

**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
100161	Manufacturing and Agriculture Credit - E. Manufacturing Property Assessment – Common Questions

State of Wisconsin
Department of Revenue

Manufacturing and Agriculture Credit - E. Manufacturing Property Assessment Questions

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. How do I know if my property is assessed as manufacturing?
2. Am I required to determine if my property is assessed as manufacturing on a yearly basis?
3. When are the applications for manufacturing assessments due?
4. Am I required to be engaged in manufacturing operations on January 1, 2013 in order to request manufacturing classification by the deadline of March 1, 2013?
5. If I do not request manufacturing certification by March 1, can I request certification later in the year?
6. My business moved to Wisconsin and began manufacturing products on April 30, 2015. Am I able to claim the manufacturing credit for 2015?
7. My business began manufacturing operations in Wisconsin on July 5, 2013 and at the same time applied for manufacturing status. May I claim the manufacturing and agriculture credit?
8. I requested manufacturing certification prior to March 1, 2015 and was informed on July 15, 2015 that my request was denied. A timely appeal was filed, and on February 3, 2016, I was granted manufacturing status for the 2015 calendar year. May I file an amended franchise/income tax return to claim the manufacturing and agriculture credit in 2015?
9. Company A acquires Company B, an existing business qualified as a manufacturer in Wisconsin, on February 15, 2015. Since they did not have property on January 1, 2015, no property tax returns are required for Company A. Company B files its Form M-P on March 1, 2015. Company A request manufacturing classification prior to March 1, 2015. Does Company A qualify for the Manufacturing & Agricultural Credit for 2015?

1. How do I know if my property is assessed as manufacturing?

To find out if your property is assessed as manufacturing, visit the department's online manufacturing assessment role lookup at: <https://ww2.revenue.wi.gov/RETRWebRolls/application>

For questions, contact the Department of Revenue's Manufacturing Bureau at: revenue.wi.gov/Pages/Contact/slfbmta.aspx.

2. Am I required to determine if my property is assessed as manufacturing on a yearly basis?

Yes. Property assessments can change on a yearly basis so a claimant must first verify that the property where the qualified production activities income is generated is assessed as manufacturing.

3. When are the applications for manufacturing assessments due?

Applications to request manufacturing certification must be made by March 1 of the current calendar year in order to be certified for the current calendar year.

4. Am I required to be engaged in manufacturing operations on January 1, 2019 in order to request manufacturing classification by the deadline of March 1, 2019?

Yes. Manufacturing property tax classifications are performed on an assessment year basis. The assessment date is January 1st. If the taxpayer is not engaged in "manufacturing" on January 1st DOR will not assess the taxpayer as a manufacturer. Before the next January 1st, DOR may verify manufacturing status, but the assessment as manufacturing property would not occur until January 1 of the next assessment year.

5. If I do not request manufacturing certification by March 1, can I request certification later in the year?

No, there are no exceptions and no extensions allowed. All certification requests must be made by March 1. Applicants that miss the March 1 deadline will have to wait and request certification by March 1 of the following year.

6. My business moved to Wisconsin and began manufacturing products on April 30, 2015. Am I able to claim the manufacturing credit for 2015?

2015 Act 55 provides that for taxable years beginning on January 1, 2013, if the department approves a business to be classified as a manufacturer, but the business is not eligible to be listed on the department's manufacturing roll until January 1 of the following year, the business may claim the credit when approved by the department.

7. My business began manufacturing operations in Wisconsin on July 5, 2019 and at the same time applied for manufacturing status. May I claim the manufacturing and agriculture credit?

Yes, provided the department approves the business to be classified as a manufacturer.

8. I requested manufacturing certification prior to March 1, 2018 and was informed on July 15, 2018 that my request was denied. A timely appeal was filed, and on February 3, 2019, I was granted manufacturing status for the 2018 calendar year. May I file an amended franchise/income tax return to claim the manufacturing and agriculture credit in 2018?

Yes. As long as the certification request is made prior to March 1, 2018, the final determination allowing manufacturing status applies to the calendar year in which the certification request was made.

9. Company A acquires Company B, an existing business qualified as a manufacturer in Wisconsin, on February 15, 2019. Since they did not have property on January 1, 2019, no property tax returns are required for Company A. Company B files its Form M-P on

**March 1, 2019. Company A requests manufacturing classification prior to March 1, 2019
Does Company A qualify for the Manufacturing & Agricultural Credit for 2019?**

Company A may qualify for the manufacturing and agriculture credit for 2019 but only for the production gross receipts that are derived from the sale of tangible personal property that was produced on former Company B's property that is properly assessed as manufacturing.

If the qualifying manufacturing property at Company B's location does not change, Company A (the new owner) does not have to apply for a new manufacturing classification at the location of Company B. DOR classifies manufacturing property by location, not by company. DOR does not combine business operations when making manufacturing assessment determinations. For example, if Company A is in City A, and Company B in City B, and the activities in both locations remained the same after the acquisition, Company A's property in City A would not be classified as manufacturing for property tax purposes in 2019. Company A's newly acquired property in City B (formerly Company B's property) would continue to be assessed as manufacturing under the new name of Company A (if they operated as Company A). In other words, by purchasing a manufacturer, Company A became a manufacturer, but only with respect to its property in City B.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of February 18, 2020: Sections 70.05, 70.10, 70.995, 71.07, 71.28, 71.75 and 71.77, Wis. Stats., and sec. Tax 2.12, Wis. Adm. Code.

Laws enacted and in effect after February 18, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 18, 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:

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Email additional questions to DORFranchise@wisconsin.gov

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

Guidance Document Number: 100161

February 18, 2020

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