

**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
100023	Estates, Trusts and Fiduciaries - Common Questions

State of Wisconsin
Department of Revenue

Estates, Trusts and Fiduciaries

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 Wisconsin tax returns are required for a deceased taxpayer?
2. How do I electronically file Form 2 or Schedule CC, Request for a Closing Certificate for Fiduciaries?
3. Where do I file the estate's Wisconsin returns?
4. What are the deadlines for filing the estate's Wisconsin returns?
5. What extensions are available if I can't file the estate's Wisconsin returns by the due date?
6. How do I get a Closing Certificate for Fiduciaries?
7. Tips for preparing Schedule CC, Request for a Closing Certificate for Fiduciaries.
8. Tips for filing Form 2.
9. What trusts must file Wisconsin fiduciary returns?
10. How do I determine the residency of a trust?
11. I received an inheritance from my aunt. Do I have to report it as income on my income tax return?
12. Are trusts and estates required to withhold Wisconsin income tax for nonresident beneficiaries?
13. How does the federal qualified business income deduction under sec. 199A, of the Internal Revenue Code (IRC), impact filing of Wisconsin Form 2?

1. **What Wisconsin tax returns are required for a deceased taxpayer?**

More than one type of tax return may be required for deceased taxpayers, such as:

- Individual Income Tax Return
- Fiduciary Income Tax Return
- Wisconsin Estate Tax Return

- o Wisconsin Inheritance Tax Return

Wisconsin Individual Income Tax Return

A personal representative or petitioner must file an individual income tax return, Form 1 or 1NPR for a decedent from the beginning of the year to the date of death if the decedent had a filing requirement. The due date of the individual return is April 15, 2020, for a 2019 income tax return. The personal representative is also responsible for filing returns for any prior years for which the decedent had a filing requirement and did not file a return.

The filing requirements for tax years beginning in 2019 are as follows:

- o Single person
 - a. Under age 65 - gross income of \$11,560 or more
 - b. Age 65 or older - gross income of \$11,810 or more
- o Married persons filing jointly
 - a. Both spouses under 65 - \$21,510 or more
 - b. One spouse 65 or older - \$21,760 or more
 - c. Both spouses 65 or older - \$22,010 or more
- o Married person filing separately
 - a. Under age 65 - gross income of \$10,250 or more (each spouse)
 - b. Age 65 or older - \$10,500 or more (each spouse)
- o Head of household
 - a. Under age 65 - gross income of \$14,730 or more
 - b. Age 65 or older - gross income of \$14,980 or more
- o Part-year resident or nonresident - gross Wisconsin income of \$2,000 or more

The person who files the return should enter the appropriate code in the Special Conditions box. See the instructions for Form 1 or 1NPR. If the taxpayer did not have to file a return but paid estimated tax or had tax withheld, a return must be filed to get a refund.

If your spouse died during 2019 and you did not remarry in 2019, you can file a joint return. You can also file a joint return for 2019 if your spouse died in 2020 before filing a 2020 return. A joint return should show your spouse's 2019 income before death and your income for all of 2019. Write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

If you are claiming a refund as a surviving spouse filing a joint return with the deceased and you follow the above instructions, you do not have to file the Form 804, Claim for Decedent's Wisconsin Income Tax Refund.

Wisconsin Fiduciary Income Tax Return(s)

Caution: Wisconsin e-file is no longer available for Form 2. However, you may still file Form 2 electronically using modernized e-file. A list of software vendors can be found on the department's website at: <https://www.revenue.wi.gov/Pages/OnlineServices/fiduciary-third.aspx>.

Every personal representative or special administrator of an estate of a Wisconsin decedent must file a Form 2, *Wisconsin Fiduciary Income Tax for Estates or Trusts*, if the gross income of the estate is \$600 or more. Nonresident estates must file Wisconsin fiduciary returns if they have

gross income of \$600 or more from Wisconsin sources. Gross income means all income, before deducting expenses, reportable to Wisconsin which is received in the form of money, property, or services. It does not include items which are exempt from Wisconsin tax.

Resident Estate. The estate is considered a resident of the state in which the decedent was domiciled at the time of death. Use Form 2 to file an income tax return and pay the tax due if the estate has gross income of \$600 or more for the taxable year.

