

**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
100087	US Savings Bonds - Common Questions

State of Wisconsin
Department of Revenue

US Savings Bonds

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. What is a U.S. savings bond?
2. How did the Wisconsin Department of Revenue (DOR) get the bonds?
3. How do I claim a savings bond that is listed in the unclaimed property database?
4. How do I cash a U.S. savings bond?
5. Do I need to pay taxes on the interest income earned on the bond?

1. **What is a U.S. savings bond?**

U.S. savings bonds are non-marketable securities issued by the United States Treasury Department, typically identified by a series, such as EE, I, H, HH, Patriot Bonds, WWII War Bonds, etc. They are also considered a registered security--which means the person or beneficiaries named on the bond are the registered owners.

2. **How did the Wisconsin Department of Revenue (DOR) get the bonds?**

The bonds were reported to DOR as part of a safe deposit box where the owner did not pay the annual rental fee and the box was drilled open by the bank. Wisconsin's unclaimed property law requires financial institutions to turn the contents of the box over to DOR after five years of no contact with the owner.

3. **How do I claim a savings bond that is listed in the unclaimed property database?**

If you are the registered owner of the safe deposit box, you can submit a completed claim form and personal identification to claim the contents. If you are listed as the owner or beneficiary on a bond, you can search your name in our database and submit a claim with all required documentation for your bond(s). If there are any fees owed to the bank that turned over the safe deposit box (drilling fees and back rent owed), you must pay the fees in full before any property, including US Savings Bonds, can be released to you.

4. **How do I cash a U.S. savings bond?**

Most financial institutions (banks, savings & loan associations, credit unions) are authorized redemption agents designated by the U.S. Treasury Department. However, some bonds may have to be submitted to a Federal Reserve Bank to receive payment. Please visit the U.S.

Treasury Department website at www.treasurydirect.gov for bond status and value calculators and other comprehensive information regarding U.S. Savings Bonds.

5. Do I need to pay taxes on the interest income earned on the bond?

Because U.S. savings bonds are issued by the federal government you do not have to pay state tax or local taxes on the earned interest. However, all of the accumulated interest on U.S. savings bonds is taxable in the tax year they mature. This must be reported on your tax return. You will receive a Form 1099-INT tax notice in the tax year that the U.S. savings bonds are redeemed. Even if you do not receive a tax statement or Form 1099 you are still responsible for reporting all taxable interest income on your tax return. The IRS is notified electronically of all interest paid by financial institutions to bond holders. If you do not include your interest income on your tax return, you will be notified by the IRS, usually by mail, of the amount of additional tax, interest, and penalties you owe.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of December 5, 2019: Sections 71.05, 177.01, 177.135, 177.16, 177.17, 177.20, 177.23, 177.24 and 177.255, Wis. Stats., sec. Tax 3.095, Wis. Adm. Code, and 31 U.S. Code § 3124.

Laws enacted and in effect after December 5, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to December 5, 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: 100087

December 5, 2019

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