

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 Wis. Adm. Code section 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.)

History: 1-2-56; am. Register, February, 1958, No. 26, eff. 3-1-58; r. and recr., Register, September, 1964, No. 105, eff. 10-1-64.

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 franchise or income tax or not, are required to file with the department of taxation by mailing to the Corporation Section of the Wisconsin Department of Taxation, P. O. Box 98, Madison, Wisconsin 53701 or delivery to the Corporation Section at The Wisconsin Taxation Building, 4638 University Avenue, 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 by mail request addressed to Wisconsin Department of Taxation, Corporation Section, P. O. Box 98, Madison, Wisconsin, 53701.

(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.)

History: 1-2-56; am. Register, September, 1964, No. 105, eff. 10-1-64; am. Register, March, 1966, No. 123, eff. 4-1-66.

Tax 2.06 Information returns required of partnerships and persons other than corporations. (Sections 71.10 (8m) and 71.10 (8n), 71.10 (15) and 71.11 (25), Wis. Stats.) Informational returns reporting remuneration paid for services, whether or not within the definition of "wages" in section 71.19 (1), Wis. Stats., 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 The Wisconsin Taxation Building, 4638 University Avenue, 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).

History: 1-2-56; am. Register, February, 1958, No. 26, eff. 3-1-58; r. and recr. Register, September, 1964, No. 105, eff. 10-1-64; am. Register, March, 1966, No. 123, eff. 4-1-66.

Register, December, 1966, No. 132

Tax 2.07 Income tax returns of dissolved corporations. (Section 71.10 (1), Wis. Stats.) The officers of a corporation which has been dissolved during the income year must file a corporate franchise or income tax return for such year and for any year thereafter in which there is corporate income. The final return must indicate the disposition of all corporate assets.

History: 1-2-56; am. Register, March, 1966, No. 123, eff. 4-1-66.

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 individuals, whether married or single, and for husbands and wives electing to file a combined return.

Form 1A. (Short form).

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 Wis. Adm. Code sections Tax 2.06 and Tax 3.63. See also Tax 3.07.

(3) Returns required to be filed by persons other than corporations shall be filed by mailing to P. O. Box 59, Madison, Wisconsin 53701, or delivery to Processing Center, Department of Taxation, Madison.

Note: Blank forms may be obtained by mail request to Wisconsin Department of Taxation, Processing Center, P. O. Box 58, Madison, Wisconsin 53701.

History: 1-2-56; am. Register, February, 1958, No. 26, eff. 3-1-58; am. Register, February, 1960, No. 50, eff. 3-1-60; am. Register, September, 1964, No. 105, eff. 10-1-64; r. and recr., Register, March, 1966, No. 123, eff. 4-1-66.

Tax 2.09 Reproduction of forms. Subject to the conditions set forth under this rule, the official Wisconsin income tax return forms may be reproduced and the reproductions filed with the department in lieu of the corresponding official forms:

(1) The reproductions must be made by photo-offset, photo-engraving or by some similar photographic process. They may be reproduced on one side or both sides of the paper.

(2) The reproductions must be on paper of substantially the same color, weight and texture, and of quality at least as good as that used in the official forms. Forms printed on colored paper may not, therefore, be reproduced on white paper.

(3) Since all of the official forms are printed in black ink, such printing must be reproduced in black.

(4) The size of the reproductions, both as to dimensions of the paper and image reproduced thereon, must be the same as that of the official form.

(5) All signatures required on returns which are filed with the department must be original, affixed subsequent to the reproduction process.

History: 1-2-56; am. Register, February, 1958, No. 26, eff. 3-1-58; am. Register, February, 1960, No. 50, eff. 3-1-60; am. (2), Register, March, 1966, No. 123, eff. 4-1-66.

Register, December, 1966, No. 132

Tax 2.10 Copies of federal returns, statements, schedules, documents, etc. to be filed with Wisconsin returns. (Section 71.10 (6), Wis. Stats.) It is deemed necessary for the administration of the tax imposed by chapter 71, Wis. Stats., that at the time of filing Wisconsin income tax returns for the taxable year 1965 and for taxable years thereafter by partnerships and persons other than corporations, a complete copy of the federal income tax return for the same taxable year (including all schedules, statements, documents and computations) should be included and filed with the Wisconsin return. Accordingly, such complete copies of federal income tax returns are directed to be so filed except copies of the short form federal return which, at the time of adoption of this rule is designated as federal form 1040A.

