



## Incentives to Invest in Wisconsin Businesses

- Starting with investments made in 2011, capital gains on funds invested in qualified Wisconsin-based businesses may be completely exempt from the capital gains tax after the investment has been held for five years.
- Capital gains on existing investments which are sold in order to generate funds for investments in qualified Wisconsin-based businesses are deferred so that they are not taxed at the time of investment.
- Angel and early stage investment credits are available for 25% of early stage investments made in qualified new business ventures in Wisconsin.

Wisconsin Department of

# Revenue

For more information please contact:

Wisconsin Department of Revenue  
608-266-6466 [revenue.wi.gov](http://revenue.wi.gov)

## Specialized Tax Incentives

### Dairy Manufacturing Credits

- A 10% refundable Facility Investment Credit is available for modernized or expanded dairy manufacturing facilities. Your facility must be certified by the Wisconsin Department of Agriculture, Trade and Consumer Protection.
- A 10% refundable Cooperative Manufacturing Facility Investment Credit is available to dairy cooperatives (passed through to members) based on expenses incurred for modernization or expansion of the cooperative's dairy manufacturing facility in Wisconsin.
- Credits effective for taxable years beginning before January 1, 2014

### Meat Processing Facility Investment Credit

- A refundable Meat Processing Facility Investment Credit is available to meat processors based on expenses for meat processing modernization or expansion of operations, as certified by the Wisconsin Department of Agriculture, Trade and Consumer Protection.
- Credits effective for taxable years beginning before January 1, 2014



## Incentives for Manufacturing Businesses

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## ***A Note from Secretary Chandler***

The Wisconsin Department of Revenue is working to help create jobs by making the state's tax code more competitive. Wisconsin has recently enacted several major tax initiatives that have made our state an even more attractive place to do business, including a broad-based reduction in income tax rates.

Manufacturing is a key driver of Wisconsin's economy, and we have implemented tax provisions that will help advanced manufacturing firms thrive in Wisconsin in the future. Taken together, these incentives make Wisconsin's tax climate for manufacturing companies one of the best in the country.

If you'd like more information about any of these provisions or other business tax incentives, please visit our website at [revenue.wi.gov](http://revenue.wi.gov).

Sincerely,

Richard G. Chandler  
Secretary of Revenue



## **Manufacturing and Agriculture Tax Credit**

Starting in 2013, a tax credit will be available for income derived from manufacturing or agricultural property located in Wisconsin. It will offset a significant share of Wisconsin income taxes.

### **The credit is phased in as follows:**

- Tax year 2013 = 1.875%
- Tax year 2014 = 3.75%
- Tax year 2015 = 5.526%
- Tax year 2016 and beyond = 7.50%

## **Property Tax Exemptions**

- Machinery and equipment used in manufacturing is exempt from personal property taxes.
- Manufacturer and merchant inventories are exempt from personal property taxes.
- Certain waste treatment facilities owned by utilities, manufacturers, and commercial businesses used for the treatment of industrial waste materials are exempt from general property taxes. Qualifying facilities must remove, alter or store waste materials.



## **Sales Tax Exemptions**

- Machinery and equipment used by a manufacturer in producing tangible personal property.
- Tangible personal property which becomes an ingredient or component of another product in the manufacturing process.
- Tangible personal property that is consumed or loses its identity in the process of manufacturing tangible personal property.
- Machinery, equipment and tangible personal property used in research by companies that are engaged in manufacturing or biotechnology.
- Fuel and electricity used in manufacturing.

## **Research and Development (R&D) Credits**

- An R&D Credit is available to corporations, sole proprietorships and pass-through entities equal to 5% of the excess of qualified research expenses for the current year over a base period amount.
- An increased R&D Credit is available for qualified expenses related to the design and manufacturing of energy efficient lighting systems, building automation and control systems, designing internal combustion engines for vehicles, or automotive batteries for use in hybrid-electric vehicles. Credits are equal to 10% of qualified research expenses for the current year over a base period amount.