

Instructions for 2024 Form 6I: Wisconsin Adjustments for Insurance Companies

Purpose of Form 6I

When a corporation computes its Wisconsin franchise or income tax liability, certain aspects of its tax computation are different if the corporation is an insurance company. Subchapter VII of chapter 71 of the Wisconsin Statutes provides for these differences.

Whether or not a corporation is an insurance company, it uses Form 6 to compute its Wisconsin franchise or income tax liability under combined reporting. The purpose of Form 6I is to account for adjustments an insurance company must make so the amounts on Form 6 reflect the corporation's status as an insurance company.

Enter the information for each member in a separate column. Enter the elimination adjustments for all members in the elimination adjustments column as **positive and negative values**. A positive value will increase the total of the member's amounts reported in the combined total column and a negative value will decrease the total of the member's amounts reported in the combined total column. If there are more than three members, use additional Forms 6I, however, only enter elimination entries and combined totals on the final Form 6I completed. For example, if there are seven members in the combined group, enter members one through three on Form 6I (do not complete the elimination and combined total column yet). Next, enter members four through six on an additional Form 6I (do not complete the elimination and combined total column yet). Finally, complete a new Form 6I for the seventh and final member. Complete the elimination and combined total column on the last Form 6I for all group members.

Line-by-Line Instructions

These instructions are presented in the order the lines appear on Form 6I:

Part I: Additions Specific to Insurance Companies

This is where the Wisconsin addition modifications unique to insurance companies are computed so they can be included on Form 6, Part II, line 2i.

Line 1. Loss Carryforward – Enter the insurance company's loss carryforward, including any capital loss carryforward previously deducted for Wisconsin. This was the amount deducted in computing the federal taxable income reported on Form 6, line 1.

Line 2. Dividend Income – Enter the insurance company's dividend income received during the taxable year to the extent the dividends were deducted from, or not included in, the federal taxable income reported on Form 6, Part I, line 4.

Line 3. Deduction for Discounting Unpaid Losses – For tax years beginning before January 1, 2018, enter any deduction under section 847 of the Internal Revenue Code that was claimed in computing the federal taxable income reported for the insurance company on Form 6, Part I, line 28.

Line 4. Total – Include the amount from line 4 in the amount on Form 6, Part II, line 2i.

Part II: Nontaxable Income from Life Insurance Operations

This is where the nontaxable income from life insurance operations is computed. This amount is carried forward to Form 6, Part II, line 4o.

Line 5. Federal Taxable Income – Enter the amount included in Form 6, Part II, line 1, that is attributable to the insurance company.

If this is a combined return and the insurance company has a net capital gain reportable on Form N, *Wisconsin Nonapportionable and Separately Apportionable Income*, add that net capital gain to the amount from Form 6, Part II, line 1 and enter the total on line 5 of Form 6I.

Line 6. Total Addition Modifications – Enter the company's total Wisconsin addition modifications for the portion of the amount on Form 6, Part II, line 2k that is attributable to the insurance company.

Line 8. Subtraction Modifications – Add the portion of the amounts on Form 6, Part II, lines 4a through 4m plus line 4n-e that is attributable to the insurance company and enter the total.

NOTE: To complete lines 10a and 10b, refer to the Annual Statement adopted by the National Association of Insurance Commissioners for the year 2024, as filed with the Commissioner of Insurance of the State of Wisconsin. For life and accident and health insurance companies, refer to the Summary of Operations, Analysis of Operations by Lines of Business.

Line 10a. Net Gain From Operations, Other than Life Insurance – Include income from the following sources:

- Net income, after dividends to policyholders and before federal and foreign income taxes, from property and casualty insurance.
- Net gain from operations, after dividends to policyholders and before federal income taxes, from accident and health insurance.
- Net realized capital gains or losses on investments from accident and health insurance operations.

NOTE: Apportion net realized capital gains or losses among life insurance lines and accident and health insurance lines in the same manner as net investment income is required to be apportioned by the Commissioner of Insurance. Net realized capital gains or losses are allocated after the Interest Maintenance Reserve (IMR) adjustment and before capital gains tax.

Line 10b. Total Net Gain from Operations – Include income from the sources included in line 10a above, plus the following sources:

- Net gain from operations, after dividends to policyholders and before federal income taxes, from life insurance.
- Net realized capital gains or losses on investments from life insurance operations.

Line 11. Percentage – In determining the income or loss from nonlife lines of insurance, the percentage will be one of the following (divide line 10a by line 10b and multiply the result by 100):

- Zero, if the numerator (line 10a) is negative and adjusted federal taxable income (line 9) is positive.
- Zero, if the numerator (line 10a) is positive and adjusted federal taxable income (line 9) is negative.
- Zero, if the numerator (line 10a) is zero.
- Greater than zero but not more than one, if the numerator (line 10a) is positive, the denominator (line 10b) is positive, and adjusted federal taxable income (line 9) is positive.
- Greater than zero but not more than one, if the numerator (line 10a) is negative, the denominator (line 10b) is negative, and adjusted federal taxable income (line 9) is negative.
- One, if the numerator (line 10a) is positive, the denominator (line 10b) is zero or negative, and adjusted federal taxable income (line 9) is positive.
- One, if the numerator (line 10a) is negative, the denominator (line 10b) is zero or positive, and adjusted federal taxable income (line 9) is negative.

