

DEPARTMENT OF TAXATION

Tax 2.10 History: 1-2-56; r. Register, May, 1964, No. 101.

Tax 2.11 Tax Table (Sections 71.09 (2b) and 71.09 (2m) (d), Wis. Stats., applicable to the calendar year 1963 and corresponding fiscal years, and subsequent years).

To find your gross normal tax read down income columns until you find the line covering the net taxable income:

If Net Taxable Income Is		Gross Normal Tax Is	If Net Taxable Income Is		Gross Normal Tax Is	If Net Taxable Income Is		Gross Normal Tax Is	If Net Taxable Income Is		Gross Normal Tax Is
At Least	But Less Than										
0	50	.60	2,700	2,750	68.80	5,320	5,360	173.80	7,360	7,390	282.10
50	100	1.70	2,750	2,800	70.20	5,360	5,400	175.70	7,390	7,420	284.00
100	150	2.90	2,800	2,850	71.60	5,400	5,440	177.60	7,420	7,450	285.90
150	200	4.00	2,850	2,900	73.00	5,440	5,480	179.60	7,450	7,480	287.80
200	250	5.20	2,900	2,950	74.40	5,480	5,520	181.50	7,480	7,510	289.70
250	300	6.30	2,950	3,000	75.80	5,520	5,560	183.40	7,510	7,540	291.60
300	350	7.50	3,000	3,050	77.40	5,560	5,600	185.30	7,540	7,570	293.50
350	400	8.80	3,050	3,100	79.30	5,600	5,640	187.20	7,570	7,600	295.30
400	450	9.80	3,100	3,150	81.20	5,640	5,680	189.20	7,600	7,630	297.20
450	500	10.90	3,150	3,200	83.10	5,680	5,720	191.10	7,630	7,660	299.10
500	550	12.10	3,200	3,250	85.00	5,720	5,760	193.00	7,660	7,690	301.00
550	600	13.20	3,250	3,300	86.90	5,760	5,800	194.90	7,690	7,720	302.90
600	650	14.40	3,300	3,350	88.80	5,800	5,840	196.80	7,720	7,750	304.80
650	700	15.50	3,350	3,400	90.70	5,840	5,880	198.80	7,750	7,780	306.70
700	750	16.70	3,400	3,450	92.60	5,880	5,920	200.70	7,780	7,810	308.60
750	800	17.80	3,450	3,500	94.50	5,920	5,960	202.60	7,810	7,840	310.50
800	850	19.00	3,500	3,550	96.40	5,960	6,000	204.60	7,840	7,870	312.30
850	900	20.10	3,550	3,600	98.30	6,000	6,040	206.50	7,870	7,900	314.20
900	950	21.30	3,600	3,650	100.20	6,040	6,080	208.60	7,900	7,930	316.10
950	1,000	22.40	3,650	3,700	102.10	6,080	6,120	210.80	7,930	7,960	318.00
1,000	1,050	23.60	3,700	3,750	104.00	6,120	6,160	212.90	7,960	7,990	319.90
1,050	1,100	24.90	3,750	3,800	105.90	6,160	6,200	215.00	7,990	8,020	321.80
1,100	1,150	26.10	3,800	3,850	107.80	6,200	6,240	217.10	8,020	8,050	323.90
1,150	1,200	27.40	3,850	3,900	109.70	6,240	6,280	219.20	8,050	8,080	325.90