Nonresident Estate. Use Form 2 to file an income tax return and pay the tax due if (a) there is income or gain derived from Wisconsin sources, and (b) a federal fiduciary return is required to be filed with the Internal Revenue Service. Income from sources within Wisconsin includes income or gain from:

- o Real or tangible personal property located within the state.
- o A business, trade, profession, or occupation carried on within the state, including a sole proprietorship and a corporation taxed under Subchapter S of the Internal Revenue Code.
- o Personal or professional services performed within the state as an individual or a member of a partnership or limited liability company.
- o Income received from the Wisconsin state lottery or a multistate lottery if the winning lottery ticket or lottery share was purchased from a Wisconsin retailer.

The first fiduciary income tax return filed by a personal representative or petitioner of an estate covers the period from the date of death of the decedent to the end of the first year selected by the fiduciary. The taxable year cannot be longer than 12 months, must end on the last day of the month, and must coincide with the year selected for filing the federal return. The return is due on the 15th day of the 4th month after the close of the taxable year of the estate.

Wisconsin Estate Tax Return

There is no estate tax for decedents dying after December 31, 2007. If the decedent died prior to 2008, see the Form W706 instructions ([Estate Tax Forms](#)) for the filing requirement for a Wisconsin estate tax return or contact the Department of Revenue (DOR) at (608) 266-2772 for additional information.

Wisconsin Inheritance Tax Return

There is no Wisconsin inheritance tax for decedents dying on or after January 1, 1992. If death occurred prior to January 1, 1992, contact the Department of Revenue at (608) 266-2772 to obtain the appropriate forms.

2. How do I electronically file Form 2 or Schedule CC, Request for a Closing Certificate for Fiduciaries?

You may electronically file Form 2 or Schedule CC by using modernized e-file software. Please visit the department's website at: <https://www.revenue.wi.gov/Pages/OnlineServices/fiduciary-third.aspx>.

3. Where do I file the estate's Wisconsin returns?

Send the final individual income tax return to:

If tax is due:

PO Box 268

Madison, WI 53790-0001

If a refund or no tax is due:

PO Box 59
Madison, WI 53785-0001

Send your Form 2 to:

If tax due:

Wisconsin Department of Revenue
PO Box 8918
Madison, WI 53708-8918

All other Form 2s:

Wisconsin Department of Revenue
PO Box 8955
Madison, WI 53708-8955

4. What are the deadlines for filing the estate's Wisconsin returns?

A final individual income tax return, Form 1 or 1NPR, for calendar year 2019 is due April 15, 2020.

A Wisconsin fiduciary income tax return, Form 2, for an estate for 2019 is due on or before April 15, 2020, for a calendar year filer or 3 1/2 months after the close of the taxable year for a fiscal year filer.

5. What extensions are available if I can't file the estate's Wisconsin returns by the due date?

The following extension of time to file options are available for tax returns:

Individual

If you have an extension for filing your federal income tax return, this automatically gives you a Wisconsin extension provided you:

- Estimate your 2019 tax and pay this amount by the due date using 2019 Wisconsin Form 1-ES, and
- Attach a copy of your federal extension application to your Form 1 or 1NPR.

Extensions available under federal law may be used for Wisconsin purposes, even if you do not need a federal extension because you filed your 2019 federal return by April 15, 2020. To obtain an extension only for Wisconsin, you must attach a statement to your Wisconsin income tax return indicating you wish to take the federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, extension provision or attach a copy of the federal Form 4868 with only the name, address, and signature areas completed.

Fiduciary

Extensions available under federal law may be used for Wisconsin fiduciary income tax extensions, even if you do not need a federal extension because you file your federal return by the due date. To obtain an extension only for Wisconsin, you must:

- Estimate your 2019 Wisconsin income tax and pay this amount by the due date using 2019 Wisconsin Form 1-ES, and

- Attach a statement to your Form 2 indicating which federal extension provision you are using (for example, automatic 5 1/2-month extension) or attach a copy of the appropriate federal extension application form with only the name, address, and signature areas completed.

No extension is allowed if your estimate of tax is not reasonable.

Note: Even though you may have an extension of time to file your return, you will owe interest on any tax not paid by the due date. Returns not filed by the original due date, or during an extension period, are subject to additional interest and penalties.

