2024 Schedule M Instructions
Additions to and Subtractions from Income

Purpose of Schedule M

Schedule M is used to report differences between federal and Wisconsin income. These differences are called modifications and may affect the amount you report on lines 15 and 28 of Form 1NPR.

Additions to Wisconsin income from Part I are reported on line 15, column B, of Form 1NPR, and subtractions from Wisconsin income from Part II are reported on line 28, column B, of Form 1NPR.

Who Must File Schedule M

Your federal income may include items that aren't taxable or deductible for Wisconsin, or it may not include items that are taxable or deductible for Wisconsin. You may have to add or subtract these items from your federal income to arrive at the correct Wisconsin income. Schedule M must be filed by persons for whom the addition and subtraction modifications described below apply.

Other Schedules and Publications

These instructions will refer to other Wisconsin schedules that may be needed to compute and claim an addition or subtraction along with publications that may contain additional information. The schedules and any related instructions can be found on the department's website at: https://www.revenue.wi.gov/Pages/Form/2024Individual.aspx. The Wisconsin publications referenced are located at: https://www.revenue.wi.gov/Pages/HTML/taxpubs.aspx.

Line Instructions

Part I – Additions to Income

Line 1 – State and Municipal Interest

If you received any state, municipal, or other bond interest, enter the amount received from those bonds while a Wisconsin resident. This will generally be the amount shown on line 2a of your federal Form 1040 or 1040-SR. **Note:** If you were required for federal purposes to allocate expenses to this income, reduce the income by such expenses. For more information, see federal Publication 550, *Investment Income and Expenses*.

Exception: Do not include interest income from the sources below. Interest from these sources is exempt from Wisconsin income tax whether received by a direct owner of these securities or by a shareholder in a mutual fund that invests in these securities.

(1) Public housing authority or community development authority bonds issued by municipalities located in Wisconsin
(2) Wisconsin Housing Finance Authority bonds
(3) Wisconsin municipal redevelopment authority bonds
(4) Wisconsin Housing and Economic Development Authority bonds issued on or after January 1, 2004, to fund multifamily affordable housing projects or elderly housing projects
(5) Wisconsin Housing and Economic Development Authority bonds issued before January 29, 1987, except business development revenue bonds, economic development revenue bonds, and CHAP housing revenue bonds
(6) Public housing agency bonds issued before January 29, 1987, by agencies located outside Wisconsin where the interest therefrom qualifies for exemption from federal taxation for a reason other than or in addition to section 103 of the IRC
(7) Local exposition district bonds
(8) Wisconsin professional baseball park district bonds
(9) Bonds issued by the Government of Puerto Rico, Guam, the Virgin Islands, Northern Mariana Islands, or, for bonds issued after October 16, 2004, the Government of American Samoa
(10) Local cultural arts district bonds
(11) Wisconsin professional football stadium bonds
(12) Wisconsin Aerospace Authority bonds
(13) Bonds issued on or after October 27, 2007, by the Wisconsin Health and Education Facilities Authority to fund acquisition of information technology hardware or software
(14) Certain conduit revenue bonds issued by a commission created under sec. 66.0304, Wis. Stats. A listing of the conduit revenue bonds issued and the tax-exempt status is available on the department's website at revenue.wi.gov/Pages/ISE/Conduit-Revenue-Bonds.aspx

(15) Wisconsin Housing and Economic Development Authority bonds or notes if the bonds or notes are issued to provide loans to a public affairs network under sec. 234.75, Wis. Stats.
(16) The Wisconsin Health and Educational Facilities Authority if the bonds or notes are issued for the benefit of a person who is eligible to receive the proceeds of bonds or notes from another entity for the same purpose for which the bonds or notes are issued under sec. 231.03(6), Wis. Stats., and the interest income received from the other bonds or notes is exempt from Wisconsin taxation
(17) A sponsoring municipality borrowing to assist a local exposition district created under subch. II of ch. 229, Wis. Stats.
(18) WHEDA bonds issued under sec. 234.65, Wis. Stats., to fund an economic development loan to finance construction, renovation, or development of property that would be exempt under sec. 70.11(36), Wis. Stats.
(19) The Wisconsin Health and Educational Facilities Authority under sec. 231.03(6), Wis. Stats., if the bonds or notes are issued in an amount totaling $35,000,000 or less, and to the extent interest income received is not otherwise exempt from Wisconsin taxation

Line 2 – Reserved for future use

Line 3 – Nonqualified Distributions from Edvest and Tomorrow's Scholar College Savings Account

If, while a Wisconsin resident, you received a distribution from an Edvest or Tomorrow's Scholar college savings account and the entire distribution was not used for qualified higher educational expenses, you may have to include all or a portion of the distribution in income. If you rolled over an amount from an Edvest or Tomorrow's Scholar college savings plan into another state's plan, you may also have to include all or a portion of the amount rolled over in Wisconsin income.

Amounts rolled over from a qualified tuition program to an ABLE account of the designated beneficiary, or a member of the family of the designated beneficiary, are not required to be included in Wisconsin income. The amount rolled over cannot exceed your share of the combined annual limit for all contributions to an account for 2024. Any amount which exceeds $18,000 may have to be included in Wisconsin income.

Amounts rolled over from an Edvest or Tomorrow's Scholar college savings account to a Roth IRA for the benefit of the beneficiary are not required to be included in Wisconsin income if they meet all the qualifications for age of the account, manner of rollover, and amount rolled over. Generally, the amount rolled over cannot exceed the beneficiary's annual limit for contributions to a Roth IRA or $35,000 over the life of the beneficiary. Any amount that exceeds the limits may have to be included in Wisconsin income.

If you received a distribution within 365 days of contributing an amount to an account, the amount previously subtracted may have to be included in income.

Complete Schedule CS, *College Savings Accounts*, to determine the amount you must include in income. Include Schedule CS with Form 1NPR.

Line 4 – Nonqualified Distributions from ABLE Accounts

The owner (beneficiary) of a qualified ABLE account must include in income any amount withdrawn from a qualified ABLE account for any reason other than the payment of qualified disability expenses for the account beneficiary. Also, upon termination of an account, an addition to income is provided for any amount in the account that is returned to an account owner's estate.

Line 5 – Reserved for future use

Line 6 – Income (Lump-Sum Distributions) Reported on Federal Form 4972

If you received a lump-sum distribution while a Wisconsin resident, and you used federal Form 4972 to figure your federal tax, you must add the amount of your lump-sum distribution on line 6. Include on line 6 the total of (1) the capital gain part of the lump-sum distribution from line 6 of federal Form 4972 and (2) the taxable amount from line 10 of federal Form 4972. You may reduce this amount by any federal estate tax on line 18 of federal Form 4972. **Note:** No portion of a lump-sum distribution may be reported as a capital gain on Wisconsin Schedule WD.

Line 7 – Excess Distribution from a Passive Foreign Investment Company

Fill in the amount of excess distribution from a passive foreign investment company which is allocable to Wisconsin and which has not been included in Wisconsin income in column B of Form 1NPR (see federal Form 8621 or 8621-A).

Line 8 – Expenses Paid to or Incurred with Related Entities

Fill in the amount deducted or excluded from your Wisconsin income for interest, rental expenses, intangible expenses, and management fees paid, accrued, or incurred to a related entity (person or business entity). You must make this addition even though you may be eligible for a deduction for these expenses. If you are eligible for a deduction, you may then make a subtraction for the amount that qualifies on line 66. See the instructions for line 66. See sec. Tax 3.01(3), Wis. Adm. Code, for rules relating to this required addition. **Exception:** Do not enter an amount on this line or line 66 if the adjustment is reported to you on a Wisconsin Schedule 2K-1, 3K-1, or 5K-1 and is included in the Wisconsin income (Column B) reported on line 11 of Form 1NPR.

Line 9 – Expenses for Moving Business Outside Wisconsin or the United States

Fill in the amount of moving expenses deducted from your federal income to move a Wisconsin business operation to a location outside Wisconsin or the United States. Moving expenses means all of the following:

- Vehicle rentals
- Storage rentals
- Moving company expenses for packing, unpacking, and transportation
- Consulting fees and surveys
- Lease cancellation fees
- Utility fees
- Employee wages
- Architecture, design, and remodeling expenses
- Brokerage commissions or fees
- Expenses paid or incurred to sell property in Wisconsin
- Loss on the sale of property in Wisconsin
- Reimbursement of an employee's expenses
- Mileage deductions for vehicle use
- Moving company expenses for packing, unpacking, and transportation
- Expenses paid or incurred for professional services, including legal services
- The cost of meals, lodging, and fuel

Line 10 – Differences in Federal and Wisconsin Basis of Assets

Additions may be necessary if there is a difference between the federal basis and the Wisconsin basis of your property. Additions are necessary if:

- You acquired property in a taxable year beginning after December 31, 2013, which may be depreciated or amortized (such as buildings and leaseholds), and the federal basis was greater than the Wisconsin basis at the time you acquired the property.
- You sold (or otherwise disposed of) property which may not be depreciated or amortized (such as land, stocks, and bonds) in a taxable transaction, and your basis in the assets was greater for federal purposes than for Wisconsin.
- You sold (or otherwise disposed of) property where the federal basis is greater than the Wisconsin basis due to a previous gain on the sale of an asset being deferred because gain was invested in a "qualified new business venture" or a "qualified Wisconsin business." See Schedule T, *Transitional Adjustments*, and Schedule QI, *Sale of Investment in a Qualified Wisconsin Business*.

Compute the amount of any addition due to a difference in basis on Wisconsin Schedule T. Include the completed Schedule T with your return.

Exceptions: Do not use line 10 for the following situations.

