

Filed Aug 6-1964  
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TAX 1, 2, 3

ORDER OF THE  
WISCONSIN DEPARTMENT OF TAXATION  
ADOPTING RULE CHANGES

Pursuant to the authority vested in the Wisconsin Department of Taxation by Sections 71.11(24) and 72.81(1) of the statutes, the said department hereby amends rules TAX 1.01, 2.03, 2.05, 2.08, 2.16, 2.18, 2.25, 2.44, 2.69, 3.03, 3.10, 3.38, 3.54, 3.63, 3.81, 3.92, 3.93 and 3.94, partially amends and partially repeals rule TAX 2.01, repeals rules TAX 2.021, 3.29, 3.64 and 3.83, and repeals and recreates rules TAX 2.04, 2.06, 2.14, 3.42 and 5.01, as shown in the attached memorandum.

These rule changes shall take effect on the first day of the month following their publication in the Wisconsin Administrative Register, pursuant to Section 227.026 of the statutes.

WISCONSIN DEPARTMENT OF TAXATION

  
George W. Corning  
Commissioner of Taxation

(SEAL)

STATE OF WISCONSIN )  
 ) SS  
COUNTY OF DANE )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, GEORGE W. CORNING, Commissioner of Taxation and custodian of the official records of the Wisconsin Department of Taxation, do hereby certify that the annexed changes in Rules TAX 1.01, 2.01, 2.021, 2.03, 2.04, 2.05, 2.06, 2.08, 2.14, 2.16, 2.18, 2.25, 2.44, 2.69, 3.03, 3.10, 3.29, 3.38, 3.42, 3.54, 3.63, 3.64, 3.81, 3.83, 3.92, 3.93, 3.94 and 5.01 have been approved by me and have been compared by me with the originals on file in the department and are true and correct copies of such originals.

IN TESTIMONY WHEREOF, I have hereunto set my hand at the State Office Building, 1 West Wilson Street in the City of Madison, Wisconsin this 5th day of August, A. D. 1964.

  
George W. Corning  
Commissioner of Taxation

6/1/64 ABB

Rule TAX 1.01 is amended as follows:

The statutory reference is changed from (Section 73.06 to 73.05, Wis. Stats.).

Reference to location of Appleton District Office is changed from "Zuelke Building" to "Courthouse Annex."

To the list of counties served by the Appleton District Office is added "Menominee" (between "Marquette" and "Oconto").

Reference to location of Madison District office is changed from "121 S. Pinckney Street" to "City-County Building".

Reference to location of Eau Claire District Office is changed from "Graham and Main Streets" to "State Office Building."

Reference to location of Milwaukee District Office is changed from "202 Court House" to "State Office Building."

5/26/64 ABB

Paragraph (1) of Rule TAX 2.01 is repealed

Paragraph (2) of Rule TAX 2.01 is renumbered (1)

Paragraph (3) of Rule TAX 2.01 is renumbered (2) and amended to read:

"(2) Individuals claiming a change of residence (domicile) from Wisconsin to another state shall file a "declaration of residence" with the Central Audit Section of the Department of Taxation by delivery to 315 West Gorham Street, Madison, Wisconsin, or by mailing to Post Office Box 80, Madison, Wisconsin 53701, and shall furnish such other information as the department may require.

Rule TAX 2.021 "Proration of Surtax" is repealed.

4/20/64 ABB

Rule TAX 2.03 is amended as follows:

TAX 2.03 Corporation returns. For the purpose of filing income tax returns, the tax commissioner has designated the following forms for the use of corporations:

Form 4 Return of income for the calendar or fiscal year.

Form 4A Balance sheets as of beginning and end of taxable year; analysis of surplus account; reconciliation of book income with net income reported.

Form 4B Apportionment data (when applicable to the corporation).

Form 4C Separate accounting data (when applicable to the corporation).

Form 4G Banks, Savings and Loan Associations and Credit Unions.

All returns, statements, schedules and information required to be filed or furnished by corporations shall be mailed to the Corporation Income Tax Section of the Wisconsin Department of Taxation, P. O. Box 98, Madison, Wisconsin 53701 or delivered to the Corporation Income Tax Section at 317 West Gorham Street, Madison, Wisconsin ~~filed with the department of taxation at its offices in the State Office Building at Madison.~~

Note: Blank forms may be obtained from the department at the Processing Center, 149 East Wilson Street, Madison State Office Building address, or by mail request to P. O. Box 98, Madison, Wisconsin 53701.