Part III: Net Business Loss Adjustment

If the insurance company has a net business loss, this is where that loss is adjusted as required under sec. 71.45(4), Wis. Stats., so it doesn't include the dividends received deduction.

Lines 14 through 18. Net Income or Loss – Complete lines 14 through 17 of Part III to compute the net business loss for the taxable year before applying the adjustment. If line 18 is a positive amount, do not have to complete Part III.

Line 19. Dividends Received Deduction – Analyze the combined group's dividend income reported on Form 6Y. The amount entered on line 19 is the amount of the combined group's dividend income reported on Form 6Y meeting all three of the following:

1. Qualifies for the dividends received deduction under sec. 71.26(3)(j), Wis. Stats.,
2. Would not otherwise qualify to be eliminated from the combined group's combined unitary income under sec. 71.255(4)(f), Wis. Stats., and
3. Is otherwise includable in combined unitary income rather than reportable as a separate entity item on Form N.

Reduce these dividends by any foreign taxes paid on them, reported on line 3 of Form 6Y. Note that it doesn't matter which company in the group received the dividend income. This company's share of the dividends is determined by completing lines 20 and 21.

Additional information about criteria 2. and 3. presented in the list above:

- **Dividend Elimination Under Sec. 71.255(4)(f), Wis. Stats.** Section Tax 2.61(9)(g), Wisconsin Administrative Code, provides that dividends that qualify to be eliminated from the group's combined unitary income under sec. 71.255(4)(f), Wis. Stats., are not required to be added back to the corporation's net business loss, even if they otherwise qualify for the dividends received deduction under sec. 71.26(3)(j), Wis. Stats. See the Form 6Y instructions for how to determine if a dividend qualifies to be eliminated from combined unitary income under sec. 71.255(4)(f), Wis. Stats.
- **Dividend Income from Separate Entity Items.** If a dividend is not otherwise includable in combined unitary income, for example, if it is excluded from combined unitary income under the water's edge rules, do not include it in the computation of line 19 of Form 6I. Account for it on line 22 instead.

Line 20. Apportionment Percentage Enter the insurance company's Wisconsin percentage of combined unitary income from Form 6, Part III, line 1d, or if a member of 100% Wisconsin group, enter "100.0000%".

CAUTION: Do not enter the entire combined group's Wisconsin apportionment percentage on line 20. Enter only the insurance company's Wisconsin percentage of combined unitary income.

Line 22. Dividends Received Deduction from Separate Entity Items – Complete this line if any of the insurance company's dividend income met the first two criteria in the list presented in the instructions for line 19, but was not otherwise includable in combined unitary income. From this dividend income, subtract any foreign taxes on those dividends claimed as a deduction elsewhere on the return, and multiply the resulting amount by the apportionment percentage from Part II of Form N. Enter the total on line 22 as a negative number.

Line 24. Net Business Loss Adjustment – Enter this amount on Form 6, Part III, line 6.

Part IV: Tax Adjustment

Since the tax liability of an insurance company is generally the lesser of 7.9% of its net income or 2% of its gross premiums, this section computes any adjustment to the insurance company's tax liability in cases where the 2% of gross premiums computation applies.

Line 25. Wisconsin Net Income – For insurance companies that are combined group members, Wisconsin net income is computed from the amounts on the member's Form 6, Part III as follows:

- Share of combined unitary income (= line 2 + 3)
- + Income from separate entity items (line 4)
- Net capital loss adjustment (line 5)
- Net business loss carryforward (line 7)

Wisconsin net income

Line 27a. Gross Premiums – The franchise tax measured by net income attributable to all lines of insurance in Wisconsin may not exceed 2% of the gross Wisconsin premiums as defined in sec. 76.62, Wis. Stats. On line 27a, enter the amount of gross premiums, other than life insurance premiums, received for direct insurance less return premiums and cancellations and returns from savings and gains on all insurance other than reinsurance by the insurer during the preceding year in Wisconsin.

Attach a schedule detailing the computation of Wisconsin gross nonlife premiums, including references to the applicable schedules, columns, and lines of the annual statement.

Line 30. Tax Adjustment – The amount of each insurance company member's column on Form 6, Part III, line 9 should equal the line 30 amount for that member.

Additional Information and Assistance

Web Resources

The Department of Revenue's web page, available at revenue.wi.gov, has a number of resources to provide additional information and assistance, including:

- [Forms](#)
- [Common Questions](#)
- [Publications](#)
- The [Wisconsin Tax Bulletin](#)
- A home page specifically for [combined reporting topics](#)
- Links to the [Wisconsin Statutes and Administrative Code](#)

Contact Information.

If you cannot find the answer to your question in the resources available on the Department of Revenue's web page, contact the Department using any of the following methods:

- E-mail your question to: DORFranchise@wisconsin.gov
- Call (608) 266-2772 (Telephone help is also available using TTY equipment. Call the Wisconsin Telecommunications Relay System at 711 or, if no answer, (800) 947-3529. These numbers are to be used only when calling with TTY equipment.)
- Send a fax to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 3-107, PO Box 8906, Madison, WI 53708-8906

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of the revised date : Chapter 71 Wis. Stats., and Chapter Tax 2, Wis. Adm. Code