History: Cr. Register, December, 1965, No. 120, eff. 1-1-66.

Tax 2.11 Tax table (Section 71.09 (3), Wis. Stats., applicable to the calendar year 1966 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 Tax Is	If Net Taxable Income Is		Gross Tax Is	If Net Taxable Income Is		Gross Tax Is	If Net Taxable Income Is		Gross Tax Is
At Least	But Less Than										
\$ 0	\$ 50	\$.70	\$3,720	\$3,760	\$119.60	\$6,270	\$6,300	\$245.70	\$8,325	\$8,350	\$377.80
50	100	2.00	3,760	3,800	121.30	6,300	6,330	247.50	8,350	8,375	379.60
100	150	3.40	3,800	3,840	122.90	6,330	6,360	249.20	8,375	8,400	381.40
150	200	4.70	3,840	3,880	124.60	6,360	6,390	250.90	8,400	8,425	383.20
200	250	6.10	3,880	3,920	126.30	6,390	6,420	252.60	8,425	8,450	385.00
250	300	7.40	3,920	3,960	128.00	6,420	6,450	254.30	8,450	8,475	386.80
300	350	8.80	3,960	4,000	129.70	6,450	6,480	256.00	8,475	8,500	388.60
350	400	10.10	4,000	4,035	131.30	6,480	6,510	257.70	8,500	8,525	390.40
400	450	11.60	4,035	4,070	133.00	6,510	6,540	259.40	8,525	8,550	392.20
450	500	12.80	4,070	4,105	134.60	6,540	6,570	261.10	8,550	8,575	394.00
500	550	14.20	4,105	4,140	136.30	6,570	6,600	262.80	8,575	8,600	395.80
550	600	15.60	4,140	4,175	137.90	6,600	6,630	264.60	8,600	8,625	397.60
600	650	16.90	4,175	4,210	139.50	6,630	6,660	266.30	8,625	8,650	399.40
650	700	18.20	4,210	4,245	141.20	6,660	6,690	268.00	8,650	8,675	401.20
700	750	19.60	4,245	4,280	142.80	6,690	6,720	269.70	8,675	8,700	403.00
750	800	20.90	4,280	4,315	144.50	6,720	6,750	271.40	8,700	8,725	404.80
800	850	22.30	4,315	4,350	146.10	6,750	6,780	273.10	8,725	8,750	406.60
850	900	23.60	4,350	4,385	147.80	6,780	6,810	274.80	8,750	8,775	408.40
900	950	25.00	4,385	4,420	149.40	6,810	6,840	276.50	8,775	8,800	410.20
950	1,000	26.30	4,420	4,455	151.10	6,840	6,870	278.20	8,800	8,825	412.00
1,000	1,050	27.70	4,455	4,490	152.70	6,870	6,900	279.90	8,825	8,850	413.80
1,050	1,100	29.20	4,490	4,525	154.40	6,900	6,930	281.70	8,850	8,875	415.60
1,100	1,150	30.70	4,525	4,560	156.00	6,930	6,960	283.40	8,875	8,900	417.40
1,150	1,200	32.20	4,560	4,595	157.60	6,960	6,990	285.10	8,900	8,925	419.20
1,200	1,250	33.60	4,595	4,630	159.30	6,990	7,020	286.80	8,925	8,950	421.00
1,250	1,300	35.10	4,630	4,665	160.90	7,020	7,050	288.50	8,950	8,975	422.80
1,300	1,350	36.60	4,665	4,700	162.60	7,050	7,075	290.20	8,975	9,000	424.60
1,350	1,400	38.10	4,700	4,735	164.20	7,075	7,100	292.40	9,000	9,025	426.40
1,400	1,450	39.60	4,735	4,770	165.90	7,100	7,125	294.00	9,025	9,040	428.20
1,450	1,500	41.00	4,770	4,805	167.50	7,125	7,150	295.70	9,040	9,060	429.40
1,500	1,550	42.50	4,805	4,840	169.20	7,150	7,175	297.40	9,060	9,080	430.90
1,550	1,600	44.00	4,840	4,875	170.80	7,175	7,200	299.10	9,080	9,100	432.40
1,600	1,650	45.40	4,875	4,910	172.40	7,200	7,225	300.70	9,100	9,120	434.00
1,650	1,700	46.80	4,910	4,945	174.10	7,225	7,250	302.40	9,120	9,140	435.50
1,700	1,750	48.40	4,945	4,980	175.70	7,250	7,275	304.10	9,140	9,160	437.10
1,750	1,800	49.90	4,980	5,010	177.30	7,275	7,300	305.80	9,160	9,180	438.60