6/1/64 ABB

Rule TAX 2.04 is repealed and recreated to read:

TAX 2.04 Information returns; forms WT-9, 9b and 9X for corporations. (Sections 71.04(1) and (2), 71.10(1), (8m) and (8n)). All corporations carrying on activities within this state, whether taxable or not under this chapter, shall file with the department of taxation, on or before January 31 of each year on forms WT-9 or 9b statements of payments made within the preceding calendar year to residents of Wisconsin of salaries, wages, bonuses, commissions, retirement pay, fees or other remuneration for services whether subject to withholding or not, and to non-residents of all payments for the performance of personal services in Wisconsin, whether subject to withholding or not, provided that salaries, wages, bonuses, commissions, retirement pay, fees or other remuneration for services, and payments for the performance of personal services in Wisconsin paid by a corporation to an individual in a calendar year and aggregating less than \$500 need not be so reported if no part thereof was within the definition of wages in s. 71.19(1) of the statutes. Form WT-7 (Employer's Annual Reconciliation of Wisconsin Income Tax Withheld from Wages) should accompany forms WT-9. Statements of payments to residents of Wisconsin

within the preceding calendar year of interest and dividends, including dividends paid in capital stock, and payments to residents and non-residents of Wisconsin of rents and royalties on property in Wisconsin shall be filed at the place hereinbefore referred to on or before March 15 of each year on forms 9b. The forms herein referred to must be filed on the date indicated regardless of the fact that the corporation keeps its records on a fiscal year other than the calendar year. No one of interest, dividends, rents or royalties needs to be reported if it is less than \$100.00. Each corporation must file with forms 8 or 9b, forms 9X showing the number of reports made on forms 8 or 9b. (See also Rule TAX 2.05). Items required to be reported on forms WT-9 or 9b may be disallowed as deductions from the corporation's gross income upon failure to make proper report thereof.

**NOTE:** Blank forms may be obtained by mail request addressed to Wisconsin Department of Taxation, Corporation Section, P. O. Box 98, Madison, Wisconsin 53701.

(Corporations failing to file forms WT-9 or 9b as prescribed by law shall be subject to fine of not less than \$50.00 nor more than \$500.00. See Section 71.11(45), Wis. Stats.)

5/26/64 ABB

Re TAX 2.05 is amended as follows:

TAX 2.05 Information returns, forms 8 for corporations. (Section 71.10(1), Wis. Stats.) All corporations doing business within this state, whether subject to the income tax or not, are required to file with the department of taxation ~~at its offices in the State Office Building~~ by mailing to the Corporation Income Tax Section of the Wisconsin Department of Taxation, P. O. Box 98, Madison, Wisconsin 53701 or delivery to the Corporation Income Tax Section at 317 West Gorham Street, Madison, Wisconsin on or before March 15 of each year on forms 8 as prescribed by the tax commissioner, statements of such transfers of capital stock as have been made by residents of Wisconsin during the preceding calendar year.

NOTE: Blank forms may be obtained ~~from the department at the~~ by mail request addressed to Wisconsin Department of Taxation, Corporation Section, P. O. Box 98, Madison, Wisconsin, 53701 State Office Building address.

(Corporations failing to file such statements shall be subject to a fine of not less than \$50 or more than \$500. (See Section 71.11(45), Wis. Stats.)



Rule TAX 2.06 is repealed and recreated to read:

TAX 2.06 Information returns required of partnerships and persons other than corporations. (Sections 71.05(1), 71.05(2), 71.05(3), 71.10(8m) and 71.10(8n). Informational returns reporting remuneration paid for services, whether or not within the definition of "wages" in Section 71.19(1), must be filed on or before January 31 of each year on forms WT-9 or 9b. Form WT-7 (Employer's Annual Reconciliation of Wisconsin Income Tax Withheld From Wages) should accompany forms WT-9. Informational returns reporting other items such as interest paid or rent paid must be filed on or before April 15 of each year on forms 9b. Items required to be reported on informational returns will be disallowed as deductions from gross income if not properly reported. Such returns should be mailed to the Department of Taxation, P. O. Box 59, Madison, Wisconsin 53701 or delivered at 149 E. Wilson Street, Madison.

Note: Blank forms may be obtained by writing the Department of Taxation, Central Processing Center, P. O. Box 58, Madison, Wisconsin 53701 (149 E. Wilson Street).

5/28/64 ABB

Rule TAX 2.08 is amended to read as follows:

TAX 2.08 Returns of persons other than corporations.

(1) For the purpose of filing income tax returns, the commissioner of taxation has designated the following forms for the use of persons other than corporations:

Form 1 For all resident individuals, whether married or single, and for husbands and wives electing to file a combined return. (Form 1B, 1-Fc or 1-Fi is filed with Form 1.)

Form 1A (short form)

Form 1B For persons having a business or profession.

Form 1-Fc For farmers on the cash basis.

Form 1-Fi For farmers on an inventory or accrual basis.

Form 1N For nonresident individuals.