- If the difference in basis is due to the difference in the federal and Wisconsin definition of the Internal Revenue Code (for example, Wisconsin did not allow bonus depreciation for tax year 2023), use Schedule I, *Adjustments to Convert Federal Adjusted Gross Income, Itemized Deductions, and Credits to the Amounts Allowable for Wisconsin*, to adjust for the difference in depreciation for each year there is a difference in depreciation due to the difference in basis.
- If the difference in basis is due to using a different federal election for Wisconsin, (for example, electing to claim a different amount of sec. 179 expense), use Schedule I to adjust for the difference in depreciation as a result of the difference in federal and Wisconsin basis, or submit a pro forma federal return based on the election chosen for Wisconsin.
- If you sold your interest in a partnership and any increases or decreases were made to the federal basis of your partnership interest in taxable years prior to 1975, which resulted from partnership business or property located outside Wisconsin. (Prior to 1975, Wisconsin did not tax income from business or property located outside Wisconsin.) Compute any adjustment due to a difference in basis on Schedule T and net with other capital gains and losses on Wisconsin Schedule WD.
- If the difference in basis has been entered on lines 6 and 15 of Schedule WD.

Line 11 – Reserved for future use

Line 12 – Differences in Federal and Wisconsin Reporting of Marital Property (Community) Income

If you are married and are filing a separate return for Wisconsin purposes or were divorced during 2024, you may have to report a different amount of income on your Form 1NPR than on your federal return. For more information, get Publication 109, *Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 2024*.

Note: For Wisconsin income tax purposes, the marital property law applies only while both you and your spouse are domiciled in Wisconsin. During any period that you and your spouse aren't both domiciled in Wisconsin, you must report your income based on title and ownership under the common law property system.

Line 13 – Farmland Preservation Credit

Enter the amount of farmland preservation credit received in 2024 that isn't already included as income on lines 1 through 14 of Form 1NPR, column B.

Lines 14 through 25 – Addition for Computed Credits

If you claimed any of the credits listed in (a) through (j) below, you must include the amount of your credit computed for 2024 in Wisconsin income. The amount of your credit must be added to your income, even if you cannot take the full credit this year and must carry part of it forward or if the credit is refundable. **Note:** Do not include on line 14 through 25 any credits passed through to you from a partnership, limited liability company, or tax-option (S) corporation. These were accounted for when you entered the Wisconsin source income (loss) on line 11, column B, of the Form 1NPR.

Include the following credits computed for 2024:

(a) Development zones credits
(b) Enterprise zone jobs credit
(c) Economic development tax credit
(d) Capital investment credit
(e) Community rehabilitation program credit
(f) Research credits
(g) Manufacturing and agriculture credit (see Exception below)
(h) Business development credit
(i) Electronics and information technology manufacturing zone credit
(j) Employee college savings account contribution credit

Exception: The amount of manufacturing and agriculture credit computed for 2023 must be added to income on your 2024 Wisconsin income tax return. This is the amount from line 16 of your 2023 Schedule MA-A or MA-M.

Line 26 – Other Income

Nonresidents – Fill in any other income from line 9 of federal Schedule 1 (Form 1040) that you received from Wisconsin sources.

Part-year and full-year residents – Figure the amount of any other income from line 9 of federal Schedule 1 (Form 1040) you received while a Wisconsin resident. Add to that figure any other income you received from Wisconsin sources while a nonresident. When completing this line, do not include any portion of your federal net operating loss that may have been included on your federal return as a negative amount.

Note

Required Attachments for Additions Reported on Lines 29 through 32

Line 29 or 31: Submit a copy of the federal Schedule E and any related form (e.g., Form 8582) if you had to recompute the income or loss for Wisconsin purposes due to differences in the adopted Internal Revenue Code or different federal elections for federal and Wisconsin purposes (Schedule I modifications). The Schedule E and other forms should state "Revised for Wisconsin" at the top.

Line 30 or 32: Submit a copy of the related Schedule 2K-1, 3K-1, or 5K-1 and all supplemental schedules.

If you filed electronically, attach these records as PDF documents to your electronically filed return. If you cannot attach and submit the PDF documents with your e-filed return, you can upload the PDF documents through the department's website using Form W-RA at https://tap.revenue.wi.gov/WRA/. If you cannot create PDF documents, you can mail the attachments with Form W-RA to the address listed on the form.

Line 29 – Tax-option (S) Corporation Adjustments

Fill in any of the following amounts that apply to you:

(1) If you were a shareholder of a tax-option (S) corporation and your loss (under the IRC adopted by Wisconsin) from the entity is subject to a basis, at-risk, and/or passive loss limitation, or the section 179 expense is subject to a business income limitation, enter the adjustment allocable to Wisconsin as a positive amount.

(2) If you were a shareholder of a federal S corporation that elected not to be treated as a Wisconsin tax-option (S) corporation, you must reverse all items of S corporation income, loss, or deduction included on your federal return and then add your pro rata share of any distributions made by the corporation of earnings and profits which was received while you were a Wisconsin resident. **Caution:** Do not reverse any item of S corporation income or loss reported on federal Schedule D. These items were already removed from Wisconsin income when you completed Wisconsin Schedule WD.

See line 77 instructions for reporting subtractions.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Additions Reported on Lines 29 through 32.

Enter the name and Federal Employer Identification Number (FEIN) of the tax-option (S) corporation with a brief description of the reason for the adjustment on the line(s) provided. For example, if you have a $1,000 addition from tax-option (S) corporation A and a $5,000 addition from tax-option (S) corporation B, enter two separate additions on line 29 and enter the name and FEIN of corporation A and corporation B with an appropriate description of each adjustment on the lines provided. If you have more than 2 entries, attach a schedule listing each additional entry.

If the adjustment for the entity is the result of 2 or more shareholder-level adjustments, include a dollar value with each adjustment in the description. **Example:** Basis limitation of $3,000 and passive loss limit of $6,000.

For more information, get Publication 102, *Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders.*

Line 30 – Tax-option (S) Corporation Entity Level Tax Election Adjustments

If you were a shareholder of a tax-option (S) corporation that elected to be taxed at the entity level, net all items from the entity included in Wisconsin income and reported on column B of Form 1NPR. Add back any net loss on this line. If the result is a net profit, see the instructions for line 80. **Note:** If the tax-option (S) corporation made the election, the box will be checked on Schedule 5K-1, Part II, Item B, box 3.

You must enter the name and FEIN for each tax-option (S) corporation for which you are removing items from your Wisconsin income. See example below.

Caution: Do not reverse any item of tax-option (S) corporation gain or loss reported on federal Schedule D. These items have already been removed from Wisconsin income when you completed Wisconsin Schedule WD. See the Schedule WD instructions for more information.

Caution: If you are a shareholder of a tax-option (S) corporation that did not make the entity level election but it directly or indirectly owned another pass-through entity (lower tier) that made the election, you need to make a similar adjustment to your income, except only for your share of that lower tier's items. Box 4 of Part II, Item B will be checked on the Schedule 5K-1 if a lower tier elected to pay the entity level tax. The tax-option (S) corporation is required to provide you a supplemental statement detailing your share of income, gain, loss, and deduction that have been taxed by a lower-tier entity.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Additions Reported on Lines 29 through 32.

For more information, get Publication 102, *Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders.*

Example: Shareholder A was a nonresident of Wisconsin for the entire year in 2024 and owns 50 percent of Tax-option (S) Corporation. Shareholder A's Wisconsin sources of income for 2024 from the entity are $1,500 of interest, $10,000 of federal net ordinary business income, and a $5,000 ordinary loss from the sale of business assets. Tax-option (S) Corporation makes an election under sec. 71.365(4m)(a), Wis. Stats., to pay tax at the entity level for 2024.

Tax-option (S) Corporation has a $15,000 ordinary business loss for Wisconsin in 2024 due to the following differences:

- $20,000 of additional Wisconsin depreciation expense because of a different depreciable basis of an asset determined under the IRC in effect for Wisconsin purposes
- $5,000 of income from related entities whose expenses were disallowed

Ignoring any other income and loss, Shareholder A must file the following forms:

- Schedule I to reduce federal adjusted gross income by $20,000 of additional depreciation
- Form 1NPR reporting the following income in column B: $1,500 of interest on line 2, ($5,000) of other losses from asset sales on line 8, and ($15,000) of ordinary business loss from column (e) of Schedule 5K-1 on line 11
- Schedule M, line 30, to report an $18,500 addition modification for Wisconsin income taxed at the entity level of the tax-option (S) corporation

Computation of the $18,500 addition to Wisconsin income reported by the tax-option (S) corporation

Description	Amount
Interest income sourced to Wisconsin	$1,500
Other losses from asset sales sourced to Wisconsin	($5,000)
Net ordinary business loss sourced to Wisconsin on column (e) of Schedule 5K-1	($15,000)
Schedule M (line 30) - addition modification for Wisconsin loss reported by the tax-option (S) corporation (enter as a positive amount on Schedule M)	**($18,500)**

Line 31 – Partnership, Limited Liability Company, Trust, or Estate Adjustments

If you were a partner or member of a partnership or limited liability company (LLC) treated as a partnership, or you received income from an estate or trust, and your loss (under the IRC adopted by Wisconsin) from the entity is subject to a basis, at risk, and/or passive loss limitation, or the section 179 expense is subject to a business income limitation, enter the adjustment allocable to Wisconsin as a positive amount.

See line 81 instructions for reporting subtractions.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Additions Reported on Lines 29 through 32.

Enter the name and FEIN of the partnership with a brief description of the reason for the adjustment on the line(s) provided. For example, if you have a $1,000 addition from partnership A and a $5,000 addition from partnership B, enter two separate additions on line 31 and enter the name and FEIN of partnership A and partnership B with an appropriate description of each adjustment on the lines provided. If you have more than 2 entries, attach a schedule listing each additional entry.

If an adjustment for the entity is the result of 2 or more owner/beneficiary-level adjustments, include a dollar value with each adjustment in the description. **Example:** Basis limitation of $3,000 and passive loss limit of $6,000.

Line 32 – Partnership Entity Level Tax Election Adjustments

If you were a partner or member of a partnership or LLC treated as a partnership that elected to be taxed at the entity level, net all items from the entity included in Wisconsin income and reported on column B of Form 1NPR. Add back any net loss on this line. If the result is a net profit, see the instructions for line 82. **Note:** If the partnership made the election, the box will be checked on Schedule 3K-1, Part C, box 3.

You must enter the name and FEIN for each partnership for which you are removing items from your Wisconsin income. See example below.