1,200	1,250	28.70	3,900	3,950	111.60	6,280	6,320	221.40	8,080	8,110	327.90
1,250	1,300	30.00	3,950	4,000	113.50	6,320	6,360	223.50	8,110	8,140	330.00
1,300	1,350	31.20	4,000	4,050	115.60	6,360	6,400	225.60	8,140	8,170	332.00
1,350	1,400	32.50	4,050	4,100	117.80	6,400	6,440	227.70	8,170	8,200	334.10
1,400	1,450	33.80	4,100	4,150	119.90	6,440	6,480	229.80	8,200	8,230	336.10
1,450	1,500	35.10	4,150	4,200	122.10	6,480	6,520	232.00	8,230	8,260	338.10
1,500	1,550	36.40	4,200	4,250	124.20	6,520	6,560	234.10	8,260	8,290	340.20
1,550	1,600	37.70	4,250	4,300	126.40	6,560	6,600	236.20	8,290	8,320	342.20
1,600	1,650	39.00	4,300	4,350	128.50	6,600	6,640	238.40	8,320	8,350	344.30
1,650	1,700	40.30	4,350	4,400	130.70	6,640	6,680	240.50	8,350	8,380	346.30
1,700	1,750	41.50	4,400	4,450	132.80	6,680	6,720	242.60	8,380	8,410	348.30
1,750	1,800	42.80	4,450	4,500	135.00	6,720	6,760	244.70	8,410	8,440	350.40
1,800	1,850	44.10	4,500	4,550	137.10	6,760	6,800	246.80	8,440	8,470	352.40
1,850	1,900	45.40	4,550	4,600	139.30	6,800	6,840	249.00	8,470	8,500	354.50
1,900	1,950	46.60	4,600	4,650	141.40	6,840	6,880	251.10	8,500	8,530	356.50
1,950	2,000	47.90	4,650	4,700	143.60	6,880	6,920	253.20	8,530	8,560	358.50
2,000	2,050	49.20	4,700	4,750	145.70	6,920	6,960	255.30	8,560	8,590	360.60
2,050	2,100	50.60	4,750	4,800	147.90	6,960	7,000	257.40	8,590	8,620	362.60
2,100	2,150	52.00	4,800	4,850	150.00	7,000	7,030	259.40	8,620	8,650	364.70
2,150	2,200	53.40	4,850	4,900	152.20	7,030	7,060	261.30	8,650	8,680	366.70
2,200	2,250	54.80	4,900	4,950	154.30	7,060	7,090	263.20	8,680	8,710	368.70
2,250	2,300	56.20	4,950	5,000	156.50	7,090	7,120	265.10	8,710	8,740	370.80
2,300	2,350	57.60	5,000	5,040	158.50	7,120	7,150	267.00	8,740	8,770	372.80
2,350	2,400	59.00	5,040	5,080	160.40	7,150	7,180	268.80	8,770	8,800	374.90
2,400	2,450	60.40	5,080	5,120	162.30	7,180	7,210	270.80	8,800	8,830	376.90
2,450	2,500	61.80	5,120	5,160	164.20	7,210	7,240	272.70	8,830	8,860	378.90
2,500	2,550	63.20	5,160	5,200	166.10	7,240	7,270	274.60	8,860	8,890	381.00
2,550	2,600	64.60	5,200	5,240	168.00	7,270	7,300	276.50	8,890	8,920	383.00
2,600	2,650	66.00	5,240	5,280	170.00	7,300	7,330	278.30	8,920	8,950	385.10
2,650	2,700	67.40	5,280	5,320	171.90	7,330	7,360	280.20	8,950	8,980	387.10
									8,980	9,000	388.80