Form 2 For trustees, executors, administrators, and others acting in a fiduciary capacity, but excluding guardians. (Guardians should report on Form 1).

Form 3 For partnerships and joint ventures.

(2) Information returns required of persons other than corporations are specified in TAX 2.06 and TAX 3.63. See Also TAX 3.07.

(3) All returns, reports, statements and information required to be filed, furnished or reported by persons other than corporations including partnerships shall be filed by mailing to P.O. Box 59, Madison, Wisconsin 53701, or delivery to Processing Center, Department of Taxation, 149 East Wilson Street, Madison.

NOTE: Blank forms may be obtained by mail request to Department of Taxation, Central Processing Center, P. O. Box 58, Madison, Wisconsin 53701 (149 E. Wilson Street).

5/27/64 ABB

Rule TAX 2.14 is repealed and recreated to read:

TAX 2.14 Aggregate personal exemption of husband and wife. The aggregate personal exemption allowable to a husband and wife pursuant to section 71.09(6)(d), when each files a return, may be divided between them according to their choice.

5/27/64 ABB

The first sentence of Rule TAX 2.16 is amended to read:

No change in the method of accounting used in reporting income may be made without first obtaining the written permission of the department of taxation.

5/27/64 ABB

Rule TAX 2.18 is amended to read:

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. Special methods of accounting employed in special trades or businesses may, with the written approval of the department of taxation, be used in reporting income.

5/27/64 ABB

Subparagraph (b) of paragraph (1) of Rule TAX 2.25  
is amended to read:

(b) Whether the cost or the lower of cost or market basis of valuing inventories is used, the basis adopted must be applied with reasonable consistency to the entire inventory, and no change from one basis to the other will be permitted without written permission from the department of taxation.

5/27/64 ABB

Rule TAX 2.44 is amended to read:

TAX 2.44 Permission to change basis of allocation. (Section 71.07(2) Wis. Stats.) Except when income must be reported on the apportionment basis, permission to make a change either from separate accounting to apportionment, or vice versa, must be obtained in writing from the commissioner of taxation upon written application setting forth in detail the reasons why the desired change will more clearly reflect the taxpayer's Wisconsin income. Such application must be filed before the end of the income year for which the change is desired.

5/27/64 ABB

The fourth (last) sentence of Rule TAX 2.69 is amended  
to read:

In all cases of doubt the complete facts should be  
reported to the commissioner of taxation for determination.



5/27/64 ABB

Paragraph (4) of Rule TAX 3.03 is amended to read:

(4) All corporations doing business within Wisconsin must report the dividends paid to residents of Wisconsin on forms 9b. (See Rule TAX 2.04).

The first sentence of Rule TAX 3.10 is amended to read:

Commissions, lump sum and per diem allowances for travel, entertainment and other expenses, or allowances for use of automobiles, are deductible from gross income, provided that such items are reported on form WT-9 or 9b.

ABB - 5-27-64

Rule TAX 3.29 is repealed.

Paragraph (1) of Rule TAX 3.38 is amended to read:

(1) This depletion deduction may be taken only if the saving in tax due to such deduction is used by the taxpayer in prospecting for ore and duly verified proof thereof is furnished the department of taxation.

Rule TAX 3.42 is repealed and recreated to read:

TAX 3.42 Amortization of Defense Facilities. (Sections 71.04(2a) and 71.05(2a) Wis. stats.) (1) Any person who, in lieu of the allowance for depreciation for any taxable year or part thereof beginning after December 31, 1949, elects to take amortization of any emergency facility as provided in sections 71.04(2a) or 71.05(2a) of the statutes, must file written notice of such election with the Central Audit Section of the Department of Taxation, P. O. Box 80, Madison, Wisconsin, 53701 in the case of persons other than corporations, and with the Corporation Section of the Department of Taxation, P. O. Box 98, Madison, Wisconsin 53701 in the case of corporations, within the time provided by law, and with such notice, must file a copy of the certificate of necessity for such emergency facility issued by the appropriate federal certifying authority, together with a copy of the "Appendix A-Summary Sheet" filed by such person in support of his or its application for said certificate of necessity. Additional data need not be submitted except upon specific request of the department.

(2) Once a taxpayer has fulfilled the conditions for an election to deduct amortization of an emergency facility, such election shall be deemed in effect in subsequent income years or parts thereof, consistent with the applicable statutes, unless or until terminated by operation of law or by prior written notice by the taxpayer to the department.