Caution: Do not reverse any item of partnership gain or loss reported on federal Schedule D. These items have already been removed from Wisconsin income when you completed Wisconsin Schedule WD. See the Schedule WD instructions for more information.

Caution: If you are a partner of a partnership that did not make the entity level tax election but it directly or indirectly owned another pass-through entity (lower tier) that made the election, you need to make a similar adjustment to your income, except only for your share of that lower tier's items. Box 4 of Part C on Schedule 3K-1 will be checked if a lower tier elected to pay the entity level tax. The partnership is required to provide you a supplemental statement detailing your share of income, gain, loss, and deduction that have been taxed by a lower-tier entity. **Note:** This also applies to beneficiaries of an estate or trust that directly or indirectly owned a tax-option (S) corporation or partnership that elected to pay the entity level tax. In this instance, Box D of Part II on the Schedule 2K-1 will be checked. Enter the name and FEIN of the estate or trust along with the amount of income/loss taxed at a lower tier on line 32 or 82, as appropriate.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Additions Reported on Lines 29 through 32.

Example: Partner A was a nonresident of Wisconsin for the entire year in 2024 and owns 50 percent of Partnership. Partner A's Wisconsin sources of income for 2024 from the entity are $10,000 of federal net ordinary business income and $5,000 ordinary loss from the sale of business assets. Partnership makes an election under sec. 71.21(6)(a), Wis. Stats., to pay tax at the entity level for 2024.

Partnership has a $15,000 ordinary business loss for Wisconsin for 2024 due to the following differences:

- $20,000 of additional Wisconsin depreciation expense because of a different depreciable basis of an asset determined under the IRC in effect for Wisconsin purposes

- $5,000 of income from related entities whose expenses were disallowed

Ignoring any other income and loss, Partner A must file the following forms:

- Schedule I to reduce federal adjusted gross income by $20,000 of additional depreciation

- Form 1NPR reporting the following income in column B: ($5,000) of other losses from asset sales on line 8, and ($15,000) of ordinary business loss from column (e) of Schedule 3K-1 on line 11.

- Schedule M, line 32, to report a $20,000 addition modification for Wisconsin income taxed at the entity level of the partnership

Computation of the $20,000 addition to Wisconsin income reported by the partnership.

Description	Amount
Other losses from asset sales sourced to Wisconsin	($5,000)
Net ordinary business loss sourced to Wisconsin on column (e) of Schedule 3K-1	($15,000)
Schedule M (line 32) - addition modification for Wisconsin loss reported by the partnership (enter as a positive amount on Schedule M)	**($20,000)**

Line 33 – Other Additions to Income

Fill in any amount deducted in computing your federal adjusted gross income that is not allowed as a deduction for Wisconsin or any other addition to income. Enter a description of the addition(s) on the line(s) provided. If you have more than 2 entries, attach a schedule listing each additional entry.

Example: You deducted a passive activity loss on your federal return for losses incurred when you were a resident of another state. The passive activity losses were not allocable to Wisconsin. The passive activity losses are not deductible for Wisconsin and must be included on line 33. Enter "Passive activity loss" on the line provided.

Part II – Subtractions From Income

Line 35 – Reserved for future use

Line 36 – United States Government Interest

If you included U.S. government interest on line 2, column B, of Form 1NPR, subtract from your income the amount of interest on United States bonds and interest and dividends of certain United States government corporations. This income isn't taxable for Wisconsin purposes.

A mutual fund may invest in U.S. government securities. If it does, a portion or all of its ordinary dividend may not be taxable by Wisconsin. If a mutual fund advised you that all or a portion of its ordinary dividend is from investments in U.S. government securities, include that portion on line 36.

Caution: Don't subtract interest from Ginnie Mae (Government National Mortgage Association) securities and other similar securities which are "guaranteed" by the United States government. You must include interest from these securities in your Wisconsin income if you received the interest while a Wisconsin resident.

Line 37 – Unemployment Compensation

Nonresidents – Don't fill in any amount on line 37. Unemployment compensation received by a nonresident of Wisconsin isn't taxable for Wisconsin purposes and no amount should be filled in on line 13, column B, of Form 1NPR.

Part-year and full-year residents – Figure the taxable amount of unemployment compensation received while a Wisconsin resident and the amount eligible for the subtraction. Complete the following steps.

Step 1: Complete the worksheet below.

Worksheet 1 – Unemployment Compensation Worksheet – Wisconsin Taxable Amount

Check only one box.

- ☐ A. Married filing a joint return – write $18,000 on line 3 below.
- ☐ B. Married not filing a joint return and lived with your spouse at any time during the year – write -0- on line 3 below.
- ☐ C. Married not filing a joint return and DID NOT live with your spouse at any time during the year – write $12,000 on line 3 below.
- ☐ D. Single (unmarried) – write $12,000 on line 3 below.

1. Fill in unemployment compensation from line 7 of federal Schedule 1 (Form 1040)		1. ________
2. Fill in your federal adjusted gross income from line 31 of Form 1NPR		2. ________
3. Fill in $18,000 if you checked box A; **or** -0- if you checked box B; **or** $12,000 if you checked box C or D	3. ________	
4. Fill in taxable social security benefits, if any, from line 14, column A, of Form 1NPR	4. ________	
5. Fill in taxable refunds, credits, or offsets, if any, from line 4, column A, of Form 1NPR	5. ________	
6. Add lines 3, 4, and 5		6. ________
7. Subtract line 6 from line 2. If zero or less, fill in -0- here and on line 9 of this worksheet and do not complete line 8. Otherwise, go on to line 8		7. ________
8. Fill in one-half of the amount on line 7		8. ________
9. Fill in the smaller amount of line 1 or line 8		9. ________

Step 2: Use the following formula to figure the amount taxable by Wisconsin:

$$\text{UC from line 9 of Worksheet 1} \times \frac{\text{UC* received while a Wisconsin resident}}{\text{Total UC received from line 1 of Worksheet 1}} = \text{UC taxable by Wisconsin to line 2 of Worksheet 2}$$

*Do not include any railroad unemployment insurance benefits here.

Step 3: Complete the worksheet below.

Worksheet 2 – Unemployment Compensation Worksheet – Wisconsin Sourced Amount

1. Amount from line 13, column B, of Form 1NPR	1. ________
2. Unemployment compensation taxable by Wisconsin from Step 2 above	2. ________
3. Subtract line 2 from line 1. Enter this amount on line 37. If zero or less, enter 0 (zero)	3. ________

Line 38 – Reserved for future use

Line 39 – Reserved for future use

Line 40 – Medical Care Insurance

You may be able to subtract all or a portion of the cost of your medical care insurance. "Medical care insurance" means a medical care insurance policy that covers you, your spouse, and dependents and provides surgical, medical, hospital, major medical, or other health service coverage (including dental and vision insurance). If you are receiving social security benefits, the amount paid for medical care insurance includes the amount deducted from your monthly benefit for Medicare (for example, Parts B and D). It does not include premiums you pay for:

- Long-term care insurance
- Life insurance policies
- Policies providing payment for loss of earnings
- Policies that pay you a guaranteed amount each week for a stated number of weeks if you are hospitalized for sickness or injury
- The part of your car insurance premiums that provides medical insurance coverage for all persons injured in or by your car
- Medical care insurance if you elected to pay these premiums with tax-free distributions from a retirement plan made directly to the insurance provider and these distributions would otherwise have been included in income

Caution:

- Do not include medical care insurance premiums paid by an employer including amounts paid by you through payroll deductions, unless the premiums are included as wages in Box 1 of your Form W-2. Premiums that are deducted pre-tax are not included in Box 1 of your Form W-2.
- Do not include medical care insurance premiums paid with distributions from a health savings account if the distribution was not previously included in federal adjusted gross income. Distributions not previously included in federal adjusted gross income include pre-tax contributions to a health savings account.
- The amount of employer-provided medical care insurance that is identified on your Form W-2 in Box 12 with Code DD cannot be included in the subtraction for medical care insurance.
- If you participate in your employer's fringe benefit cafeteria plan and agree to a voluntary salary reduction in return for a medical care insurance benefit, you may not consider the amount of your salary reduction an amount you paid for medical care insurance. Because you are an employee whose insurance premiums are paid with money that is not included in your gross income (premiums are deducted pre-tax), you cannot subtract the premiums paid with that money. Such programs may be known as, for example, flexible spending accounts, employee reimbursement accounts, etc. Some employers may identify these amounts on your pay stubs as Internal Revenue Code sec. 125 or as a pre-tax deduction.

Complete Worksheet 1 to figure your subtraction if you were (1) an employee or (2) a person who had no employer and were not self-employed. Use Worksheet 2 to figure your subtraction if you were self-employed.

When completing line 1 of either worksheet, if you purchased the insurance through an Exchange Marketplace, the amount you paid is the amount paid after your premium was reduced for any advance payment of the premium assistance credit.

Worksheet 1: Medical Care Insurance – Others

1.	Amount you paid for medical care insurance in 2024	1.	______
2.	Amount of premium tax credit from line 9 of your federal Schedule 3 (Form 1040)	2.	______
3.	Subtract line 2 from line 1	3.	______
4.	Amount of advance premium tax credit you were required to repay from line 1a of federal Schedule 2 (Form 1040)	4.	______
5.	Add lines 3 and 4	5.	______
6.	Fill in the amount from Form 1NPR, line 16, column B, less the amount that will be on Form 1NPR, line 29, column B, without considering the subtraction for medical care insurance. If zero or less, STOP, no subtraction is allowed	6.	______
7.	Fill in the amount from line 31 of Form 1NPR. If zero or less, fill in 0 (zero)	7.	______
8.	Divide line 6 by line 7. Fill in decimal amount, but not more than 1.00	8.	______
9.	Multiply line 5 by line 8	9.	______
10.	Fill in the smaller of line 6 or 9. This is your subtraction for medical care insurance	10.	______

Worksheet 2: Medical Care Insurance – Self-Employed Persons

1.	Amount you paid for medical care insurance in 2024 while you were self-employed	1.	______
2.	Amount of medical care insurance deducted on federal Schedule C or F for your employee spouse	2.	______
3.	Self-employed health insurance deduction from line 17 of your federal Schedule 1 (Form 1040)*	3.	______
4.	Amount of premium tax credit from line 9 of your federal Schedule 3 (Form 1040)	4.	______
5.	Add lines 2 through 4	5.	______
6.	Subtract line 5 from line 1	6.	______
7.	Amount of advance premium tax credit you were required to repay (line 1a of federal Schedule 2 (Form 1040))	7.	______
8.	Add lines 6 and 7	8.	______
9.	Fill in the amount from Form 1NPR, line 16, column B, less the amount that will be on Form 1NPR, line 29, column B, without considering the subtraction for medical care insurance. If zero or less, STOP, no subtraction is allowed	9.	______
10.	Fill in the amount from line 31 of Form 1NPR. If zero or less, enter 0 (zero)	10.	______
11.	Divide line 9 by line 10. Fill in decimal amount, but not more than 1.00	11.	______
12.	Multiply line 8 by line 11	12.	______
13.	Fill in the smaller of line 9 or line 12. This is your subtraction for medical care insurance	13.	______

*Do not include any amounts deducted for long-term care insurance.

