general, refundable and nonrefundable tax credits and nonrefundable tax credit carryforwards are available only to the separate corporation that generated them.

An exception applies for the nonrefundable portion of the research expense credit and the research facilities credit under sec. 71.28(4) and (5) or 71.47(4) and (5), Wis. Stats., and the carryforward of these credits. A corporation may share all or a portion of the unused credit with the other members of the combined group in the manner provided under sec. 71.255(6) (c), Wis. Stats., and s. Tax 2.61(10), Wisconsin Administrative Code.

This sharing applies only to the two aforementioned credits; the super research and development credit, which became effective for taxable years beginning on or after January 1, 2011, and before January 1, 2014, under sec. 71.28(4m) or 71.47(4m), Wis. Stats., may not be shared.

Each member of a combined group reports its refundable tax credits on Form 6, Part III, line 13. Each member will report its nonrefundable tax credits on Form 6, Part V. Combined groups that share its members' nonrefundable research expense and research facilities credits should prepare Form 6CS, Wisconsin Sharing of Research Credits, and show the amount allocated to each member on the Form 6, Part V.

### Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of December 13, 2019: Sections 71.255, 71.28 and 71.47, Wis. Stats., and secs. Tax 2.61 and 2.67, Wis. Adm. Code.

Laws enacted and in effect after December 13, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to December 13, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

## FOR QUESTIONS OR COMMENTS CONTACT:

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Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

Guidance Document Number: 100107

December 13, 2019

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