ABB

5/27/64

Rule TAX 3.54 is amended as follows:

The words "forms 9" are deleted and there is substituted  
for them the words

"form WT-9 or form 9b"

Introductory paragraph(1) of Rule TAX 3.63 is amended to read:

On or before the first day of the sixth month following the close of its calendar or fiscal year, every trust claiming exemption under section 71.01(3)(e), Wis. stats., must file with the Fiduciary and Gift Section of the Wisconsin Department of Taxation, P. O. Box 80, Madison, Wisconsin 53701 (Room 112 City-County Bldg.):

Paragraph (2) of Rule TAX 3.63 is amended to read:

(2) Every such trust shall file with the aforesaid Section before January 31 of each year on forms prescribed by the department of taxation, statements of payments made within the preceding calendar year to beneficiaries of said trust.

The amendment of Tax 3.63(2) was published in the September, 1964 REGISTER. Two errors appeared in the printed copy. The page was reprinted and released with the December, 1964 REGISTER. The corrections were made, and the amendment became effective January 1, 1965.

DAH

5/26/64 ABB

Rule TAX 3.64 is repealed.



5/26/64 ABB

The second sentence of paragraph (1) of Rule TAX 3.61 is amended to read:

The taxpayer may present his receipt showing payment of such tax to the department of taxation as so much cash in payment of normal income tax assessed against him in the following year on the tax roll for the same district.

5/26/64 ABB

Rule TAX 3.83 is repealed.

5/26/64 ABB

Rule TAX 3.92 is amended to read:

TAX 3.92 Informal Conference. The taxpayer may request in said application, or at any time before the department of taxation has acted thereon, an informal conference at which the facts and issues involved in the assessment may be discussed. Any such conference will be held at a time and place determined by the department.

5/26/64 ABB

Rule TAX 3.93 is amended to read:

TAX 3.93 Closing Stipulations. If the informal conference results in an agreement as to facts and issues and the law applicable thereto the taxpayer and the department of taxation may enter into a closing stipulation.

5/26/64 ABB

The second sentence of paragraph (1) of Rule TAX 3.94 is amended to read:

A claim for refund is not "filed" within the proper time to meet the requirements of section 71.10(10), Wis. Stats., unless it is actually in the possession of the department of taxation prior to the expiration of the limitation period provided in section 71.10(10), Wis. Stats.

Paragraph (2) of RULE TAX 3.94 is amended to read:

(2) Under section 71.10(11), Wis. Stats., the reduction of income resulting from renegotiation or price redetermination of any defense contract or subcontract is allowable as a deduction from income of the year in which such income was reported for taxation. A claim for refund filed under this subsection must be accompanied by a verified or photographed copy of the renegotiation agreement or price redetermination. No interest is payable on such refund.

Rule TAX 5.01 is repealed and recreated to read:

TAX 5.01 Filing reports. All reports of transfers by gift shall be filed with the Wisconsin Department of Taxation, P. O. Box 34, Madison, Wisconsin 53701 (149 E. Wilson Street).

Note: Blank gift tax return forms may be obtained from Central Processing Center, Wisconsin Department of Taxation, P. O. Box 58, Madison, Wisconsin 53701 (149 E. Wilson Street).



# The State of Wisconsin

DEPARTMENT OF TAXATION  
ROOM 1000 STATE OFFICE BUILDING  
MADISON, WISCONSIN 53702

GEORGE W. CORNING  
COMMISSIONER OF TAXATION

August 4, 1964

Mr. James J. Burke  
Revisor of Statutes  
State Capitol  
Madison, Wisconsin

Dear Mr. Burke:

Enclosed herewith please find a certified copy of changes in the Rules of the Wisconsin Department of Taxation relating to General Administration, Income and Gift Taxation (Pursuant to which changes rules TAX 1.01, 2.03, 2.05, 2.08, 2.16, 2.18, 2.25, 2.44, 2.69, 3.03, 3.10, 3.38, 3.54, 3.63, 3.81, 3.92, 3.93, and 3.94 are amended, Rule TAX 2.01 is partially amended and partially repealed, rules TAX 2.021, 3.29, 3.64 and 3.83 are repealed, and rules TAX 2.04, 2.06, 2.14, 3.42 and 5.01 are repealed and recreated) which copy we would like to have published in the Wisconsin Administrative Register at your earliest convenience.

Notice of these changes (and of a proposed change in Rule TAX 3.07) was published in June, 1964 in the Notice Section of the Wisconsin Administrative Register pursuant to Section 227.02(1)(e) of the statutes, and, though 30 days have passed since publication, no petition for public hearing with respect to any of said rule changes has been received.

A certified copy of these rule changes is being mailed today to the Secretary of State for filing, pursuant to Section 227.023(1) of the statutes.

Very truly yours,

WISCONSIN DEPARTMENT OF TAXATION

  
George W. Corning  
Commissioner of Taxation

GWC:ABB:AK

cc: Hon. Robert C. Zimmerman  
Secretary of State  
Commerce Clearing House  
Prentice-Hall, Inc.