Line 41 – Long-Term Care Insurance

If you paid long-term care insurance costs during 2024, you may be able to subtract all or a portion of the cost of a long-term care insurance policy which covers you or your spouse.

"Long-term care insurance policy" means a disability insurance policy or certificate advertised, marketed, offered, or designed primarily to provide coverage for care that is provided in your home or in an institutional or community-based setting. The care must be convalescent or custodial care or care for a chronic condition or terminal illness.

"Long-term care insurance policy" does not include a Medicare supplement policy or Medicare replacement policy or a continuing care contract. "Continuing care contract" means a contract which provides nursing services, medical services, or personal care services, in addition to food, shelter, and laundry services, for the duration of a person's life or for a term in excess of one year, conditioned upon any of the following payments:

- An entrance fee in excess of $10,000
- Providing for the transfer of at least $10,000 (if the amount is expressed in dollars) or 50% of the person's estate (if the amount is expressed as a percentage of the person's estate) to the service provider upon the person's death

Do not include long-term care insurance if you elected to pay those premiums with tax-free distributions from a retirement plan made directly to the insurance provider and these distributions would otherwise have been included in income.

Do not include long-term care insurance premiums paid with distributions from a health savings account if the distribution was not previously included in federal adjusted gross income. Distributions not previously included in federal adjusted gross income include pre-tax contributions to a health savings account.

If you paid long-term care insurance costs during 2024 for a policy which covers you or your spouse, complete the following worksheet to determine the amount of your subtraction.

Worksheet – Long-Term Care Insurance		
1. Amount paid for long-term care insurance in 2024	1.	
2. Portion of long-term care insurance cost included as a self-employed health insurance deduction on line 17 of federal Schedule 1 (Form 1040)	2.	
3. Portion of long-term care insurance cost deducted on federal Schedule C or F for your employee spouse	3.	
4. Add lines 2 and 3	4.	
5. Subtract line 4 from line 1	5.	
6. Fill in the amount from Form 1NPR, line 16, column B, less the amount that will be on Form 1NPR, line 29, column B, without considering the subtraction for long-term care insurance. If zero or less, STOP, no subtraction is allowed	6.	
7. Fill in the amount from line 31 of Form 1NPR. If zero or less, enter 0 (zero)	7.	
8. Divide line 6 by line 7. Fill in decimal amount, but not more than 1.00	8.	
9. Multiply line 5 by line 8	9.	
10. Fill in the smaller of line 6 or 9. This is your subtraction for long-term care insurance	10.	

Line 42 – Tuition and Fee Expenses

You may be able to claim a subtraction for up to $7,333 per student of the amount you paid during 2024 for tuition and mandatory student fees for you, your spouse (if married filing a joint return), and your children whom you claim as dependents on your federal income tax return.

The tuition and mandatory student fees must have been paid during 2024 to attend any of the following:

– Classes **in Wisconsin** at a school which qualifies as a university, college, or technical college. A "university, college, or technical college" is any school which has a curriculum leading to a diploma, degree, or occupational or vocational objective (for a list of Wisconsin private colleges see wisconsinsprivatecolleges.org/colleges or technical colleges see wtcsystem.edu/colleges).

– Classes in Wisconsin at other post-secondary (post-high school) schools that have been approved through the Educational Approval Program (for a list see dspseap.wi.gov/resources/schoolsprograms.asp).

– Classes in Minnesota at a public vocational school or public institution of higher education in Minnesota **under the Minnesota–Wisconsin tuition reciprocity agreement.**

– Classes outside Wisconsin provided the tuition is paid to a university, college, or technical college located in Wisconsin.

The subtraction applies to:

- Tuition and mandatory student fees paid to a school that fits into one of the four categories listed above regardless of the type of course taken. **Example:** Tuition paid for craft or recreational courses at a technical college qualifies for the subtraction.

- Tuition and mandatory student fees paid for correspondence courses or courses received via the internet or other electronic transmission as long as the courses are taken in Wisconsin, and are presented by a school (located in or outside Wisconsin) which qualifies as a university, college, or technical college, or a school approved through the Educational Approval Program.

- Tuition and mandatory student fees paid from loans, gifts, inheritances, and personal savings.

- The cost of books required to be paid to the school in order to attend the class. In this case, the books are considered a mandatory student fee.

The subtraction does **not** apply to:

- Tuition or fees paid to pre-schools, elementary, or secondary schools, such as grade schools and high schools.

- Tuition and fees paid to a school which does not fit into any of the four categories listed above. **Example:** The subtraction does not apply to a fee paid to a retail craft store to attend a session on flower arranging.

- Amounts paid as separate charges for other items such as room and board, athletic tickets, or other costs which are not tuition and mandatory student fees.

- Tuition and fees paid with certain tax-free funds. **Example:** You cannot claim a subtraction for tuition paid with tax-free scholarships or Pell grants or for amounts paid or reimbursed to you by your employer.

- Tuition and fees if the source of the payments is an amount withdrawn from a Wisconsin state-sponsored college savings program or college tuition and expenses program (Edvest or Tomorrow's Scholar). This limitation applies only if the owner of the account or other person who contributed to the account (for example, grandparent, aunt, uncle, or other person) previously claimed a subtraction for contributions to the Edvest or Tomorrow's Scholar program.

The subtraction is limited if your federal adjusted gross income exceeds certain amounts. Your federal adjusted gross income is the amount from line 31 of Form 1NPR.

If your filing status is:

Single or Head of Household

- If your federal adjusted gross income is $67,760 or less, complete lines 7 through 12 of the worksheet below to figure the amount of your subtraction for tuition and mandatory student fees. Enter the amount of tuition and fees paid during 2024 on line 7, but not more than $7,333 per student.
- If your federal adjusted gross income is more than $67,760 but less than $81,320, complete the worksheet below to figure the amount of your subtraction.
- If your federal adjusted gross income is $81,320 or more, you may not subtract any amount for tuition and fee expenses.

Married Filing Joint Return

- If your federal adjusted gross income is $108,420 or less, complete lines 7 through 12 of the worksheet below to figure the amount of your subtraction for tuition and mandatory student fees. Enter the amount of tuition and fees paid during 2024 on line 7, but not more than $7,333 per student.
- If your federal adjusted gross income is more than $108,420 but less than $135,530, complete the worksheet below to figure the amount of your subtraction.
- If your federal adjusted gross income is $135,530 or more, you may not subtract any amount for tuition and fee expenses.

Married Filing Separate Return

- If your federal adjusted gross income is $54,210 or less, complete lines 7 through 12 of the worksheet below to figure the amount of your subtraction for tuition and mandatory student fees. Enter the amount of tuition and fees paid during 2024 on line 7, but not more than $7,333 per student.
- If your federal adjusted gross income is more than $54,210 but less than $67,760, complete the worksheet below to figure the amount of your subtraction.
- If your federal adjusted gross income is $67,760 or more, you may not subtract any amount for tuition and fee expenses.

Complete the following worksheet as required for your filing status.

Tuition Expense Worksheet

Caution: Complete this worksheet as specified above for your filing status and income.

1. Amount paid for tuition and mandatory student fees in 2024. Do not fill in more than $7,333 per student . . . . 1. ________
2. Fill in your federal adjusted gross income (line 31 of Form 1NPR) . . . . 2. ________
3. Fill in $67,760 ($108,420 if married filing joint return or $54,210 if married filing separate return) 3. ________
4. Subtract line 3 from line 2 . . . . 4. ________
5. Divide the amount on line 4 by 13,560 (27,110 if married filing joint return or 13,550 if married filing separate return). Fill in decimal amount . . . . 5. ________
6. Multiply line 1 by the decimal amount on line 5. . . . . 6. ________
7. Subtract line 6 from line 1 . . . . 7. ________
8. Fill in the amount from Form 1NPR, line 16, column B, less the amount that will be on the Form 1NPR, line 29, column B, without considering the subtraction for tuition and fees. If zero or less, STOP, no subtraction is allowed . . . . 8. ________
9. Fill in the amount from line 31 of Form 1NPR . . . . 9. ________
10. Divide line 8 by line 9. Fill in decimal amount, but not more than 1.00. . . . . 10. ________
11. Multiply line 7 by line 10 . . . . 11. ________
12. Fill in the smaller of line 8 or 11. This is your subtraction for tuition and fees . . . . 12. ________

Line 43 – Private School Tuition

A subtraction may be claimed for tuition paid in the taxable year to send your dependent child to a private school. The maximum subtraction is $4,000 for an elementary pupil and $10,000 for a secondary pupil. See Schedule PS, *Private School Tuition*, for further information. A copy of Schedule PS must be included with your Wisconsin income tax return.

Do not take a subtraction for amounts paid for private school tuition which were withdrawn from an Edvest or Tomorrow's Scholar college savings account.

Line 44 – Contributions to an Edvest or Tomorrow's Scholar College Savings Account

You may be able to subtract the amount you contributed to a Wisconsin state-sponsored college savings account (Edvest or Tomorrow's Scholar) if you are the owner of the account or were authorized by the owner of the account to make contributions to the account. You may also claim a subtraction if you rolled over an amount from another state's qualified plan into a Wisconsin account.

