

2024 Schedule AR Instructions

Purpose of Schedule AR

Schedule AR is used to explain the reason for changes on an amended income or franchise tax return. Include Schedule AR with your amended income or franchise tax return when it is filed.

Who Must File Schedule AR

Schedule AR must be filed by individuals, estates, trusts, partnerships, and corporations who are filing an amended income or franchise tax return. This includes amended returns filed on Form 1, 1CNS, 1CNP, 1NPR, 2, 3, 4, 4T, 5S, 6, PW-1, or X-NOL; or Schedule H or H-EZ.

General Instructions

An amended income or franchise tax return is filed only after you file your original tax return. Generally, a claim for refund made on an amended return must be filed within 4 years after the unextended due date of your original return (for example, April 16, 2029, for 2024 calendar-year individual income tax returns). However, a claim for refund to recover all or part of any tax paid as a result of an office or field audit may be filed within 4 years after the date assessed. This applies only if you paid the tax, did not file a petition for redetermination (written appeal), and the claim for refund is for an item which was adjusted in the audit.

If you filed an amended return with the Internal Revenue Service (IRS) or another state, you generally must also file an amended Wisconsin return within 180 days if the changes affect your Wisconsin income, any credit, or tax payable. You should also file an amended Wisconsin return to claim a refund or pay any additional tax due even if you are not amending your federal or other state return.

Check the space on the upper portion of the first page of the form or schedule to indicate it is an amended return. See the instructions for the form or schedule you are amending for additional information, including how to file the amended return.

Specific Instructions

Check the space(s) for the reason(s) for the change(s) under the *Explanation of Changes on the Amended Return* section. Explain in detail the reason for the change in the box below and indicate the line reference(s) from the form or schedule for which you are reporting a change. The following instructions explain the various reasons which may apply to the reason for your amended return. If multiple reasons exist, you may check more than one space to explain the change.

01 – Dependent change

Check this space if there is a change to the number of dependents you are claiming or a change to the information for a dependent claimed. Include a copy of your federal Form 1040 or 1040-SR which includes the changes to the dependent(s). Include a reason for the change in the box below.

02 – Pass-through entity (partnership, tax-option (S) corporation, estate, or trust) change

If there is a change to the tax return filed by a pass-through entity which affects your income or franchise tax return, check this space. Include a copy of the amended Schedule 2K-1, 3K-1, or 5K-1 with your amended return and a reason for the change in the box below.

For example, if a pass-through entity changes the amount of income reported on its income or franchise tax return and sends you an amended Schedule 3K-1, file an amended income or franchise tax return to report the change in income and check space 02.

02a, 02b, and 02c – General information

If the change from the pass-through entity is due to one of the reasons provided in space 02a, 02b, or 02c, check space 02 and the corresponding space that applies to your situation. If none of the reasons in space 02a, 02b, or 02c apply to you, do not check any of the spaces.

02a – Claim for overpayment or credit under sec. 71.745(2)(b) or (3)(b), Wis. Stats.

Check this space if either of the two situations apply:

- You are claiming a refund because you are a pass-through member of a pass-through entity that was audited by the department under sec. [71.745](#), Wis. Stats., and the audit resulted in a tax overpayment. **Note:** According to sec. [71.745\(2\)\(b\)](#), Wis. Stats., a pass-through member may claim the overpayment within one year after the date the pass-through entity's audit determination becomes final or within four years of the unextended due date of the pass-through member's return, as provided in sec. [71.75](#), Wis. Stats., whichever is later.
- You are increasing a Wisconsin tax credit because you are a pass-through member of a pass-through entity that was audited by the department under sec. [71.745](#), Wis. Stats., and the audit resulted in an increase to a Wisconsin tax credit. **Note:** According to sec. [71.745\(3\)\(b\)](#), Wis. Stats., a pass-through member may claim the excess credit not used to offset the pass-through entity's additional tax within one year after the date the pass-through entity's audit determination becomes final or within four years of the unextended due date of the pass-through member's return, as provided in sec. [71.75](#), Wis. Stats., whichever is later.

02b – Amend for election under sec. 71.745(8), Wis. Stats.