1,800	1,850	51.30	5,010	5,040	178.80	7,300	7,325	307.40	9,180	9,200	440.10
1,850	1,900	52.80	5,040	5,070	180.40	7,325	7,350	309.10	9,200	9,220	441.70
1,900	1,950	54.30	5,070	5,100	181.90	7,350	7,375	310.80	9,220	9,240	443.20
1,950	2,000	55.80	5,100	5,130	183.50	7,375	7,400	312.50	9,240	9,260	444.80
2,000	2,050	57.30	5,130	5,160	185.00	7,400	7,425	314.10	9,260	9,280	446.30
2,050	2,100	58.90	5,160	5,190	186.60	7,425	7,450	315.80	9,280	9,300	447.80
2,100	2,150	60.50	5,190	5,220	188.20	7,450	7,475	317.50	9,300	9,320	449.40
2,150	2,200	62.10	5,220	5,250	189.70	7,475	7,500	319.20	9,320	9,340	450.90
2,200	2,250	63.70	5,250	5,280	191.30	7,500	7,525	320.80	9,340	9,360	452.50
2,250	2,300	65.30	5,280	5,310	192.80	7,525	7,550	322.50	9,360	9,380	454.00
2,300	2,350	66.90	5,310	5,340	194.40	7,550	7,575	324.20	9,380	9,400	455.50
2,350	2,400	68.60	5,340	5,370	196.00	7,575	7,600	325.90	9,400	9,420	457.00
2,400	2,450	70.10	5,370	5,400	197.50	7,600	7,625	327.50	9,420	9,440	458.60
2,450	2,500	71.70	5,400	5,430	199.10	7,625	7,650	329.20	9,440	9,460	460.20
2,500	2,550	73.30	5,430	5,460	200.60	7,650	7,675	330.90	9,460	9,480	461.70
2,550	2,600	74.90	5,460	5,490	202.20	7,675	7,700	332.60	9,480	9,500	463.20
2,600	2,650	76.50	5,490	5,520	203.80	7,700	7,725	334.20	9,500	9,520	464.80
2,650	2,700	78.10	5,520	5,550	205.30	7,725	7,750	335.90	9,520	9,540	466.30
2,700	2,750	79.70	5,550	5,580	206.90	7,750	7,775	337.60	9,540	9,560	467.90
2,750	2,800	81.30	5,580	5,610	208.40	7,775	7,800	339.30	9,560	9,580	469.40
2,800	2,850	82.90	5,610	5,640	210.00	7,800	7,825	340.90	9,580	9,600	470.90
2,850	2,900	84.50	5,640	5,670	211.60	7,825	7,850	342.60	9,600	9,620	472.50
2,900	2,950	86.10	5,670	5,700	213.10	7,850	7,875	344.30	9,620	9,640	474.00
2,950	3,000	87.70	5,700	5,730	214.70	7,875	7,875	344.30	9,640	9,660	475.60
3,000	3,040	89.30	5,730	5,760	216.20	7,875	7,900	346.00	9,660	9,680	477.10
3,040	3,080	91.00	5,760	5,790	217.80	7,900	7,925	347.60	9,680	9,700	478.60
3,080	3,120	92.70	5,790	5,820	219.40	7,925	7,950	349.30	9,700	9,720	480.20
3,120	3,160	94.40	5,820	5,850	220.90	7,950	7,975	351.00	9,720	9,740	481.70
3,160	3,200	96.10	5,850	5,880	222.50	7,975	8,000	352.70	9,740	9,760	483.30
3,200	3,240	97.70	5,880	5,910	224.00	8,000	8,025	354.40	9,760	9,780	484.80
3,240	3,280	99.40	5,910	5,940	225.60	8,025	8,050	356.20	9,780	9,800	486.30
3,280	3,320	101.10	5,940	5,970	227.20	8,050	8,075	358.00	9,800	9,820	487.90
3,320	3,360	102.80	5,970	6,000	228.70	8,075	8,100	359.80	9,820	9,840	489.40
3,360	3,400	104.50	6,000	6,030	230.40	8,100	8,125	361.60	9,840	9,860	491.00
3,400	3,440	106.10	6,030	6,060	232.10	8,125	8,150	363.40	9,860	9,880	492.50
3,440	3,480	107.80	6,060	6,090	233.80	8,150	8,175	365.20	9,880	9,900	494.00
3,480	3,520	109.50	6,090	6,120	235.50	8,175	8,200	367.00	9,900	9,920	495.60
3,520	3,560	111.20	6,120	6,150	237.20	8,200	8,225	368.80	9,920	9,940	497.10
3,560	3,600	112.90	6,150	6,180	238.90	8,225	8,250	370.60	9,940	9,960	498.70
3,600	3,640	114.60	6,180	6,210	240.60	8,250	8,275	372.40	9,960	9,980	500.20