Complete Schedule CS, *College Savings Accounts,* to determine the amount of your subtraction. Include Schedule CS with your Form 1NPR.

Line 45 – Distributions of Earnings from Wisconsin State-Sponsored College Tuition Programs

If you included earnings from a qualified college tuition program in your federal adjusted gross income, you may subtract that amount if the earnings were from a Wisconsin Edvest tuition unit account and you received a refund because the beneficiary completed the program in which they were enrolled and had not used all of the tuition units purchased, or the beneficiary was awarded a scholarship, tuition waiver, or similar subsidy that could not be converted to cash.

Line 46 – Military and Uniformed Services Retirement Benefits

You may subtract retirement payments received from:

(1) The U.S. military retirement system (including payments from the Retired Serviceman's Family Protection Plan or the Survivor Benefit Plan). These retirement benefits are paid from the Defense Finance and Accounting Service.

(2) The U.S. government that relate to service with the Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, or the commissioned corps of the Public Health Service.

Your subtraction cannot be more than the amount of such retirement payments that you included on line 10, column B, of Form 1NPR.

Line 47 – Local and State Retirement Benefits

You may subtract any payments received from the retirement systems listed below provided you meet one of the following requirements:

(1) You were retired from the system before January 1, 1964

(2) You were a member of the system as of December 31, 1963, retiring at a later date and payments you receive are from an account established before 1964

(3) You are receiving payments from the system as the beneficiary of an individual who met either condition 1 or 2

Your subtraction cannot be more than the amount of such payments that you included on line 10, column B, of Form 1NPR. The specific retirement systems are:

Milwaukee City Employees, Milwaukee City Police Officers, Milwaukee Fire Fighters, Milwaukee Public School Teachers, Milwaukee County Employees, Milwaukee Sheriff, and Wisconsin State Teachers retirement systems.

Note: Do not subtract any of the following:

- Payments received as a result of voluntary tax-sheltered annuity deposits in any of the retirement systems listed above.
- Payments received from one of the retirement systems listed above if you first became a member after December 31, 1963. This applies even though pre-1964 military service may have been counted as creditable service in computing your retirement benefit.

Caution: Your retirement benefits may be subtracted only if they are based on qualified membership in one of the retirement systems listed above. Qualified membership is membership that began before January 1, 1964, as explained above. Any portion of your retirement benefit that is based on membership in other retirement systems (or based on employment that began after December 31, 1963) is taxable and may not be subtracted.

Example 1: You were a member of the Wisconsin State Teachers Retirement System as of December 31, 1963. You left teaching after 1963 and withdrew the allowable amount from your retirement account which closed the account. You later returned to teaching, and a new retirement account was then established for you. Retirement benefits from this new account (established after 1963) do not qualify for the subtraction.

Example 2: You were employed as a teacher from 1960-65. During that time you were a member of the Wisconsin State Teachers Retirement System. From 1966 until retirement, you were employed by a state agency (not as a teacher). You were then a member of the Wisconsin Retirement System. You receive an annuity from the Department of Employee Trust Funds, and the annuity is based on employment in both retirement systems. Only the portion of the annuity that is due to the Wisconsin State Teachers Retirement System may be subtracted. You may use the following formula to figure the exempt amount that may be subtracted:

$$\frac{\text{Years of creditable service in an exempt plan}}{\text{Total years of creditable service}} \times \text{Annuity included on line 10, column B, of Form 1NPR} = \text{Portion of annuity which may be subtracted}$$

Note You may have received separate Forms 1099-R for the taxable and exempt portions of your annuity. In this case, you may use the Form 1099-R information instead of the above formula.

Line 48 – Federal Retirement Benefits

You may subtract payments received from U.S. Civil Service Retirement System provided you meet one of the following requirements:

(1) You were retired from the system before January 1, 1964

(2) You were a member of the system as of December 31, 1963, retiring at a later date and payments you receive are from an account established before 1964

(3) You are receiving payments from the system as the beneficiary of an individual who met either condition 1 or 2

Your subtraction cannot be more than the amount of such payments that you included on line 10, column B, of Form 1NPR.

See the preceding section, **Local and State Retirement Benefits,** for further information. The limitations and examples that apply to local and state retirement benefits also apply to federal retirement benefits.

These retirement benefits are paid from the U.S. Office of Personnel Management. Payments from the federal Thrift Savings Plan do not qualify for the subtraction.

Line 49 – Railroad Retirement Benefits, Railroad Unemployment Insurance, and Sickness Benefits

Wisconsin does not tax amounts received from the U.S. Railroad Retirement Board. You may subtract railroad retirement benefits included on line 10, column B, of Form 1NPR.

Line 50 – Retirement Income Subtraction

You may subtract up to $5,000 of certain retirement income if:

- You (or your spouse if married filing a joint return) were 65 years of age or older on December 31, 2024, and
- Your federal adjusted gross income (line 31 of Form 1NPR) is less than $15,000 ($30,000 if married filing a joint return). If married filing a separate return, the sum of both spouses' federal adjusted gross income must be less than $30,000.

If you meet these qualifications, complete the Retirement Income Subtraction Worksheet on the following page to determine the amount of your subtraction. Your subtraction is the amount from line 4 of the worksheet. If married filing a joint return, your subtraction is the total of the amounts in Col. (A) and Col. (B) of line 4 of the worksheet. Enter this amount on line 50.

Retirement Income Subtraction Worksheet - Line 2 Instructions: Enter qualified pension and annuity income that is taxable for federal purposes from line 10, column B of Form 1NPR less the amount from Schedule M lines 46 (military and uniformed services retirement benefits), 47 (local and state retirements benefits), 48 (federal retirement benefits), and 49 (railroad retirement benefits).

Retirement Income Subtraction Worksheet		
(Keep for your records)		
If married filing a joint return, fill in each spouse's information separately.	(A) Yourself	(B) Your Spouse
1. Taxable IRA distributions from line 9, column B, of Form 1NPR . . . . 1.		
2. Pension and annuity income from qualified plans without considering this subtraction. See instructions on previous page . . . . 2.		
3. Add lines 1 and 2 . . . . 3.		
4. Complete line 4 as follows. This is your subtraction for retirement income. • If you were 65 years of age or older on December 31, 2024, fill in on line 4, Col. (A), the smaller of line 3, Col. (A), or $5,000. Fill in 0 (zero) if you were not age 65 or older. • If married filing a joint return and your spouse was 65 years of age or older on December 31, 2024, fill in on line 4, Col. (B), the smaller of line 3, Col. (B), or $5,000. Fill in 0 (zero) if your spouse was not age 65 or older . . . . 4.		

Line 51 – Reserved for future use

Line 52 – U.S. Armed Forces Active Duty Pay

If you were a member of the U.S. Armed Forces on active duty, you may subtract any amount of basic, special, and incentive pay received from the federal government under 37 USC chapters 3 and 5 for active duty that is included in line 1, column B, of Form 1NPR. A member of the U.S. Armed Forces includes all regular and reserve components subject to the following jurisdictions, including the Coast Guard and commissioned officers and personnel below the grade of commissioned officers in these forces:

- Secretary of Defense
- Secretary of the Army
- Secretary of the Navy
- Secretary of the Air Force

Note: This includes any basic, special, and incentive pay received by Reserve or National Guard members called into active federal service under 10 USC 12302(a), 10 USC 12304, or 10 USC 12304(b), or special state service under 32 USC 502(f).

Caution: Do not include the following amounts in your subtraction on line 52:

- Basic pay for inactive duty training.
- Basic housing allowance, or any other nontaxable income reported on your leave and earnings statements.

Note You are not required to send in a copy of your military orders and leave and earnings statements; however, including copies with your Wisconsin return, and a worksheet showing how you calculated the amount of your subtraction, may speed up the processing of your return.

For additional information, see Publication 128, *Wisconsin Tax Information for Military Personnel and Veterans.*

Line 53 – Combat Zone Related Death

If you are filing a return for an individual who was on active duty in the U.S. Armed Forces and who died in 2024 while on active duty and the death occurred while they were serving in a combat zone or as a result of wounds, disease, or injury incurred while serving in the combat zone, you may subtract all income received by the individual during the year of death. Attach the certification made by the Department of Defense, DD Form 1300, *Report of Casualty*, to the return.

Note: For persons who died in 2024 as a result of service in a combat zone, the income subtraction also applies for 2023 if the service member did not previously file a 2023 income tax return.

Caution: "Combat zone" does not include the Sinai Peninsula of Egypt.

Line 54 – Adoption Expenses

If you were a full-year resident of Wisconsin for 2024 and you adopted a child for whom a final order of adoption was entered by a court of any state, or upon registration of a foreign adoption, during 2024, you may subtract up to $5,000 of the amount you paid for adoption fees, court costs, and legal fees relating to the adoption. You may include amounts paid during 2022, 2023, and 2024. Don't count amounts reimbursed under any adoption assistance program. If you adopt more than one child during the year, you may deduct up to $5,000 of adoption expenses for each child.

Line 55 – Contributions to ABLE Accounts

A subtraction may be claimed for the amount you contributed to a qualified ABLE (Achieving a Better Life Experience) account during the year. The owner (beneficiary) of an ABLE account must be a disabled person. Distributions from the account must be used to pay the qualified disability expenses of the disabled person. The combined maximum subtraction that may be claimed by all contributors to the account for 2024 is $18,000.

Caution: An ABLE account must refund any contributions it receives after reaching the maximum contribution limits for the taxable year. Such refunds must be made by the due date (including extensions) for the federal income tax return of the designated beneficiary for the taxable year in which the excess contribution was made. Your subtraction is limited to the amount contributed during 2024 less any amounts later refunded to you, excluding any portion of the refund that is considered earnings.

Note: The subtraction does not apply to rollovers or transfers from another account.

An additional amount of contributions is allowed as a subtraction by a designated beneficiary equal to the lesser of the following:

1. The designated beneficiary's compensation (included in gross income for the taxable year)
2. The federal poverty line for a one-person household for the preceding calendar year

This increase is only allowed if the designated beneficiary is an employee and no contributions have been made to a defined contribution plan, annuity contract, or deferred compensation plan. Use the following worksheet to figure your total subtraction.