Check this space if all of the following apply:

- You are a pass-through member of a pass-through entity that was audited by the department under sec. [71.745](#), Wis. Stats.,
- The pass-through entity's audit determination has become final,
- Within 60 days after the pass-through entity's audit determination became final, the pass-through entity made an election under sec. [71.745\(8\)](#), Wis. Stats., to reduce the assessment, and
- Within 60 days after the pass-through entity made an election under sec. [71.745\(8\)](#), Wis. Stats., you are amending your income or franchise tax return to report your proportionate share of the pass-through entity's audit adjustments and pay the related Wisconsin tax, interest, penalties, and fees.

02c – Nonresident Schedule K-1 income allocation

If you received an amended Schedule 2K-1, 3K-1, or 5K-1 because you are a nonresident pass-through member and your income allocation has changed, check this space. Include a copy of the amended Schedule 2K-1, 3K-1, or 5K-1 with your amended income or franchise tax return.

03 – Form W-2/1099 change

If you received a corrected wage statement or information return (such as Forms W-2c, 1099-NEC, and 1099-MISC) and are amending your income or franchise tax return to report the change, check this space and provide an explanation of the change in the box below. Include a copy of the corrected Form W-2c or 1099 with your amended return. If you are amending your return to report a different amount of interest or dividend income, check the space by 05 instead.

04 – Tuition expense subtraction

If you claimed a subtraction for tuition and fee expenses on line 8 of [Schedule SB](#) (Form 1) or line 42 of [Schedule M](#) (Form 1NPR) and are amending your income tax return to adjust the amount of the subtraction claimed or are claiming a new subtraction, check this space. Include an explanation in the box below indicating the reason for the adjustment.

05 – Interest/dividends change

If you are amending your income or franchise tax return to claim a different amount of interest or dividend income, check this space. If the change is a result of a corrected Form 1099-INT, 1099-OID, or 1099-DIV, include a copy of the corrected form with your amended return. If the change is for a different reason, include an explanation in the box below.

06 – Filing status change

If you are amending your income tax return to change the filing status reported on your original return, check this space. **Caution:** If you filed your original individual income tax return as married filing joint, you may not, after the due date for filing that return, amend it to file as married filing separately. Include a reason for the change in the box below.

07 – Wisconsin modifications to federal income

If you are amending your income tax return to claim a modification listed on [Schedule AD](#) and/or SB (Form 1) or Schedule M (Form 1NPR), or to change a modification claimed on your original return, check this space. Include the amended Schedule AD and/or Schedule SB or Schedule M with your amended return and a reason for the change in the box below.

08 – Exempt pensions

If you are amending your individual income tax return to exclude pension income previously reported as taxable or include pension income previously reported as exempt from Wisconsin income tax, check this space. This is for exempt pensions which may be reported as a subtraction from income on line 12, 13, or 14 of Schedule SB (Form 1) or line 46, 47, or 48 of Schedule M (Form 1NPR). Include a reason for the change in the box below.

09 – Repayment of income previously taxed

If you are amending your individual income tax return to claim or remove the subtraction for repayment of income previously taxed on line 28 of Schedule SB (Form 1) or line 62 of Schedule M (Form 1NPR), check this space. If you are claiming the subtraction, include an explanation of the income you repaid during 2024 and the year it was originally reported as income on your return. If you are removing the subtraction, include a reason in the box below.

Caution: A subtraction may be claimed only for repayments that are allowed as a miscellaneous itemized deduction on your federal Schedule A (Form 1040). Miscellaneous itemized deductions subject to the 2% of adjusted gross income limit are no longer allowed as itemized deductions on federal Schedule A (Form 1040) according to Public Law 115-97 for taxable years 2018 through 2025. These amounts are also no longer allowable as a deduction on federal Schedule A (Form 1040) for Wisconsin purposes. Therefore, a subtraction may not be claimed on line 28 of your 2024 Schedule SB or line 62 of your 2024 Schedule M.

10 – Apportionment percentage

Check this space if the apportionment percentage computed on Schedule A-01, A-02, A-03, A-04, A-05, A-06, A-07, A-08, A-09, A-10, or A-11 changed. Include the amended Schedule A-01, A-02, A-03, A-04, A-05, A-06, A-07, A-08, A-09, A-10, or A-11 with your amended return and an explanation for the change in the box below.

