



### Research and Development Tax Credit

- An R&D credit is available for qualified research expenses equal to 5.75% of the average above 50 percent from the past three taxable years. If there were no qualified research expenses in the three prior taxable years, the credit is 2.875%.

### Sales and Use Tax Exemptions

- Companies engaged in manufacturing or biotechnology may get an exemption for machinery, equipment and tangible personal property used in research.
- The 2013-15 budget bill included additional sales and use tax exemptions for purchases related to the printing industry.



*"We were especially impressed with the care and attention Wisconsin DOR gave us in helping to start our business."*

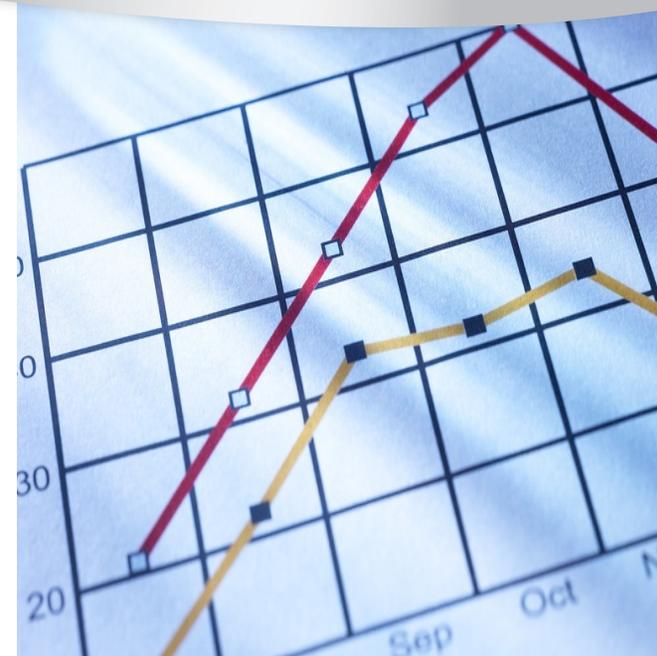
## Wisconsin is open for business!

Wisconsin has a wide range of state tax incentives to encourage business growth and job creation.

The manufacturing and agriculture tax credit, incentives for investing in Wisconsin businesses, and other new and existing tax incentives give Wisconsin one of the best business tax climates in the country.

For more information, contact us at 608-266-6466, or visit us online at [revenue.wi.gov](http://revenue.wi.gov)

P.O. Box 8933  
Madison, WI 53708-8933



### Tax Incentive Highlights for Businesses

Wisconsin Department of

# Revenue



## **A Note from Secretary Chandler**

The Wisconsin Department of Revenue is working to help create jobs by making the state's tax code more competitive. Wisconsin has recently enacted several major tax initiatives that have made our state an even more attractive place to do business, including a broad-based reduction in income tax rates.

We have a hard-working, innovative workforce, a strong education system, good infrastructure and a high quality of life. A competitive tax climate is also part of creating a good business climate.

These initiatives will help bring new business to Wisconsin, grow our existing sectors, and generate family-supporting jobs across the state.

Sincerely,

**Richard G. Chandler**  
Secretary of Revenue



## **Tax Incentive Finder**

This new tool allows businesses to find incentives related to their industry, and also provides a convenient collection of available tax credits, deductions, and grant programs aimed at growing the state's economy. Visit our homepage at [revenue.wi.gov](http://revenue.wi.gov) to begin searching for incentives today.



## **Reducing Wisconsin's Tax Burden**

- The 2013-15 budget bill included an across the board individual income tax rate reduction effective for tax year 2013. The rate reduction provides broad-based tax relief and reduces the number of tax rates from five to four.

## **Investment Incentives**

### **Capital Gains Investment Incentives**

- Capital gains on funds invested in qualified Wisconsin businesses are completely exempt from the capital gains tax after the investment has been held for five years.
- Capital gains on existing investments which are sold in order to generate funds for investments in qualified Wisconsin businesses are deferred so that they are not taxed at the time they are invested in the Wisconsin businesses.

### **Angel and Early Stage Investment Tax Credits**

- Credits are available for 25% of early stage investments made in qualified new business ventures.

## **Incentives for Manufacturing and Agricultural Businesses**

### **Manufacturing and Agriculture Tax Credit**

- For taxable years beginning after December 31, 2012, a significant tax credit will be available for income derived from manufacturing or agricultural property located in Wisconsin. It will offset a significant share of Wisconsin income taxes.
- The credit is phased in as follows:
  - Tax year 2013 = 1.875%
  - Tax year 2014 = 3.75%
  - Tax year 2015 = 5.025%
  - Tax year 2016 and beyond = 7.50%

### **Property Tax Exemption**

- Machinery and equipment used exclusively and directly in the production process in manufacturing is exempt from personal property taxes.

### **Sales Tax Exemptions**

- Machinery and equipment used by a manufacturer in producing tangible personal property.
- Tangible personal property which becomes an ingredient or component of another product in the manufacturing process.
- Machinery, equipment and tangible personal property used in research by companies that are engaged in manufacturing or biotechnology in Wisconsin, starting in tax year 2012.