Worksheet for Contributions by a Designated Beneficiary to an ABLE Account

1. Amount contributed to the ABLE account during 2024			1.	.00
2 If line 1 is less than $18,000, do not complete the rest of this worksheet. Enter the amount from line 1 on line 55 of Schedule M. Otherwise, continue to step 3			2.	18,000.00
3. Subtract line 2 from line 1	3.	.00		
4. The designated beneficiary's compensation for 2024	4.	.00		
5. Applicable federal poverty line for a one-person household	5.	14,580.00		
6. Enter the smaller of line 3, 4, or 5			6.	.00
7. Add line 2 and line 6. This is your subtraction for contributions to an ABLE account			7.	.00

Line 56 – Disability Income Exclusion

If you retired on permanent and total disability and have included your disability income on your federal return, you may be able to subtract up to $5,200 of your disability income.

You must meet all these tests:

1. You didn't reach mandatory retirement age before January 1, 2024
2. You were under age 65 on December 31, 2024
3. You were permanently or totally disabled on one of the following dates:
   a. The date you retired
   b. January 1, 1976, or January 1, 1977, if you retired before January 1, 1977, on disability or under circumstances which entitled you to retire on disability
4. If you were married at the end of 2024, you must file a joint return with your spouse
5. You were a Wisconsin resident when you received the disability income
6. You did not in any year prior to 1984 choose to treat your disability income as a pension instead of taking the exclusion
7. Your federal adjusted gross income (for Wisconsin) is less than $20,200 ($25,400 if married and both spouses are eligible)

Figure your exclusion on Wisconsin Schedule 2440W, *Disability Income Exclusion*. Include the completed schedule with your Form 1NPR.

Full-year residents – Subtract from the disability income included on line 1, column B, of Form 1NPR the exclusion from line 6 of Schedule 2440W.

Part-year residents – Subtract the exclusion from line 8 of Schedule 2440W from the portion of your disability income which is otherwise taxable to Wisconsin and included on line 1, column B, of Form 1NPR.

Line 57 – Wisconsin Net Operating Loss Deduction

Enter the amount of your allowable Wisconsin net operating loss deduction. Include Schedules NOL1, NOL2, and/or NOL3, as applicable. See the instructions for these schedules and Publication 120, *Net Operating Losses for Individuals, Estates, and Trusts,* for details on computing the net operating loss and the allowable deduction. **Note:** A net operating loss carryforward may not be used unless the incurred loss was computed on a return that was filed within 4 years of the unextended due date for that return.

Line 58 – Farm Loss Carryover

If you were not actively engaged in farming and were subject to farm loss limitations on your 2007-2013 Wisconsin income tax returns, you may be able to claim a subtraction for all or a portion of the farm loss disallowed in those years. Farm losses disallowed as a deduction may be carried forward for 15 years to the extent that the farm losses are not offset against farm income of any year between the loss year and the year for which the carryover is claimed. The amount of carryover that can be subtracted is the lesser of (1) the farm loss carryover or (2) the net profits or net gains from the sale or exchange of capital or business assets in the current taxable year from the same farming business or portion of that business to which the limits on deductible farm losses applied in the loss year.

Line 59 – Native Americans

Certain income (for example, wages) earned by a Native American who both lives and works on their tribal reservation is not subject to Wisconsin income tax and may be subtracted. See Publication 405, *Wisconsin Taxation Related to Native Americans*, for more information.

Line 60 – Sale of Business Assets or Assets Used in Farming to a Related Person

You may subtract the taxable portion of gain you realize from the sale or disposition to a related person of business assets or assets used in farming if the following conditions apply:

– The related person is your child, grandchild, great-grandchild, parent, brother or sister, nephew or niece, grandparent, great-grandparent, aunt, or uncle. The person may be related to you by blood, marriage, or adoption.

– The asset was held by you for more than 12 months.

– The gain is treated as capital gain for federal tax purposes. Amounts treated as ordinary income do not qualify.

Gain on the sale or disposition of shares in a corporation or trust qualifies only if:

– The number of shareholders or beneficiaries does not exceed 15. Lineal ancestors and descendants and aunts, uncles, and 1st cousins thereof count collectively as one shareholder or beneficiary. This collective authorization may not be used for more than one family in a single corporation or trust.

– The corporation does not have more than two classes of shares.

– All shareholders or beneficiaries, other than any estate, are natural persons.

– The corporation or trust is engaged in farming

Gain on the sale or disposition of an ownership interest in a partnership or limited liability company (LLC) treated as a partnership qualifies only if:

– The number of partners or members does not exceed 15.

– All partners or members are natural persons.

– The partnership or LLC is engaged in farming.

“Farming” means the cultivation of land or the raising or harvesting of any agricultural or horticultural commodity including the raising, shearing, feeding, caring for, training, and management of animals. Trees (other than trees bearing fruit or nuts) are not treated as an agricultural or horticultural commodity. **Note:** Trees may qualify as a business asset, see the definition for business assets.

“Business assets” are assets used in an activity carried on for a livelihood or in good faith to make a profit. The facts and circumstances of each case determine whether or not an activity is a business. Regularity of activities and transactions and the production of income are important elements. You do not need to actually make a profit to be in a business as long as you have a profit motive. You do need, however, to make ongoing efforts to further the interests of your business.

Business assets include assets used in the performance of services by an individual as an employee and assets used in the conduct of a trade or business by an individual who is self-employed.

Business assets do not include investment and rental property (for example, stocks, bonds, and residential rental property) unless you are subject to federal self-employment tax on the earnings from the activity. **Note:** Rental property which is a farm or farm equipment may qualify as an asset "used in farming."

Computing the subtraction You must first complete Wisconsin Schedule WD. The amount of gain that may be subtracted is determined after netting all capital gains and losses on Schedule WD. Complete the following worksheet to figure the amount of your subtraction.

Worksheet for Gain on Sale of Assets to Related Person		
1. Amount from line 19 of Schedule WD. If 0 (zero), do not complete the rest of this worksheet. You do not qualify for the subtraction	1.	
2. Long-term capital gain on the sale of assets to a related person	2.	
3. Total long-term capital gain included on line 17 of Schedule WD	3.	
4. Divide line 2 by line 3. Carry decimal to four places	4.	
5. Multiply line 1 by line 4	5.	
6. If the amount on line 2 is gain from the sale of an asset used in farming, multiply line 5 by .40 (40%) and fill in result.* If the amount of line 2 is gain from the sale of a business asset or gain from the sale of qualified shares or ownership interest, multiply line 5 by .70 (70%) and fill in the result. This is your subtraction for gain on the sale of assets to a related person. Enter this amount on line 26	6.	

*A sale to a relative of qualified shares in a corporation or ownership interest in a partnership or LLC that is engaged in farming, does not qualify for the additional 30% exclusion for the sale of assets used in farming on Wisconsin Schedule WD. Thus, the amount that may be subtracted as gain on the sale of qualifying shares of stock or ownership interest is 70% of the gain.

Line 61 – Recoveries of Federal Itemized Deductions

Enter the amount included in lines 1 through 14 of Form 1NPR, column B, that is a recovery of a federal itemized deduction from a prior year for which you didn't receive a Wisconsin tax benefit.

Example: You deducted a casualty loss of $2,000 as an itemized deduction on your 2023 federal income tax return. You couldn't claim the casualty loss for the itemized deduction credit on your 2023 Wisconsin return. In 2024, you received a $1,000 reimbursement from your insurance company for part of the casualty loss. You reported the $1,000 on your 2024 federal income tax return as a recovery of an amount previously claimed as an itemized deduction. Wisconsin won't tax the $1,000 because you didn't claim the casualty loss for the itemized deduction credit on your Wisconsin return.

Line 62 – Repayment of Income Previously Taxed

If you had to repay, during 2024, an amount that you included in your Wisconsin income in an earlier year, you may be able to subtract the amount repaid. A subtraction may be claimed only for repayments that are allowed as a miscellaneous itemized deduction on your federal Schedule A.

If you did not itemize deductions for federal tax purposes, use the amounts that would be deductible if you had itemized deductions. To determine the amounts to use, complete a federal Schedule A. Write "Wisconsin" at the top of this Schedule A and include it with your Form 1NPR. **Note:** Miscellaneous itemized deductions subject to the 2% of adjusted gross income limit are no longer allowed as itemized deductions on federal Schedule A pursuant 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 for Wisconsin purposes. Therefore, a subtraction may not be claimed on line 62 of your 2024 Schedule M.

Caution: Only amounts previously included in Wisconsin income may be claimed as a subtraction.

If the amount repaid was over $3,000, you may be able to subtract the repayment as described above or take a tax credit. See the instructions for Form 1NPR, line 62.

Line 65 – Human Organ Donation

If you were a full-year resident of Wisconsin for 2024 and you, your spouse, or a person who is claimed as a dependent on your federal income tax return donated one or more of their human organs to another person for human organ transplantation, you may subtract certain unreimbursed expenses related to the organ donation. "Human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. The subtraction may be claimed only in the taxable year in which the transplantation occurs. The subtraction may be claimed only once. The subtraction is equal to the amount of your unreimbursed expenses for travel, lodging, and lost wages, but not more than $10,000.

Line 66 – Expenses Paid to Related Entities

If you were required to make an addition modification on line 8 for interest, rental expenses, intangible expenses, and management fees paid to a related entity, see Schedule RT to find out if you qualify for a subtraction. Although you must meet one of the conditions in Schedule RT, Part II, to qualify for a subtraction, you do not need to include Schedule RT with your return unless the total deduction of all the expenses reduces Wisconsin taxable income by more than $100,000. If enclosing Schedule RT, also fill in "16" in the Special Conditions box on page 1 of Form 1NPR.