## TAX ON INCOMES OF OVER \$9,000

NET TAXABLE INCOME		GROSS NORMAL TAX	
Over	But Not Over	This Amt. + This %	On Excess Over
\$ 9,000	-----\$10,000	\$389.50 plus 7.3%	-----\$ 9,000
10,000	-----11,000	462.50 plus 7.8%	-----10,000
11,000	-----12,000	540.50 plus 8.3%	-----11,000
12,000	-----13,000	628.50 plus 8.8%	-----12,000
13,000	-----14,000	711.50 plus 9.3%	-----13,000
14,000	-----15,000	804.50 plus 9.8%	-----14,000
15,000	-----	902.50 plus 10.0%	-----15,000

**History:** Cr. Register, January, 1960, No. 49, eff. 2-1-60; r. and recr. Register, May, 1964, No. 101.

**Tax 2.14 Income tax returns for husband and wife.** If husband and wife each has a gross income of \$600 or more or if each has some net income when their combined net income is \$1,400 or more, each must report his income. (See *Amerpohl vs. Tax Commission*, 225 Wis. 62.) The aggregate personal exemption of \$14 allowable when each files a return may be divided between the two according to their choice.

**History:** 1-2-56; am. Register, February, 1958, No. 26, eff. 3-1-58; am. Register, February, 1960, No. 50, eff. 3-1-60.

**Tax 2.15 Methods of accounting.** (Section 71.11 (8), Wis. Stats.) No uniform method of accounting can be prescribed for all taxpayers, and the law contemplates that each taxpayer may return his income in accordance with the method of accounting regularly employed in keeping his books. If no method of accounting is regularly employed or if the method employed does not clearly reflect the income, the department of taxation may prescribe the method to be used. A method of accounting will not be regarded as clearly reflecting the income unless all items of gross income and all deductions are treated with reasonable consistency.

**Tax 2.16 Changes in method of accounting.** (Section 71.11 (8), Wis. Stats.) No change in the method of accounting used in reporting income may be made without first obtaining the written permission of the tax commissioner or the assessor of incomes, as the case may be. Applications for such change must set forth clearly the nature of the business, the method of accounting used in keeping the books, and the reasons for changing the method of reporting. In changing from a cash basis of accounting to an accrual basis of accounting, income accrued but not yet collected as of the close of the year of change shall be added to income actually received in cash during the year, and expenses accrued but not yet paid as of the close of the year shall be added to expenses actually paid during the year.

**Tax 2.17 Cash method of accounting.** (Section 71.11 (8), Wis. Stats.) The use of the cash method of accounting and reporting does not properly reflect taxable income in cases where, at the end of the taxable year, the records reflect accounts receivable, accounts payable, or inventories.

**Tax 2.18 Accrual method of accounting.** (Section 71.11 (8), Wis. Stats.) In all cases in which the production, purchase or sale of merchandise of any kind is an income producing factor, inventories are necessary, and no accounting method in regard to purchases and sales will correctly reflect the income except the accrual method.

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Approved standard methods of accounting will ordinarily clearly reflect the income. Special methods of accounting employed in special trades or businesses may, with the written approval of the tax commissioner or assessor of incomes, be used in reporting income.

**Tax 2.19 Instalment method of accounting.** (Section 71.11 (8), Wis. Stats.) (1) The instalment method of reporting income may be used only in the case of sales of real estate and infrequent, isolated sales of personal property, and then only subject to the provisions of section 71.03 (1) (g), Wis. Stats. (See also Tax 2.71).

(2) Persons regularly engaged in the business of selling personal property and keeping records on the instalment basis will be required to report for income tax purposes on the accrual basis.

**Tax 2.20 Accounting for acceptance corporations, dealers in commercial paper, mortgage discount companies and small loan companies.** (Section 71.11 (8), Wis. Stats.) (1) Except as otherwise provided in subsection (3) hereof, acceptance corporations and dealers in commercial paper must report the discount on the purchase of paper as income in the year of such purchase.

(2) Where the records of such acceptance corporations and dealers in commercial paper are kept upon the deferred profit basis, schedules should be attached to the tax returns clearly setting forth the unrealized profit accounts and reconciling the income and surplus per books with the taxable net income.

(3) Acceptance corporations and dealers in commercial paper may elect to report their taxable income on the deferred profit basis, provided that their books and records are kept on that basis and provided further that both the deferment of income and the expenses incurred in producing said income is made in accordance with accepted accounting principles and practice. The election to so report must be made before the close of the year for which the return is made, and after having made such election the deferred profit basis of reporting must be adhered to in all subsequent periods.

**Tax 2.21 Accounting for contractors.** (Section 71.11 (8), Wis. Stats.) (1) The general rules for reporting income on the accrual basis apply to contractors except that, in the case of contracts upon which work is performed in 2 or more consecutive income years, the percentage of completion basis may be used provided such basis clearly reflects the income taxable under chapter 71, Wis. Stats.

(a) Under this method of accounting at the close of the taxable year, a portion of the total contract price is treated as sales for the

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