6. How do I get a Closing Certificate for Fiduciaries?

You can request a Closing Certificate for Fiduciaries from the Wisconsin Department of Revenue at or after the time that the Form 2 is filed for the year prior to the final year.

Section 71.13(2), Wis. Stats., provides that the department may issue a Closing Certificate for Fiduciaries to a personal representative or trustee in order to obtain the court's approval for final distribution and discharge of the fiduciary. The department will issue the Closing Certificate for Fiduciaries only in cases where the court has required it to close a proceeding.

Be sure to include the decedent's social security number and the estate's FEIN.

Estates

Complete Schedule CC and attach copies of the inventory and will, including any codicils, with the request. Be sure to include the decedent's social security number and the estate's FEIN. If these documents were previously submitted with a Wisconsin Form 2, it is not necessary to submit them again.

The receipt of the Closing Certificate for Fiduciaries will not relieve the fiduciary from the responsibility of filing the final fiduciary return.

Note: If an estate does not have enough income to require filing and needs a Closing Certificate for Fiduciaries, or if the estate will be filing only one fiduciary return when the estate is closed and needs the closing certificate before filing the return, use the following procedures:

- Complete the Schedule CC
- Sign and date the Schedule CC
- Attach copies of the inventory and will
- Electronically file or mail the certificate request to:
Wisconsin Department of Revenue
PO Box 8918
Madison, WI 53708-8918

Trusts

Complete Schedule CC, *Request for a Closing Certificate for Fiduciaries*, and attach copies of the trust instrument and any amendments, a statement as to why the trust is closing, copies of the annual court accountings for the previous 3 years, and the petition to the court to close the trust.

Electronically file or mail the certificate request to:

Wisconsin Department of Revenue
 PO Box 8918
 Madison, WI 53708-8918

7. Tips for preparing Schedule CC, Request for a Closing Certificate for Fiduciaries.

- o If probate doesn't require a Closing Certificate, do not file a Schedule CC.
- o Do not send Schedule CC with Form W-RA or Form 2. Only use Form W-RA to paper file required attachments when Schedule CC is filed electronically.
- o The decedent's name should be entered as requested (last name, first name, middle initial). For Example, do not enter "Estate of John Doe" or "John Doe Estate."
- o Do NOT truncate the decedent's social security number.
- o The certificate will be mailed using the name and address exactly as entered at the top of Schedule CC. Make sure this information is correct, current, and consistent. For example, do not enter the attorney's name with personal representative's address.
- o Enter the name of the county of jurisdiction, not a numerical code.
- o Enter the probate case number.
- o For an estate, always enter the decedent's complete social security number and the estate's FEIN, date of death and the county of jurisdiction.
- o For an estate, be sure to complete line 4 of Schedule CC if the decedent has not filed tax returns for any of the four preceding taxable years.
- o Include copies of the probate inventory and will, if there is one. If sending them as PDF files, please make sure your software supports this.
- o Be sure to use the correct mailing address (PO Box 8918, Madison, WI 53708-8918).
- o Unless requested by DOR, do **not** include a cover letter.
- o Complete the "Third Party Designee" section if you want to allow a tax preparer or tax preparation firm, attorney, family member, friend, or any other person you choose to discuss the status of your Wisconsin Schedule CC with the Department of Revenue. See the Schedule CC instructions for details

8. Tips for filing Form 2.

Form 2: Filling out the *Wisconsin Fiduciary Income Tax for Estates or Trusts* correctly and completely