If Schedule RT is required, you must file it with your Wisconsin income tax return ***no later than*** the extended due date of the return. If you file your return before the extended due date and forget to include the Schedule RT, you may file an amended return until the extended due date to include the Schedule RT. For pass-through entities, such as tax-option (S) corporations, partnerships, limited liability companies treated as partnerships, estates, and trusts, the pass-through entity is responsible for filing Schedule RT where required. The shareholder, partner, member, or beneficiary doesn't have to file Schedule RT for expenses that are passed through.

Exception: Do not enter an amount on this line if the adjustment is reported to you on a Wisconsin Schedule 2K-1, 3K-1, or 5K-1 and is included in the Wisconsin income (Column B) reported on line 11 of Form 1NPR.

See sec. Tax 3.01(4)(a), Wis. Adm. Code, for rules relating to this subtraction.

Line 67 – Income from a Related Entity

If you reported income from a related entity that was not able to claim a deduction for the related expenses, you may claim a subtraction for the amount of income reported on your return. In order to claim this subtraction, Schedule RT-1 must be completed and included with your Wisconsin income tax return. Both the payer and payee must complete the appropriate section of the same Schedule RT-1.

Exception: Do not enter an amount on this line if the adjustment is reported to you on a Wisconsin Schedule 2K-1, 3K-1, or 5K-1 and is included in the Wisconsin income (Column B) reported on line 11 of Form 1NPR.

See sec. Tax 3.01(5), Wis. Adm. Code, for rules relating to this subtraction.

Line 68 – Sales of Certain Insurance Policies

To the extent included in federal adjusted gross income, the original policy holder or original certificate holder who has a catastrophic or life-threatening illness or condition may subtract the amount of income received from the sale of a life insurance policy or certificate, or the sale of the death benefit under a life insurance policy or certificate, under a life settlement contract. "Catastrophic or life-threatening illness or condition" includes AIDS and HIV infection.

Line 69 – Physician or Psychiatrist Grant

To the extent included as income in the Wisconsin column (column B) of Form 1NPR, any amount received by a physician or psychiatrist from the primary care and psychiatry shortage grant program under sec. 39.385, Wis. Stats., may be subtracted.

Line 70 – Olympic, Paralympic, and Special Olympic Medals and United State Olympic Committee and Special Olympic Board of Directors Prize Money

Persons who win medals at the Olympic and Paralympic Games generally exclude the value of such medals and the amount of prize money received from the U.S. Olympic Committee from federal income. Because the starting point for computing Wisconsin taxable income is federal adjusted gross income (FAGI), the amount that is excluded from federal income is automatically excluded from Wisconsin income and no additional subtraction is allowed for Wisconsin.

There are two situations where a Wisconsin subtraction may be claimed for the value of medals and any prize money. In these situations, the value of medals and any prize money would have been included in FAGI and a Wisconsin subtraction is allowed.

- Persons with FAGI over $1,000,000 ($500,000 if married filing a separate return) must include the value of medals and any prize money in federal income. Such persons may claim the Wisconsin subtraction for the value of medals and any prize money received from the U.S. Olympic Committee.
- Persons who participate in the Special Olympics may claim a subtraction for the value of medals and any prize money received from the Special Olympics Board of Directors.

Line 71 – AmeriCorps Education Awards

If you received an AmeriCorps education award in 2024 to pay for your qualified student loans or educational expenses or to participate in approved school-to-work programs, you may subtract the amount received on line 71 that was included in federal adjusted gross income on line 9 of federal Schedule 1 (Form 1040). **Caution:** Do not include any amounts included on line 42 as a tuition and fee expense subtraction or amounts included on line 21 of federal Schedule 1 (Form 1040) as a student loan interest deduction.

Line 72 – Differences in Federal and Wisconsin Basis of Assets

Subtractions may be necessary if there is a difference between the federal basis and the Wisconsin basis of your property. Subtractions are necessary if:

(1) You acquired property in a taxable year beginning after December 31, 2013, which may be depreciated or amortized (such as buildings and leaseholds), and the federal basis was less than the Wisconsin basis at the time you acquired the property.

(2) You sold (or otherwise disposed of) property which may not be depreciated or amortized (such as land, stocks, and bonds) in a taxable transaction, and your basis in the assets was less for federal purposes than for Wisconsin.

Compute the amount of any subtraction due to a difference in basis on Wisconsin Schedule T, *Transitional Adjustments.* Include the completed Schedule T with your return.

Exceptions: Do not use line 72 for the following situations:

- If the difference in basis is due to the difference in the federal and Wisconsin definition of the Internal Revenue Code (for example, Wisconsin did not allow bonus depreciation for tax year 2023), use Schedule I to adjust for the difference in depreciation for each year there is a difference in depreciation due to the difference in basis.
- If the difference in basis is due to using a different federal election for Wisconsin, (for example, electing to claim a different amount of sec. 179 expense), use Schedule I to adjust for the difference in depreciation as a result of the difference in federal and Wisconsin basis, or submit a pro forma federal return based on the election chosen for Wisconsin.
- If you sold your interest in a partnership and any increases or decreases were made to the federal basis of your partnership interest in taxable years prior to 1975, which resulted from partnership business or property located outside Wisconsin. (Prior to 1975, Wisconsin did not tax income from business or property located outside Wisconsin.) Compute any adjustment due to a difference in basis on Schedule T and net with other capital gains and losses on Wisconsin Schedule WD.
- If the difference in basis has been entered on lines 6 and 15 of Schedule WD.

Line 73 – Reserved for future use

Line 74 – Differences in Federal and Wisconsin Reporting of Marital Property (Community) Income

If you are married filing a separate return or married filing as head of household or if you obtained a decree of divorce or separate maintenance during 2024, you may have to report a different amount of income on your Form 1NPR than on your federal return. Fill in on line 74 any amount which is taxable to your spouse rather than to you because of any difference in federal and state reporting of marital property (community) income. For further information, get Publication 109, *Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 2024*.

Note: For Wisconsin income tax purposes, the marital property law applies only while both you and your spouse are domiciled in Wisconsin. During any period that you and your spouse aren't both domiciled in Wisconsin, you must report your income based on title and ownership under the common law property system.

Line 75 – Other Adjustments

Fill in the total of the other adjustments that are included in the total on lines 23 and 25 of federal Schedule 1 (Form 1040).

Exception: For any period in which you were not a resident of Wisconsin, do not include:

- Reforestation expenses related to property located outside Wisconsin.
- Attorney fees and court costs involving an unlawful discrimination claim if the judgment or settlement resulting from the claim is not taxable by Wisconsin.
- Contributions to sections 403(b) and 501(c)(18)(D) plans unless you had wages or trade or business income taxable by Wisconsin.
- Expenses from the rental of personal property if the property is located outside Wisconsin.

Note: If you had wages or trade or business income taxable by Wisconsin, your contributions to sections 403(b) and 501(c)(18)(D) plans must be prorated on the basis of your wages and net earnings from a trade or business taxable by Wisconsin to total wages and net earnings from a trade or business.

Note

Required Attachments for Subtractions Reported on Lines 76, 77, 80, 81, and 82

Line 77 or 81: Submit a copy of the federal Schedule E and any related form (e.g., Form 8582) if you had to recompute the income or loss due to differences in the adopted Internal Revenue Code or different federal elections for federal and Wisconsin purposes (Schedule I modifications). The Schedule E and other forms should state "Revised for Wisconsin" at the top.

Line 76, 80, or 82: Submit a copy of the related Schedule 2K-1, 3K-1, or 5K-1 and all supplemental schedules.

If you filed electronically, attach them as PDF documents to your electronically filed return. If you cannot attach and submit the PDF documents with your e-filed return, you can upload the PDF documents through the department's website using Form W-RA at https://tap.revenue.wi.gov/WRA/. If you cannot create PDF documents, you can mail the attachments with Form W-RA to the address listed on the form.

Line 76 – Charitable Contributions from Tax-option (S) Corporations

If you were a shareholder of a tax-option (S) corporation, you may elect to treat your charitable contributions reported on Schedule 5K-1, line 12a, as a subtraction modification instead of an itemized deduction for the Wisconsin itemized deduction credit. Your subtraction is limited to the amount actually deductible for federal purposes (as allowable under Wisconsin law) on federal Schedule A (Form 1040). Include a copy of Schedule 5K-1, as described in the instructions in the preceding section. Enter the name and Federal Employer Identification Number (FEIN) of the tax-option (S) corporation on the line(s) provided. If you have more than 2 entries, attach a schedule listing each additional entry.

If the tax-option (S) corporation elected to be taxed at the entity level, do not take a subtraction for charitable contributions reported on Schedule 5K-1. In addition, these amounts may not be used in the computation of the itemized deduction credit.

Line 77 – Tax-option (S) Corporation Adjustments

Fill in any of the following adjustments that apply to you:

(1) If you were a shareholder of a tax-option (S) corporation and have a shareholder-level deduction, such as prior year loss or section 179 expense from the entity that was previously suspended, enter the adjustment allocable to Wisconsin as a positive number.

(2) If you are a shareholder of a federal S corporation that elects not to be treated as a Wisconsin tax-option (S) corporation, you must reverse all items of S corporation income included on your federal return. **Caution:** Do not reverse any item of S corporation income reported on federal Schedule D. These items have already been removed from Wisconsin income when you completed Wisconsin Schedule WD.

(3) Instead of using tax-option (S) corporation items deductible on federal Schedule A (Form 1040) to compute the Wisconsin itemized deduction credit, you may elect to treat these items as subtraction modifications. Your subtraction is limited to the amount actually deductible for federal purposes (as allowable under Wisconsin Law) on federal Schedule A (Form 1040). **Note:** If you are electing to treat charitable contributions as a subtraction modification, see the line 76 instructions.

See line 29 instructions for reporting additions
.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Subtractions Reported on Lines 76, 77, 80, 81, and 82.

Enter the name and FEIN of the tax-option (S) corporation with a brief description of the reason for the adjustment on the line(s) provided. For example, if you have a $1,000 subtraction from tax-option (S) corporation A and a $5,000 subtraction from tax-option (S) corporation B, enter two separate subtractions on line 77 and enter the name and FEIN of tax-option (S) corporation A and tax-option (S) corporation B with an appropriate description of each adjustment on the lines provided. If you have more than 2 entries, attach a schedule listing each additional entry.

