

**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
100185	Pass-Through Entity-Level Tax - Tax-Option (S) Corporation Filing Schedule 5K-1 – Common Questions

State of Wisconsin
Department of Revenue

Pass-Through Entity-Level Tax: Tax-Option (S) Corporation Filing Schedule 5K-1 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.

Effective for taxable years beginning on or after January 1, 2018

1. If the election is made, are Schedules 5K-1 required to be issued to the shareholders?

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1. **If the election is made, are Schedules 5K-1 required to be issued to the shareholders?**
Yes, an electing tax-option (S) corporation must provide each shareholder with a Schedule 5K-1. Amounts should be reported on Schedule 5K-1 in the same manner as if an election were not made.

Exceptions:

- An electing tax-option (S) corporation may not pass through a credit for taxes paid to other states and shareholders may not use taxes paid by the tax-option (S) corporation to compute a credit for taxes paid to other states.
- An electing tax-option (S) corporation may not pass through Wisconsin withholding if the corporation claimed a refund of the pass-through withholding or submitted a written request to apply the pass-through withholding against the tax liability at the entity level.

If box #3 in Part B of Schedule 5K-1 is checked (i.e., the election is made), the shareholders should not report the income, gain, loss, and deductions on their Wisconsin individual tax returns.

See the [Schedule 5K-1 instructions](#) for more information.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of February 11, 2020: Sections 71.36, 71.365, and 71.775 Wis. Stats.

Laws enacted and in effect after February 11, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 11, 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 5-77

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