- o Returns must be filed on the correct tax year Form 2. If an estate's fiscal year begins on December 1, 2018, and ends on November 30, 2019, the estate should use the 2018 Form 2 to file.
- o The year printed in the upper right-hand corner of the form should be the same as the year the period begins.
- o The Federal Employer Identification Number (FEIN) of the trust must be used.
- o The trust name **must** be the same on each return filed.
- o The type of trust must be indicated on each return filed.
- o The name of the county of jurisdiction must be entered. (Do not use a number)
- o All appropriate boxes on page 1, page 2, and page 3 of the Form 2 must be completed.
- o The estimated tax payments for fiduciaries must be entered on the correct line of Form 2, and should be verified.
- o The estimated tax payments should be mailed to the Wisconsin Department of Revenue, PO Box 930208, Milwaukee, WI 53293-0208, and **not** to PO Box 8906, Madison.
- o A contact name and daytime phone number should be provided.
- o If there are capital gains or losses, a Schedule 2WD must be filed with a Form 2; a Form 1 Schedule WD may not be substituted.
- o Attach documentation to verify withholding claimed.
- o Form 1041 and all schedules must be attached.
- o Electing Small Business Trusts (ESBT) that hold stock in one or more tax-option (S) corporations must be treated as a separate trust pursuant to sec. 641(c)(1)(A), IRC. Therefore, an ESBT that has Wisconsin sourced income from a tax-option (S) corporation must calculate tax on the portion of tax-option (S) corporation income separately. Losses

reported by the trust not related to the tax-option (S) corporation portion cannot reduce ESBT income. ESBT income is taxed at a rate of 7.65 percent.

- o ESBT that has Wisconsin sourced income or losses from a tax-option (S) corporation must include a copy of the Schedule 5K-1, Tax-Option (S) Corporation Shareholder's Share of Income, Deductions, Credits, etc., from the tax-option (S) corporation, or the federal Schedule K-1 if the tax-option (S) corporation is not required to file a Wisconsin income tax return.
- o The Schedule 2K-1, Beneficiary's Share of Income, Deductions, etc. must be completed and filed when there is a difference between federal and state income.

Do Not:

- o File a final fiduciary income tax return with an amount due. All income must be distributed in the final year.
- o File a final return without having distributed the corpus.

9. What trusts must file Wisconsin fiduciary returns?

- o Grantor type trusts filing under a federal employer identification number instead of a grantor's social security number, including qualified subchapter S trusts (QSSTs), must file a Form 2.
- o Qualified subchapter S trusts (QSST) must file Wisconsin fiduciary income tax returns, Form 2, to report their share of tax-option (S) corporation income, whether or not all of the trust's income is distributed. In addition, the beneficiary of a QSST must file Wisconsin individual income tax returns. See Wisconsin Publication 102, Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders, for more information.
- o A Wisconsin resident trust must file a Wisconsin fiduciary return if it has (a) any taxable income for the taxable year, or (b) gross income of \$600 or more, regardless of the taxable income.

Gross income means all income, before deducting expenses, reportable to Wisconsin which is received in the form of money, property, or services. It does not include items which are exempt from Wisconsin tax.

Example: A trust has \$400 of interest income. It makes no distributions and therefore only has an exemption of \$100, which would result in taxable income of \$300. The trust is required to file a Wisconsin fiduciary return, because it has taxable income.

- o A nonresident trust must file a Wisconsin fiduciary return if it has (a) any Wisconsin taxable income for the year, or (b) gross income from Wisconsin sources of \$600 or more, regardless of the taxable income.

Wisconsin source income includes income or gain from:

- a. Real or tangible personal property located in Wisconsin.
- b. A business, trade, profession, or occupation carried on within Wisconsin, including a sole proprietorship and a corporation taxed under Subchapter S of the Internal Revenue Code.
- c. Personal or professional services performed in Wisconsin either as an individual or as a member of a partnership or limited liability company.
- d. Income received from the Wisconsin state lottery or a multijurisdictional lottery if the winning lottery ticket or lottery share was purchased from a Wisconsin retailer.

10. How do I determine the residency of a trust?

Testamentary Trusts

A trust created by a decedent's will (testamentary trust) is resident at the domicile of the decedent at the time of the decedent's death, unless transferred by a court having jurisdiction to another court's jurisdiction.

Inter Vivos Trusts

Inter vivos trusts that are made irrevocable and were administered in Wisconsin before October 29, 1999, shall be considered resident at the place where the trust is being administered.

The following inter vivos trusts that become irrevocable on or after October 29, 1999, or that became irrevocable before October 29, 1999, and are first administered in Wisconsin on or after October 29, 1999, are resident of Wisconsin:

- Trusts, or portions of trusts, the assets of which consist of property placed in the trust by a person who is a resident of Wisconsin at the time that the property was placed in the trust if, at the time that the assets were placed in the trust, the trust was irrevocable.
- Trusts, or portions of trusts, the assets of which consist of property placed in the trust by a person who is a resident of Wisconsin at the time that the trust became irrevocable if, at the time that the property was placed in the trust, the trust was revocable.

