

**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
100079	Individual Income Tax Nonfilers - Common Questions

State of Wisconsin
Department of Revenue

Individual Income Tax Nonfilers

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. I haven't filed income tax returns for several years. What should I do?
2. I received a letter stating I didn't file income tax returns for one or more years. What should I do?
3. Sometime ago I received letters from the Department of Revenue about not filing income tax returns. I didn't respond to these letters. Now the department has attached my wages, other income, or taken my tax refunds. What can I do?
4. I sold real estate in Wisconsin, but do not believe I am required to file a return to report it.
5. I had winnings from a Wisconsin casino, but I lost more than I won throughout the year, so why do I need to file a Wisconsin income tax return?

1. **I haven't filed income tax returns for several years. What should I do?**

Obtain forms and file all late returns at this time. See the information about obtaining [forms](#). You may be eligible to apply for Voluntary Disclosure if you have not previously been contacted by the Department of Revenue about the missing tax returns. See the [voluntary disclosure](#) information. If you have questions, write to us at Wisconsin Department of Revenue, Mail Stop 5-77, PO Box 8949, Madison, WI 53708-8949, email us at DORIncome@wisconsin.gov, or call us at (608) 266-2486.

2. **I received a letter stating I didn't file income tax returns for one or more years. What should I do?**

Review the letter. If the letter indicates a specific reason, for example, the sale of real estate located in Wisconsin or winnings from casinos located in Wisconsin, review your records for this specific income source. If the letter does not refer to a specific income source, review your records for information relating to your income sources for the year in question.

Respond to the letter. If you did file the returns, send complete copies of them with your reply. If you didn't file, explain why. If you have questions, write to us at Nonfiler Unit, Wisconsin Department of Revenue, Mail Stop 3-164, PO Box 8966, Madison, WI 53708-8966, call us at (608)

266-1241, or email us at nonfiler@wisconsin.gov.

3. Sometime ago I received letters from the Department of Revenue about not filing income tax returns. I didn't respond to these letters. Now the department has attached my wages, other income, or taken my tax refunds. What can I do?

The department issued an estimated assessment against you because you did not respond to our request to file your tax returns, and the assessment is now past due. You need to resolve the issue of your missing returns. You should contact the department by calling our collection staff at (608) 266-7879 and talking to a revenue agent.

4. I sold real estate in Wisconsin, but do not believe I am required to file a return to report it.

If the property you sold qualified as your main home for at least two years out of the five immediately preceding the date of sale, you may qualify for an exclusion. See the [IRS' Eligibility Test](#) to determine whether or not the property qualifies:

If it does qualify, submit a written statement indicating you are claiming the exclusion.

If it does not meet all of the requirements to qualify for this exclusion, then you must file a Wisconsin income tax return to report the sale.

If the property was inherited, the value of the property at the time of inheritance is not taxable. However, if the property was subsequently sold for more than the inherited value, the difference (gain) is taxable income. The sale must be reported on a Wisconsin income tax return, and documentation showing the inherited value must be included with the return as proof of the "cost basis" (ex. appraisal form, Federal Form 8971)

If the property was a second home, vacation property, or rental, the sale must be reported on a Wisconsin income tax return, whether there was a gain or loss. Any gain is considered taxable Wisconsin income. If claiming a loss, you must provide documentation showing how the cost basis was calculated. This may include documentation from your original purchase of the property, as well as receipts for any improvements that you claim as part of the cost basis.

5. I had winnings from a Wisconsin casino, but I lost more than I won throughout the year, so why do I need to file a Wisconsin income tax return?

Wisconsin adheres to the Federal Session Method rules, meaning a net loss throughout the year does not necessarily mean a taxpayer did not have any individual winning sessions, which would be taxable. Please refer to our [Gambling Winnings Fact Sheet 1104](#) for more information on the taxation of gambling winnings:

If you had gross winnings from Wisconsin casinos (before deducting any losses) of \$2,000 or more, you are required to file a Wisconsin income tax return reporting these winnings. If you claim any losses on the return, you must also include documentation showing how you calculated the net win or loss **for each session**. Annual win/loss statements provided by a casino will not be accepted.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of February 25, 2020: Sections 71.74, 71.91 and 71.92, Wis. Stats.

Laws enacted and in effect after February 25, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 25, 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 3-164

WISCONSIN DEPARTMENT OF REVENUE

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Email additional questions to: nonfiler@wisconsin.gov

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

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