TAX ON INCOMES OF \$10,000 AND OVER

IF NET TAXABLE INCOME IS		GROSS TAX IS	
At least	But less than	This amt. +	this % on excess over
\$10,000 —	\$11,000.....	\$502.50 plus	8.2% — \$10,000
11,000 —	12,000.....	584.50 plus	8.7% — 11,000
12,000 —	13,000.....	671.50 plus	9.2% — 12,000
13,000 —	14,000.....	763.50 plus	9.7% — 13,000
14,000 —	860.50 plus	10.0% — 14,000

History: Cr. Register, January, 1960, No. 49, eff. 2-1-60; r. and recr. Register, May, 1964, No. 101; am. Register, March, 1966, No. 123, eff. 4-1-66; am. Register, December, 1966, No. 132, eff. 1-1-67.

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) (a), Wis. Stats., when each files a return, may be divided between them 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; r. and recr., Register, September, 1964, No. 105, eff. 10-1-64; am. Register, March, 1966, No. 123, eff. 4-1-66.

Tax 2.15 Methods of accounting for corporations. (Section 71.11 (8), Wis. Stats.) No uniform method of accounting can be prescribed for all corporations, and the law contemplates that each corporation may return its income in accordance with the method of accounting regularly employed in keeping its 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.

History: 1-2-56; am. Register, March, 1966, No. 123, eff. 4-1-66.

Tax 2.16 Changes in method of accounting for corporations. (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 department of taxation. 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.

History: 1-2-56, am. Register, September, 1964, No. 105, eff. 10-1-64.

Tax 2.17 Cash method of accounting for corporations. (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 for corporations. (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.

History: 1-2-56, am. Register, September, 1964, No. 105, eff. 10-1-64.

Tax 2.19 Installment method of accounting for corporations. (Section 71.11 (8), Wis. Stats.). (1) Subject to the approval of the department of taxation, a sale or other disposition by a corporation of real property, or a casual sale or other casual disposition of personal property (other than personal property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the income year) for a price exceeding \$1000, may be returned on the installment basis in the case of a sale or other disposition in an income year beginning on or after January 1, 1967, provided that in the income year of the sale or other disposition there are no payments or the payments (exclusive of evidences of indebtedness of the purchaser) do not exceed 30% of the selling price. On the installment basis there shall be returned as income from the installment sale in any income year that proportion of the installment payments actually received in that year which the gross profit realized or to be realized when payment is completed, bears to the total contract price.

(2) Use of the installment method, in each instance, shall be conditional upon the implied agreement of the corporation to take into income in any year in which it distributes the installment obligation, the unreported balance of gain on the installment sale or exchange.

(3) The installment method shall not be permitted with respect to any installment sale or exchange made subsequent to adoption of a plan of liquidation to which section 71.337, Wis. Stats., applies.

(4) Corporations regularly engaged in the business of selling personal property and keeping records on the installment basis will be required to report for franchise or income tax purposes on the accrual basis.

(5) The expenses incident to each installment sale or exchange must be deferred on the same basis that the profit arising from the sale or exchange is deferred.

(6) When property is sold or exchanged on the installment basis at a loss, the loss may not be deferred beyond the income year in which the sale or exchange takes place.

History: 1-2-56; am. (2), Register, March, 1966, No. 123, eff. 4-1-66; r. and recr. Register, October, 1966, No. 130, effective with respect to income years beginning on and after January 1, 1967.

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, pro-

vided 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 incorporated contractors. (Section 71.11 (8), Wis. Stats.) (1) The general rules for reporting income on the accrual basis apply to incorporated 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 current period, such portion being based upon the percentage of completion, as determined by an engineer's or an architect's estimate or such other records as will most clearly reflect the income realized to date. By this method the difference between the sales thus determined and the total cost applicable to the sales is treated as taxable income.

(2) The profit on jobs taken on a cost plus basis and uncompleted at the close of a taxable year should be computed in accordance with

