

Line 44 Repayment Credit

If you had to repay during 2017, an amount that you had included in income in an earlier year because at that time you thought you had an unrestricted right to it, you may be able to claim a credit based on the amount repaid. To qualify for the credit, the amount repaid must be over \$3,000 and the amount repaid cannot have been subtracted in computing Wisconsin adjusted gross income.

Use the following steps to compute your credit:

- (1) Refigure your tax from the earlier year without including in income the amount you repaid in 2017.
- (2) Subtract the tax in (1) from the tax shown on your return for the earlier year. The difference is your credit.

Fill in the amount of your credit on line 44 of Form 1. Enclose a statement showing how you computed your credit.

Line 45 Homestead Credit

If you are claiming homestead credit, attach Schedule H or H-EZ to your Form 1. Fill in on line 45 the amount from line 19 of your Schedule H or line 14 of Schedule H-EZ.

→ To see if you qualify for homestead credit, refer to the Special Instructions on page 8. You cannot claim homestead credit if you (or your spouse, if married) claim the veterans and surviving spouses property tax credit or farmland preservation credit.

Line 46 Eligible Veterans and Surviving Spouses Property Tax Credit

Who May Claim the Credit An eligible unremarried surviving spouse or an eligible veteran may claim the veterans and surviving spouses property tax credit. (**Note:** If you claim the veterans and surviving spouses property tax credit, you or your spouse may **not** claim the school property tax credit, homestead credit, or farmland preservation credit.)

Note If you recklessly or fraudulently claim a false credit, you may be ineligible to claim this credit and any other refundable credit for up to 10 years and could also owe a penalty.

An “eligible unremarried surviving spouse” means an unremarried surviving spouse of an individual who:

- Served on active duty in the U.S. armed forces or in forces incorporated as part of the U.S. armed forces or in the National Guard or a reserve component of the U.S. armed forces,
- Was a resident of Wisconsin at the time of entry into active service or who had been a resident of Wisconsin for any consecutive 5-year period after entry into that active duty service, and
- Met one of the following conditions:
 1. Died while on active duty and while a resident of Wisconsin,
 2. Was a resident of Wisconsin at the time of his or her death and had either a service-connected disability rating of 100% under 38 USC 1114 or 1134 or a 100% disability rating based on individual unemployability,
 3. In the case of an individual who served in the National Guard or a reserve component, while a resident of Wisconsin died in the line of duty while on active or inactive duty for training purposes, or
 4. Was a resident of Wisconsin at the time of his or her death and following the individual’s death, his or her spouse began to receive, and continues to receive, dependency and indemnity compensation, as defined in 38 USC 101(14).

The unremarried surviving spouse must be certified by the Wisconsin Department of Veterans Affairs.

“Eligible veteran” means an individual who is certified by the Wisconsin Department of Veterans Affairs as meeting all of the following conditions:

- Served on active duty under honorable conditions in the U.S. armed forces or in forces incorporated in the U.S. armed forces.
- Was a resident of Wisconsin at the time of entry into active service or who had been a resident of Wisconsin for any consecutive 5-year period after entry into that active duty service.
- Is currently a resident of Wisconsin for purposes of receiving veterans benefits under ch. 45, Wis. Stats.
- Has a service-connected disability rating of 100% under 38 USC 1114 or 1134 or a 100% disability rating based on individual unemployability.

Line 46 *Eligible Veterans and Surviving Spouses Property Tax Credit – continued*

Computing the Credit The credit is equal to the property taxes paid by the claimant during the year on the claimant’s principal dwelling in Wisconsin. The credit is based on real and personal property taxes, exclusive of special assessments, delinquent interest, and charges for service. Do not include any property taxes that are properly includable as a trade or business expense.

“Principal dwelling” means any dwelling and the land surrounding it that is reasonably necessary for use of the dwelling as a primary dwelling, but not more than one acre. It may include a part of a multidwelling or multipurpose building and a part of the land upon which it is built that is used as the primary dwelling. Complete the worksheet at right if your principal dwelling is located on more than one acre of land.

Worksheet If Property Tax Bill Shows More Than 1 Acre of Land	
1. Assessed value of land (from tax bill)	1. _____
2. Number of acres of land	2. _____
3. Divide line 1 by line 2	3. _____
4. Assessed value of principal dwelling	4. _____
5. Add line 3 and line 4	5. _____
6. Total assessed value of all land and improvements (from tax bill)	6. _____
7. Divide line 5 by line 6	7. _____
8. Net property taxes paid	8. _____
9. Multiply line 8 by line 7. This is the amount of property tax allowed for the credit	9. _____

If the principal dwelling on which the taxes were paid is owned by two or more persons or entities as joint tenants or tenants in common, use only that part of property taxes paid that reflects the ownership percentage of the claimant. (See **Exceptions** below.)

Exceptions

- *Married filing a joint return* If property is owned by an eligible veteran and spouse as joint tenants, tenants in common, or as marital property, the credit is based on 100% of property taxes paid on the principal dwelling (subject to the 1-acre limitation).
- *Married filing a separate return* If property is owned by an eligible veteran and spouse as joint tenants, tenants in common, or as marital property, each spouse may claim the credit based on their respective ownership interest in the eligible veteran’s principal dwelling (subject to the 1-acre limitation).