If the adjustment for the entity is the result of 2 or more shareholder-level adjustments, include a dollar value with each adjustment in the description. **Example:** PY basis losses of $3,000 and passive losses of $6,000.

For more information, get Publication 102, *Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders*.

Line 80 – Tax-option (S) Corporation Entity Level Tax Election Adjustments

If you were a shareholder of a tax-option (S) corporation that elected to be taxed at the entity level, net all items from the entity included in Wisconsin income and reported on column B of Form 1NPR. Subtract any net profit on this line. If the result is a net loss, see instructions for line 30. **Note:** If the tax-option (S) corporation made the election, the box will be checked on Schedule 5K-1, Part II, Item B, box 3.

You must enter the name and FEIN for each tax-option (S) corporation for which you are removing items from your Wisconsin income. See example below.

Caution: Do not reverse any item of tax-option (S) corporation gain or loss reported on federal Schedule D. These items have already been removed from Wisconsin income when you completed Wisconsin Schedule WD. See the Schedule WD instructions for more information.

Caution: If you are a shareholder of a tax-option (S) corporation that did not make the entity-level election but it directly or indirectly owned another pass-through entity (lower tier) that made the election, you need to make a similar adjustment to your income, except only for your share of that lower tier's items. Box 4 of Part II, Item B will be checked on the Schedule 5K-1 if a lower tier elected to pay the entity level tax. The tax-option (S) corporation is required to provide you a supplemental statement detailing your share of income, gain, loss, and deduction that have been taxed by a lower-tier entity.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Subtractions Reported on Lines 76, 77, 80, 81, and 82.

For more information, get Publication 102, *Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders*.

Example: Shareholder A was a nonresident of Wisconsin for the entire year in 2024 and owns 50 percent of Tax-option (S) Corporation. Shareholder A's Wisconsin sources of income for 2024 from the entity are $2,000 of interest, $100,000 of federal ordinary business income, and a $5,000 ordinary loss from the sale of business assets. Tax-option (S) Corporation makes an election under sec. 71.365(4m)(a), Wis. Stats., to pay tax at the entity level for 2024.

Tax-option (S) Corporation has $95,000 of ordinary business income for Wisconsin in 2024 due to the following differences:

- $10,000 of additional Wisconsin depreciation expense because of a different depreciable basis of an asset determined under the IRC in effect for Wisconsin purposes

- $5,000 of Wisconsin tax paid by the tax-option (S) corporation with its 2023 Form 5S deducted on the 2024 federal Form 1120-S

Ignoring any other income and loss, Shareholder A must file the following forms:

- Schedule I to reduce federal adjusted gross income by $10,000 of additional depreciation

- Form 1NPR reporting the following income in column B: $2,000 of interest on line 2, ($5,000) of other losses from asset sales on line 8, and $95,000 if ordinary business income from column (e) of Schedule 5K-1 on line 11.

- Schedule M, line 80, to report a $92,000 subtraction modification for Wisconsin income taxed at the entity level of the tax-option (S) corporation

Computation of the $92,000 subtraction from Wisconsin income reported by the tax-option (S) corporation

Description	Amount
Interest income sourced to Wisconsin	$2,000
Other losses from asset sales sourced to Wisconsin	($5,000)
Net ordinary business income sourced to Wisconsin on column (e) of Schedule 5K-1	$95,000
Schedule M (line 80) - subtraction modification for Wisconsin income reported by the tax-option (S) corporation	**$92,000**

Line 81 – Partnership, Limited Liability Company, Trust, or Estate Adjustments

If you were a partner or member of a partnership or limited liability company (LLC) treated as a partnership, or you received income from an estate or trust, and you have an owner/beneficiary-level deduction, such as prior year loss or section 179 expense from the entity that was previously suspended, enter the adjustment allocable to Wisconsin as a positive number.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Subtractions Reported on Lines 76, 77, 80, 81, and 82.

Enter the name and FEIN of the partnership with a brief description of the reason for the adjustment on the line(s) provided. For example, if you have a $1,000 subtraction from partnership A and a $5,000 subtraction from partnership B, enter two separate subtractions on line 81 and enter the name and FEIN of partnership A and partnership B with an appropriate description of each adjustment on the lines provided. If you have more than 2 entries, attach a schedule listing each additional entry.

If an adjustment for the entity is the result of 2 or more owner/beneficiary-level adjustments, include a dollar value with each adjustment in the description. **Example:** PY basis losses of $3,000 and passive losses of $6,000.

Line 82 – Partnership Entity Level Tax Election Adjustments

If you were a partner or member of a partnership or LLC treated as a partnership that elected to be taxed at the entity level, net all items from the entity included in Wisconsin income and reported on column B of Form 1NPR. Subtract any net profit on this line. If the result is a net loss, see the instructions for line 32. **Note:** If the partnership made the election, the box will be checked on Schedule 3K-1, Part C, box 3.

You must enter the name and FEIN for each partnership for which you are removing items from your Wisconsin income. See example below.

Caution: Do not reverse any item of partnership gain or loss reported on federal Schedule D. These items have already been removed from Wisconsin income when you completed Wisconsin Schedule WD. See the Schedule WD instructions for more information.

Caution: If you are a partner of a partnership that did not make the entity-level tax election, but it directly or indirectly owned another pass-through entity (lower tier) that made the election, you need to make a similar adjustment to your income, except only for your share of that lower tier's items. Box 4 of Part C on Schedule 3K-1 will be checked if a lower tier elected to pay the entity level tax. The partnership is required to provide you a supplemental statement detailing your share of income, gain, loss and deduction that have been taxed by a lower-tier entity. **Note:** This also applies to beneficiaries of an estate or trust that directly or indirectly owned a tax-option (S) corporation or partnership that elected to pay the entity level tax. In this instance, Box D of Part II on the Schedule 2K-1 will be checked. Enter the name and FEIN of the estate or trust along with the amount of income/loss taxed at a lower tier on line 32 or 82, as appropriate.

Required Attachments: See the instructions earlier under the section titled Required Attachments for Subtractions Reported on Lines 76, 77, 80, 81, and 82.

Example: Partner A was a nonresident of Wisconsin for the entire year in 2024 and owns 50 percent of Partnership. Partner A's Wisconsin sources of income for 2024 from the entity are $100,000 of federal ordinary business income and a $5,000 ordinary loss from the sale of business assets. Partnership makes an election under sec. 71.21(6)(a), Wis. Stats., to pay tax at the entity level for 2024.

Partnership has $95,000 of ordinary business income for Wisconsin in 2024 due to the following differences:

- $10,000 of additional Wisconsin depreciation expense because of a different depreciable basis of an asset determined under the IRC in effect for Wisconsin purposes
- $5,000 of Wisconsin tax paid by the partnership with its 2023 Form 3 deducted on the 2024 federal Form 1065

Ignoring any other income and loss, Partner A must file the following forms:

- Schedule I to reduce federal adjusted gross income by $10,000 of additional depreciation
- Form 1NPR reporting the following income in column B: ($5,000) of other losses from asset sales on line 8, and $95,000 of ordinary business income from column (e) of Schedule 3K-1 on line 11.
- Schedule M, line 82, to report a $90,000 subtraction modification for Wisconsin income taxed at the entity level of the partnership.

Computation of the $90,000 subtraction from Wisconsin income reported by the partnership

Description	Amount
Other losses from asset sales sourced to Wisconsin	($5,000)
Net ordinary business income sourced to Wisconsin on column (e) of Schedule 3K-1	$95,000
Schedule M (line 82) - subtraction modification for Wisconsin income reported by the partnership	**$90,000**

Line 83 – Other Subtractions from Income

Fill in on line 83 amounts not taxable by Wisconsin less related expenses, except expenses used to figure the Wisconsin itemized deduction credit, which have been included on Form 1NPR, lines 1 through 15 in column B (Wisconsin column). Fill in the type of income and amount on the lines provided. If additional space is needed, attach a schedule listing the types and amounts of income reported on line 83.

Example: Wisconsin doesn't tax certain relocation assistance payments received by persons displaced by condemnation, subject to the conditions set forth in sec. 32.19, Wis. Stats.

Investment in a Wisconsin Qualified Opportunity Fund (QOF)

You may qualify for a subtraction modification for an investment in a Wisconsin QOF under sec. 71.05(25m), Wis. Stats., if all of the following conditions are met:

- In a previous year, you deferred paying tax on a capital gain by investing in a Wisconsin QOF.
- For the year in which you invested in the Wisconsin QOF, the Wisconsin QOF properly filed Wisconsin Form WQOF and provided a copy to you. **Exception**: Form WQOF is not required for taxable years beginning prior to January 1, 2020.
- You held the investment in the Wisconsin QOF for at least 5 years.
- For taxable year 2024, you qualify for the federal exclusion for investment in a qualified opportunity zone.
- You are not excluding or deferring the gain on Schedule QI or Schedule CG under the qualified Wisconsin business program

If the above conditions are met, you may use the following worksheet to calculate your subtraction.

Worksheet - Wisconsin QOF Subtraction		
1. If the investment in the WI QOF was held for at least 5 years but less than 7 years, enter 10%. If the investment in the WI QOF was held for 7 years or more, enter 15%	1.	
2. Amount of deferred gains from the investment in a WI QOF	2.	
3. Multiply line 2 by line 1. This is the amount of the subtraction to report on Schedule M, Part II, line 83. Use a description similar to "Wisconsin QOF subtraction"	3.	

Caution: If you are a partner in a partnership or a shareholder in a tax-option (S) corporation, do not include a "Wisconsin QOF subtraction" from Schedule 3K-1, Part V, line 15, or Schedule 5K-1, Part IV, line 19, in the worksheet above. Amounts shown on Schedules 3K-1 or 5K-1 should be reported on the appropriate line(s) of Form 1NPR, column B, with other items of income, gain, loss, or deduction, from the partnership or tax-option (S) corporation.

Additional Information

For more information, you may:

Call: (608) 266-2486

Email: DORIncome@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 19, 2024: secs. 21, 67, 74,162, and 1291, IRC, ch. 71, Wis. Stats., and sec. Tax 3.01, Wis. Adm. Code