A trust is revocable if the person whose property constitutes the trust may re-vest title to the property in that person.

A trust is irrevocable if the power to re-vest title does not exist.

Examples:

Law prior to October 29, 1999:

- John Doe, a resident of Wisconsin, set up an irrevocable trust on October 22, 1999, in Wisconsin that is administered in Wisconsin.

The trust is a resident of Wisconsin while it is administered in Wisconsin.

- Mary Doe, a resident of Florida, set up an irrevocable trust on October 22, 1999, in Wisconsin that is administered in Wisconsin.

The trust is a resident of Wisconsin while it is administered in Wisconsin.

- Jack Doe, a resident of Wisconsin, set up an irrevocable trust on October 22, 1999, in Florida that is administered in Florida.

As long as the trust is not administered in Wisconsin, the assets placed into the trust are nonresidents of Wisconsin.

If the irrevocable trust is first administered in Wisconsin **before** October 29, 1999, the residency of the trust is based on where the trust is being administered.

If the trust is first administered in Wisconsin **on or after** October 29, 1999, Wisconsin residency is determined asset by asset as they are placed into the trust. An asset is a Wisconsin resident if the person placing the asset into the trust is a Wisconsin resident at the time the asset is placed in the trust, this includes assets placed in the trust before the trust is administered in Wisconsin.

- James Doe, a resident of Wisconsin, set up a grantor (revocable) trust in Arkansas that is administered in Arkansas. The trust became irrevocable at his death on October 22, 1999. James was a Wisconsin resident at death.

As long as the trust is not administered in Wisconsin, the assets placed into the trust before October 22, 1999, are nonresidents of Wisconsin.

If the trust is first administered in Wisconsin **before** October 29, 1999, the residency of the trust is based on where the trust is being administered.

If the trust is first administered in Wisconsin **on or after** October 29, 1999, Wisconsin residency is determined asset by asset as they are placed into the trust. An asset is a Wisconsin resident if the person placing the asset into the trust is a Wisconsin resident at the time the asset is placed in the trust, this includes assets placed in the trust before the trust is administered in Wisconsin.

- o Susan Doe, a resident of Wisconsin, has an irrevocable trust that is administered in Florida. On October 22, 1999, she made an irrevocable gift to the trust of her company stock.

As long as the trust is not administered in Wisconsin, the company stock is a nonresident of Wisconsin.

If the trust is first administered in Wisconsin **before** October 29, 1999, the residency of the company stock is based on where the trust is being administered.

If the trust is first administered in Wisconsin **on or after** October 29, 1999, the company stock is a resident of Wisconsin on the date the trust began to be administered in Wisconsin. The company stock will continue to be a resident of Wisconsin even if the administration of the trust subsequently changes from Wisconsin back to Florida.

- o Martha Doe, a resident of Wisconsin, set up an irrevocable trust administered in Wisconsin in 1997. Martha moved to Florida on October 22, 1999, established Florida residency, and moved her trust to Florida.

The residency of the trust follows the place of administration. Therefore, the trust is a nonresident of Wisconsin while it is administered in Florida.

Law change effective on and after October 29, 1999:

- o John Doe, a resident of Wisconsin, set up an irrevocable trust on December 15, 1999, in Wisconsin that is administered in Wisconsin.

All of the assets that John Doe placed into this trust on December 15, 1999, are residents of Wisconsin. Those assets will continue to be residents of Wisconsin even if John Doe changes his domicile to another state and/or the place of administration changes to another state.

- o Jack Doe, a resident of Wisconsin, set up an irrevocable trust on December 15, 2005, in Florida that is administered in Florida.

All of the assets that Jack Doe placed into this trust on December 15, 2005, are residents of Wisconsin. Those assets will continue to be residents of Wisconsin even if Jack Doe changes his domicile to another state.

- o Mary Doe, a resident of Florida, set up an irrevocable trust on December 15, 2005, in Wisconsin and is administered in Wisconsin.

