



## WISCONSIN MANUFACTURING AND AGRICULTURE CREDIT

(formerly Wisconsin Qualified Production Activities Credit)

### Fact Sheet 1107

revenue.wi.gov

The manufacturing and agriculture credit is available to individuals and entities for taxable years that begin on or after January 1, 2013, for manufacturing and agricultural activities in Wisconsin.

This fact sheet provides a general overview of the Wisconsin manufacturing and agriculture credit. This credit was formerly known as the qualified production activities credit.

### CLAIMING THE CREDIT

A schedule to be used for claiming the credit will be available on the department's website by December 1, 2013.

### WHO IS ELIGIBLE TO CLAIM THE CREDIT

An individual, estate, trust, partnership, limited liability company (LLC), or corporation can compute the credit if the claimant owns or rents and uses in Wisconsin real property and improvements assessed as agriculture property under [s. 70.32\(2\)\(a\)4.](#), Wis. Stats., or owns or rents and uses in Wisconsin real and personal manufacturing property assessed under [s. 70.995](#), Wis. Stats.

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credit; however, the credit computed by those business entities can pass through to the partners, members, or shareholders.

Trusts and estates may pass the credit through to their beneficiaries based on the income allocable to each.

### WHO MAY NOT CLAIM THE CREDIT

Insurance companies cannot claim the credit.

Note: A person who rents land to, for example a farmer, to be used in agriculture cannot claim the credit based on the rental income. Only the farmer who rented the land and used it in agriculture may use the rented land value in computing the credit.

### CREDIT COMPUTATION

The credit is a percentage of "eligible qualified production activities income." The credit is calculated by multiplying eligible qualified production activities income by one of the following percentages.

- For taxable years beginning after December 31, 2012, and before January 1, 2014, 1.875 percent
- For taxable years beginning after December 31, 2013, and before January 1, 2015, 3.75 percent
- For taxable years beginning after December 31, 2014, and before January 1, 2016, 5.526 percent
- For taxable years beginning after December 31, 2015, 7.5 percent

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

Income from the following activities may not be used to claim the credit

- Film production,
- Producing, transmitting or distributing electricity, natural gas, or potable water,
- Constructing real property (except that income from producing real property can qualify for the credit),
- The sale of food and beverage that you prepared at a retail establishment,
- The lease, rental, license, sale, exchange, or other disposition of land, and
- Engineering or architectural services.

### CREDIT IS INCOME

The amount of credit that is claimed is income and must be reported as income on the claimant's Wisconsin franchise or income tax return for the taxable year

immediately after the taxable year in which the credit is computed.

## **UNUSED CREDITS**

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 fifteen years.

The credit can only be used to offset the Wisconsin franchise or income tax due of the corporation that generated it. It cannot be shared with other members of a combined group.

Nothing in this fact sheet replaces or changes any provisions of Wisconsin tax law, administrative rules, or court decisions.

*Last Updated: May 1, 2013*

## **RESOURCES**

- [Common Questions](#)
- [Wisconsin Tax Bulletin – April 2013 Tax Release](#)



# Wisconsin Fast Forward

Governor Scott Walker proposed the “Wisconsin Fast Forward” legislation that will put additional tools in the hands of employers to support private-sector job creation. The bill was signed into law as 2013 Act 9, passing both houses of the Wisconsin legislature with strong bipartisan support.

## Worker Training Grants

- “Wisconsin Fast Forward” package includes \$15 million in general purpose revenue to support employer-focused worker training grants. The Office of Skills Development, also created in the legislation, is responsible for administration and oversight of the grants.
- Grants will be awarded to businesses or groups of businesses that demonstrate a specific labor need that is borne out by labor market information and not met by other education or training programs.
- Successful grant applications will include partnerships with workforce development boards, local or regional economic development organizations, and education providers.
- OSD is developing a review and reporting process and accountability measures to ensure that companies demonstrating a significant labor need are able to access the resources they need to add workers and are held accountable to the job creation goals included in the grant.
- The Office of Skills Development will closely track workers receiving training under the grant, measuring jobs filled by unemployed or underemployed workers and any increase in wages for incumbent workers who complete training.