If the principal dwelling is sold during the taxable year, the property taxes for the seller and buyer shall be the amount of the tax prorated to each in the closing agreement pertaining to the sale. If not provided for in the closing agreement, the tax shall be prorated between the seller and buyer in proportion to months of ownership.

If you owned and lived in a mobile home as your principal dwelling, “property taxes” includes monthly mobile home municipal permit fees you paid to the municipality.

If you did not own your principal dwelling but were required to pay the property taxes as rent, you may claim the credit based on the property taxes paid during the year if all of the following are met:

- The rental unit must be the principal dwelling of the eligible veteran or surviving spouse,
- The principal dwelling must be located in Wisconsin,
- The eligible veteran or surviving spouse is required to pay the property taxes under the rental agreement or other written agreement entered into with the landlord, and
- The eligible veteran or surviving spouse must pay the property taxes directly to the municipality.

A copy of the agreement with the landlord and proof of payment to the municipality must be included with the Wisconsin income tax return.

The credit must be claimed within 4 years of the unextended due date of the return.

Certification of Eligibility for the Credit If you did not claim the credit in a prior year, before claiming the credit for 2017 you must request certification from the Wisconsin Department of Veterans Affairs (WDVA) indicating that you qualify for the credit. Use Form WDVA 2097 (which you can find in WDVA Brochure B0106) to submit your request, along with a copy of the veteran’s DD Form 214 and Veterans Administration disability award letter and, if applicable, the veteran’s death certificate, a marriage certificate, and a completed copy of Form WDVA 0001 (if the veteran never previously submitted one). The WDVA 0001 and the brochure are available from your county veterans service officer or on the Internet at dva.wisconsin.gov. You may submit these forms and supporting documents to your county veterans service officer or

Line 46 *Eligible Veterans and Surviving Spouses Property Tax Credit – continued*

mail them to: Wisconsin Department of Veterans Affairs, Attn: Veterans Property Tax Credit, 201 West Washington Ave., PO Box 7843, Madison WI 53707-7843. The WDVA will send you a certification of your eligibility.

→ You do not have to obtain certification from the WDVA for 2017 if you previously received certification for a prior year. If you still qualify for the credit, you may claim the credit but do not have to enclose certification.

Enclosures Enclose a copy of your property tax bill, proof of payment made in 2017, and the certification, if required, received from the WDVA with your return.

Line 47 Other Credits From Schedule CR

If you are claiming any of the credits listed below, you must complete Schedule CR. **Enclose Schedule CR, along with the appropriate schedule for the credit(s) you are claiming and any required approval or certification from the Wisconsin Economic Development Corporation (WEDC).** Fill in the amount from line 40 of Schedule CR on line 47.

- **Schedule EC – Enterprise zone jobs credit** The enterprise zone jobs credit is available to persons doing business in an enterprise zone. The WEDC must certify the business as eligible for the credit and determine the amount of credit. See Schedule EC.
- **Schedule JT – Jobs tax credit** The credit is available based on wages paid to an eligible employee and costs incurred to undertake training activities. The credit is available to taxpayers who are certified by the WEDC. See Schedule JT.
- **Schedule BD – Business development credit** The credit is available based on wages paid to an eligible employee, training costs, and personal and real property investment. The credit is available to taxpayers who are certified by the WEDC. See Schedule BD.
- **Electronics and Information Technology Manufacturing Zone Credit** The credit is based on payroll and capital expenditures in the zone. The credit is available to taxpayers who are certified by the WEDC. See Schedule CR.

Line 48 Amounts Previously Paid

Amended return only – Complete this line only if this is an amended 2017 Form 1. Fill in the amount of tax you paid with your original Form 1 plus any additional amounts paid after it was filed.

If you did not pay the full amount shown on your original Form 1, fill in only the portion that you actually paid. Also, include any additional tax that may have resulted if your original return was changed or audited. This includes additional tax paid with a previously filed 2017 amended return and additional tax paid as a result of a department adjustment to your return. Do not include payments of interest or penalties.

Line 50 Amounts Previously Refunded

Amended return only – Complete this line only if this is an amended 2017 Form 1. Fill in the refund from your original 2017 return (not including the amount applied to your 2018 estimated tax). This is generally the amount from line 53 of Form 1.

If your refund was reduced because you owed underpayment interest or any penalties, fill in the amount of your refund before the reduction for underpayment interest or penalties. If your 2017 return was adjusted by the department, fill in the refund shown on the adjustment notice you received. If the adjustment notice shows a tax due rather than a refund, complete line 48 instead of line 50.

Line 51 Subtraction

If line 50 is less than line 49, subtract line 50 from line 49 and fill in the result on line 51. If line 50 is more than line 49, subtract line 49 from line 50 and fill in the result on line 51 as a negative number by placing a minus sign (–) in front of the number.

Line 52 Amount You Overpaid

If line 39 is less than line 51, subtract line 39 from line 51. Fill in the result on line 52. If line 51 is a negative number, do not complete line 52.

→ If you were required to make estimated tax payments and you did not make such payments timely, you may owe what is called “underpayment interest.” You may owe underpayment interest even if you are due a refund. Read the line 56 instructions to see if you owe underpayment interest. If you owe underpayment interest and you show an overpayment on line 52, reduce the amount on line 52 by the amount of underpayment interest on line 56.