MANUFACTURING PRODUCTION IS CELEBRATED IN WISCONSIN®

Wisconsin is well known for our manufacturing leadership. And because innovations in this industry continue to create a competitive advantage for our state, we provide specific incentives to manufacturers to maximize their production here. Chief among them is the Manufacturing and Agriculture Credit, which virtually eliminates the tax on income from manufacturing activity in the state.

HOW IT WORKS

The Manufacturing and Agriculture Credit is available to individuals and entities for income derived from manufacturing or agricultural property located in Wisconsin and will offset a significant share of Wisconsin income taxes.

The credit amounts to 7.5% of “eligible qualified production activities income,” resulting in an effective corporate tax rate of 0.4%.

For a corporation, eligible qualified production activities income is the lesser of:

- eligible qualified production activities income,
- income apportioned to Wisconsin, or
- income taxable to Wisconsin as determined by combined reporting law, if the corporation is a member of a Wisconsin combined group.

There is no maximum dollar limit for the credit; however, the maximum amount of credit that may be claimed is up to the gross tax computed from the business operations that were used to claim the credit on the corporate franchise or income tax return.

The amount of credit not entirely offset against Wisconsin income or franchise taxes may be carried forward and credited against Wisconsin income or franchise taxes due for up to 15 years.

CLAIMING THE MANUFACTURING AND AGRICULTURE CREDIT

The schedule to be used to claim the Wisconsin Manufacturing and Agriculture Credit is available on the Wisconsin Department of Revenue website at www.revenue.wi.gov.

For more information about qualifying for the credit, excluded activities, and income reporting requirements, visit the Wisconsin Department of Revenue website listed above.