## Labor Market Information System

- DWD is developing a labor market information system (LMIS) that will enhance existing job matching capabilities and will provide real-time information on available job openings and job seekers.
- The new system will provide automated skill matching functionality and include self-assessments to determine an individual’s work readiness. The LMIS will also provide linkages to additional information, including training opportunities and other services as appropriate.



## Office of Skills Development

The Office of Skills Development was created to administer and oversee the worker training grants and to serve as a business point of contact for the Wisconsin Fast Forward initiative. The Office currently consists of:

- Scott Jansen previously served as the Talent Dividend Director at the Greater Milwaukee Committee, where he led an effort to increase education attainment for students and adults in the Milwaukee area. Before that, he worked at AT&T for 27 years, retiring as regional vice president for external affairs. Jansen will serve as the Office's director.
- Dennis Schuh has been hired as a program manager in the Office of Skills Development. He previously worked briefly in DWD's Division of Employment and Training and served as the Wisconsin Department of Correction's Executive Assistant since January 2011.

OSD will add a grant specialist and operations program associate to provide additional office support in administering and overseeing the grant program.

### Purpose

- The Office of Skills Development will work to promote collaborations between employers, workforce development boards, economic development organizations, and education providers to meet employer-identified labor needs.
- Specifically, OSD will work to provide a foundation to ensure that employers are able to leverage grant funds and other resources to establish a sustainable labor pipeline.
- OSD is currently in the process of developing grant standards and will provide additional information in the coming weeks as it becomes available.
- OSD will also refer employers seeking assistance to economic and workforce development resources best able to meet their needs as well as to traditional and non-traditional education providers.
- The Office is also currently developing administrative rules that will govern the grant program. Input is invited at [http://dwd.wisconsin.gov/dwd/admin\\_rules/](http://dwd.wisconsin.gov/dwd/admin_rules/).



Apprenticeship gives your company an edge.

## Here's how to get started.

### 1. Contact your Apprenticeship Training Representative (ATR).

Wisconsin has ATRs all across the state ready to help you identify the apprenticeship model that best suits your company. When you call or e-mail your ATR, you'll get intensive, one-on-one technical assistance and on-site guidance to get your program up and running.

Contact information for our ATRs and more information about apprenticeship is online at [www.wisconsinapprenticeship.org/contacts](http://www.wisconsinapprenticeship.org/contacts)

### 2. Develop your apprenticeship program.

Based on your business and training needs, your ATR will show you how apprenticeship can meet those needs. Your ATR will identify existing programs that can serve as a guide or can help you set up a program for a new occupation.

Guidance is provided during every step of setting up your program. That means your program administration and related documents will adhere to state requirements while ensuring that your workforce training keeps pace with industry standards. Once developed, your program structure is your blueprint to ensure high-quality on-the-job training and cutting-edge theoretical instruction for your skilled workforce. Your ATR will work with you to develop your program and will be right there to help troubleshoot any issues that may come up.

### 3. Become approved to train apprentices in Wisconsin.

Wisconsin's Bureau of Apprenticeship Standards (BAS) is the registration agency for apprenticeship programs. When you are approved to sponsor apprentices, you become one of more than 2,000 Wisconsin employers who have chosen to train their skilled workforce using the apprenticeship method. Once approved, you and your apprentices enter into a written agreement that specifies the length of training, related school requirements, an outline of the skills to be learned and the wages the apprentice will receive.

### 4. Grow your own skilled workforce through Registered Apprenticeship.

Once your apprenticeship program is established, you'll have access to tools and resources designed to help you maintain your program. Your ATR will help you analyze and evaluate the training to determine what is working well or what could be more effective. You'll have access to industry experience and expertise. You'll capture the skills and knowledge of your existing skilled workforce and pass it on to your newer employees.

If you're ready to get started or just want more information,

Contact your ATR about apprenticeship today!

[www.wisconsinapprenticeship.org](http://www.wisconsinapprenticeship.org)

