

**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
100180	Pass-Through Entity-Level Tax_ Partnership Filing Schedule 3K-1 - Common Questions

State of Wisconsin
Department of Revenue

Pass-Through Entity-Level Tax: Partnership Filing Schedule 3K-1 Questions

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.

Effective for taxable years beginning on or after January 1, 2019

1. If the election is made, are Schedules 3K-1 required to be issued to the partners? ?

1. If the election is made, are Schedules 3K-1 required to be issued to the partners?

Yes, an electing partnership must provide each partner with a Schedule 3K-1. Amounts should be reported on Schedule 3K-1 in the same manner as if an election were not made.

Exceptions:

- o An electing partnership may not pass through a credit for taxes paid to other states and partners may not use taxes paid by the partnership to compute a credit for taxes paid to other states.
- o An electing partnership may not pass through Wisconsin withholding if the partnership claimed a refund of the pass-through withholding or submitted a written request to apply the pass-through withholding against the tax liability at the entity level.

If box 3 in Part C of the Schedule 3K-1 is checked (i.e., the election is made), the partners should not report the income, gain, loss, and deductions on their Wisconsin income tax return. See the Schedule 3K-1 instructions for more information.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of January 23, 2020: Sections 71.20 and 71.21, Wis. Stats.

Laws enacted and in effect after January 23, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to January 23, 2020, 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:

MS 5-77

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