11 – Non-unitary income/separate accounting

Check this space if you are amending your income or franchise tax return to designate part or all of your income as non-unitary and are using separate accounting to determine the income attributable to Wisconsin. **Note:** A unitary business may use separate accounting only with the approval of the department. Mail the request for approval before the end of the taxable year for which the use of separate accounting is desired to:

Mail Stop 3-107
Wisconsin Department of Revenue
Audit Bureau
PO Box 8906
Madison, WI 53708-8906

Include [Form N](#), *Wisconsin Nonapportionable, Separately Accounted, and Separately Apportioned Income*, and/or [Form C](#), *Wisconsin Allocation and Separate Accounting Data*, with your amended income or franchise tax return. Provide an explanation for the change in the box below.

12 – Protective claim

A protective claim is a request to preserve a taxpayer's right to claim a refund based on the conclusion of a future event(s) that cannot be determined within the time period for which a claim for refund must be properly filed with the department. In general, a taxpayer must file a claim for refund with the department within four years of the unextended due date of the original income or franchise tax return.

A protective claim is often related to current litigation or expected changes in the tax law or other legislation and regulations. The claim does not have to state a particular dollar amount or demand an immediate refund. Provide an explanation for the protective claim in the box below.

13 – Net business loss

Check this space if you are amending your net business loss. Include [Form 4BL](#), *Wisconsin Net Business Loss Carryforward for Separate Entity Corporations*, or [Form 6BL](#), *Wisconsin Net Business Loss Carryforward for Combined Group Members*, with your amended income or franchise tax return. Provide an explanation for the change in the box below.

14 – Tax credits

Check this space if you are amending your return to claim a Wisconsin tax credit or are changing the amount of a credit previously claimed. Include the credit schedule with your income or franchise tax return and provide an explanation for the change in the box below.

15 – Federal audit

Check this space if you are amending your return to report adjustments to your Wisconsin return based on adjustments made by the IRS from a federal audit. Include a copy of the final federal audit report with your amended return and explain changes made as a result of the audit in the box below. **Note:** The department must be notified within 180 days after the federal audit adjustments are final.

16 – Amended federal or other state return

Check this space if you amended your federal income or franchise tax return or amended another state's tax return and are reporting adjustments to your Wisconsin income or franchise tax return as a result of the adjustments made on that return. Include a copy of your amended federal or other state return and explain additional changes made in the box below.

Note: If you filed an amended return with the IRS or another state, you generally must also file an amended Wisconsin return within 180 days.

17 – Adding or removing members of a combined group

Check this space if you are amending your income or franchise tax return because the combined group is adding or removing members. Include a statement indicating the members added or removed in the box below.

18 – Individual Retirement Arrangement (IRA) change

Check this space if you are amending your income tax return to report a different amount of taxable distribution from an IRA. If you are changing the taxable amount of the distribution due to receiving a corrected federal Form 1099-R, include a copy of the corrected Form 1099-R and an explanation for the change in the box below.

19 – P.L. 86-272

Check this space if you are amending your income or franchise tax return because you do not have [nexus](#) in Wisconsin. Under Public Law [86-272](#), a state can't impose an income tax or franchise tax based on net income from a corporation selling tangible personal property if the corporation's only activity in the state is the solicitation of orders which are approved outside the state and are filled by delivery from a point outside the state. Provide an explanation for the change in the box below.

20 – Other

Check this space if you are amending your income or franchise tax return for a reason other than those listed in 01 through 19. Include a detailed explanation for the change in the box below and provide any revised forms or schedules with your amended return.

Additional Information

For more information, you may:

Individuals

Call: (608) 266-2772

Email: DORIncome@wisconsin.gov

Write: Mail Stop 5-77
Wisconsin Department of Revenue PO Box 8949
Madison WI 53708-8949

Corporations

Call: (608) 266-2772

Email: DORFranchise@wisconsin.gov

Write: Wisconsin Department of Revenue
Corporation Franchise/Income Tax Assistance PO Box 8906
Madison WI 53708-89406

Pass-Through Entities

Call: (608) 266-2772

Email: DORAuditPassThrough@wisconsin.gov

Write: Mail Stop 5-77
Wisconsin Department of Revenue PO Box 8949
Madison WI 53708-8949

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of November 20, 2024: ch. 71, [Wis. Stats](#), sec. Tax 2.82, [Wis. Adm. Code](#), and sec. 67, [IRC](#).