All of the assets that Mary Doe placed into this trust on December 15, 2005, are nonresidents of Wisconsin. Those assets will continue to be nonresidents of Wisconsin even if Mary Doe changes her domicile to Wisconsin and/or the place of administration changes to Wisconsin.

- o James Doe, a resident of Wisconsin, set up a grantor (revocable trust) in Arkansas that is administered in Arkansas. The trust became irrevocable on James's death on December 15,

2005; James was a Wisconsin resident at the time of death.

All the assets that James Doe placed into this trust are residents of Wisconsin.

- o Susan Doe was a resident of Florida from 2001 until December 15, 2005, when she became a resident of Wisconsin. On March 20, 2002, she created an irrevocable trust, and the trust was administered in Florida until December 15, 2005, when it began to be administered in Wisconsin. Susan made two irrevocable gifts to the trust:
 - On March 20, 2002, she gave \$1.5 million of rental real estate property located in Wisconsin to the trust.
 - On January 1, 2006, she gave \$2 million of rental real estate property located in Florida to the trust.

The rental property placed into the trust on March 20, 2002, is a nonresident of Wisconsin. Note: although this rental property is a nonresident of Wisconsin, the income from this property is taxable to Wisconsin because the property is located in Wisconsin as provided under sec. 71.04(1)(a), Wis. Stats.

The rental property placed into the trust on January 1, 2006, is a resident of Wisconsin. Note: although this property is located in Florida, the income from this property is taxable to Wisconsin under sec. 71.04(1)(a), Wis. Stats., because the trust is a resident of Wisconsin for the portion of the property as provided under sec. 71.14(3m)(a)1., Wis. Stats.

- o Martha Doe, a resident of Wisconsin, set up an irrevocable trust in Wisconsin on December 15, 1999. In March of 2005, Martha moved to Florida and became a Florida resident.

All of the assets that Martha Doe placed into the trust on December 15, 1999 and before she moved to Florida in March of 2005, are residents of Wisconsin. Those assets will continue to be residents of Wisconsin even though Martha Doe changed her domicile to Florida in March of 2005.

Any asset that Martha Doe places into the trust while she is a resident of Florida is a nonresident of Wisconsin

Note: Wisconsin sourced income must be determined separately for each asset in an irrevocable trust pursuant to sec. 71.04, Wis. Stats., based on each asset's residency.

11. **I received an inheritance from my aunt. Do I have to report it as income on my income tax return?**

An inheritance is generally not subject to income tax since the deceased has already paid income tax on the money.

Any income earned after your aunt's death would be taxable to the estate. If the inheritance or part of the inheritance is subject to income tax, you will receive a form (usually a Schedule K-1) from the estate telling you how much income to report and where to report it on your federal and state income tax returns.

Examples of inherited property not subject to income tax are stock, bank accounts, life insurance proceeds, and real estate.

Examples of inherited property that may be subject to income tax are individual retirement accounts (IRAs), dividends paid on stock, interest paid on bank accounts, or installment payments on a land contract received after your aunt's death.

12. Are trusts and estates required to withhold Wisconsin income tax for nonresident beneficiaries?

In general, a trust or estate that has Wisconsin income for a taxable year that is allocable to a nonresident beneficiary must withhold Wisconsin tax on that income to the extent it is Wisconsin income to the nonresident. See Wisconsin Form PW-1, Wisconsin Nonresident Income or Franchise Tax Withholding on Pass-Through Entity Income, and the related instructions for more information.

13. How does the federal qualified business income deduction under sec. 199A, of the Internal Revenue Code (IRC), impact filing of Wisconsin Form 2?

Wisconsin did not adopt the federal deduction for qualified business income. Any federal qualified business income deduction claimed pursuant to sec. 199A, IRC, that is included in the computation of federal taxable income of a fiduciary or its beneficiaries must be added back to Wisconsin taxable income. Resident estates and trusts use Schedule B of Form 2, and nonresident estates and trusts use Schedule NR.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of January 31, 2020: Sections 71.03, 71.04, 71.09, 71.125, 71.13, 71.14, 71.17, 72.02 and 72.36, Wis. Stats.

Laws enacted and in effect after January 31, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to January 31, 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 6-81

WISCONSIN DEPARTMENT OF REVENUE

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

Guidance Document Number: 100023

January 31, 2020

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