

**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.

Document Number	Document Title
100109	Other Issues Affecting Combined Filers - Common Questions

State of Wisconsin
Department of Revenue

G - Other Issues Affecting Combined Filers

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.

X1.1. How is the economic development surcharge computed for a combined group?

All corporations engaged in business in Wisconsin are subject to the economic development surcharge. If at least one member of a combined group is conducting unitary business in Wisconsin, all corporations in the group are considered to be doing business in Wisconsin (sec. 71.255(5)(a), Wis. Stats.).

Each corporation in a combined group is considered a separate corporation for purposes of computing the economic development surcharge. Therefore, the \$4,000,000 gross receipts threshold, the \$25 minimum economic development surcharge, and the \$9,800 maximum economic development surcharge must be determined separately for each entity in the combined group.

Example:

A Wisconsin combined group is made up of corporations A, B, C and D. The following gross receipts and gross tax liabilities are reported:

Corporation	Gross Receipts	Gross Tax
A	\$4,200,000	\$0
B	\$51,000,000	\$330,000
C	\$350,000	\$0
D	\$250,000	\$7,000

Corporation A's gross receipts are greater than \$4,000,000; therefore, the economic development surcharge must be calculated. The minimum economic development surcharge is 3% of the tax or \$25, whichever is greater. Since 3% of the tax is \$0, the economic development surcharge is \$25.

Corporation B's gross receipts are greater than \$4,000,000; therefore, the economic development surcharge must be calculated. The maximum economic development surcharge is 3% of the tax but not more than \$9,800. Since 3% of the tax is \$9,900, the economic development surcharge is \$9,800.

Corporations C and D are not subject to the economic development surcharge because their gross receipts are less than \$4,000,000.

The economic development surcharge for the Wisconsin combined group is \$9,825, which is the sum of the individual corporations' economic development surcharges of \$25, \$9,800, \$0 and \$0.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of December 13, 2019: Sections 71.22, 71.255, 77.93 and 77.94, Wis. Stats., and secs. Tax 2.32 and 2.82, 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>

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