

**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
100086	Underpayment Interest - Common Questions

State of Wisconsin
Department of Revenue

Underpayment Interest

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 is underpayment interest?
2. How do I report underpayment interest?

1. **What is underpayment interest?**

Wisconsin law requires that you pay tax on your income as it is earned or received. Your employer will generally withhold income tax from your wages. However, if you have taxable nonwage income or wages not subject to withholding, you may need to make estimated tax payments throughout the year. Nonwage income includes dividends, alimony, unemployment compensation, pensions, self-employment income and gambling winnings.

If you wait to pay the tax on this nonwage income with your Wisconsin income tax return instead of making estimated tax payments throughout the year, you may be charged underpayment interest. Underpayment interest is computed at the rate of 12% per year for the period of the underpayment. The later you make your payment, the larger your underpayment interest will be.

2. **How do I report underpayment interest?**

File a Wisconsin  Schedule U, Underpayment of Estimated Tax by Individuals and Fiduciaries, with your Wisconsin income tax return to report underpayment interest. For more information about underpayment interest, including exceptions, read the  Schedule U instructions.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of October 23, 2019: Sections 71.03, 71.09 and 71.64, Wis. Stats., and sec. Tax 2.04, Wis. Adm. Code.

Laws enacted and in effect after October 23, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to October 23, 2019, 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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Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

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