

Income/Franchise:

Wisconsin DOR Issues Updated R&D Credit Guidance Reflecting Increased Refundable Portion

Publication No. 131, Wis. Dept. of Rev. (rev. 1/24). The Wisconsin Department of Revenue updated its research and development (R&D) credit guidance, reflecting legislation enacted in 2023 [see S.B. 70 / Act 19 (2023), and *State Tax Matters*, Issue 2023-27, for more details on this legislation] that increased the refundable portion of Wisconsin's R&D credit from 15% to 25% for taxable years beginning after December 31, 2023. The publication continues to address Wisconsin's income/franchise tax research credits and sales/use tax exemption for machinery and equipment and certain other tangible personal property that are used exclusively and directly in qualified research by eligible purchasers – including that Wisconsin follows Internal Revenue Code sections 41, 174 and 280C in effect on December 31, 2021 (*i.e.*, the pre-2022 federal provisions apply for Wisconsin purposes as Wisconsin has *not* adopted Section 13206 of P.L. 115-97 (the federal Tax Cuts and Jobs Act)). Please contact us with any questions.

URL: <https://www.revenue.wi.gov/DOR%20Publications/pb131.pdf>

URL: <https://docs.legis.wisconsin.gov/2023/proposals/sb70>

URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230707_7.html

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