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Schedule **RT**

Wisconsin Department of Revenue

Wisconsin Related Entity Expenses Disclosure Statement

File with Wisconsin Form 1, 1NPR, 2, 3, 4, 4T, 5S, or 6

2025

Taxpayer Name (or name of combined group member, if applicable)

Identifying Number

Part I Addition Modification for Related Entity Expenses

1 Interest Expenses

	Name of Related Entity / Payee	Identification Number		Amount
1a			1a	.00
1b			1b	.00
1c	Total for additional related entities reported on separate schedules		1c	.00
1d	Add lines 1a through 1c		1d	.00

2 Rent Expenses

	Name of Related Entity / Payee	Identification Number		Amount
2a			2a	.00
2b			2b	.00
2c	Total for additional related entities reported on separate schedules		2c	.00
2d	Add lines 2a through 2c		2d	.00

3 Management Fees

	Name of Related Entity / Payee	Identification Number		Amount
3a			3a	.00
3b			3b	.00
3c	Total for additional related entities reported on separate schedules		3c	.00
3d	Add lines 3a through 3c		3d	.00

4 Intangible Expenses

	Name of Related Entity / Payee	Identification Number		Amount
4a			4a	.00
4b			4b	.00
4c	Total for additional related entities reported on separate schedules		4c	.00
4d	Add lines 4a through 4c		4d	.00

5 Total addition modification. Add the amounts on lines 1d, 2d, 3d, and 4d. This is the amount you must add back to your federal income. To determine the amount eligible for a deduction, continue to Part II . . . . . 5 .00

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Taxpayer Name | ID Number

Part II Subtraction Modification for Related Entity Expenses Eligible for Deduction

An expense added back to income and reported in Part I is eligible for a deduction if either Condition A, Condition B, or Condition C applies. In general, Condition B and Condition C are each indicators that Condition A is likely to be true. However, Condition A may be true independently from Conditions B and C.

Condition A All three of the following statements are true:

- The primary motivation for the transaction was one or more business purposes other than avoiding or reducing state income or franchise taxes,
- The transaction changed the taxpayer's economic position in a meaningful way apart from tax effects, and
- The expenses were paid, accrued, or incurred using terms that reflect an arm's-length relationship.

Condition B The related entity to which the taxpayer paid, accrued, or incurred the expense was subject to a tax on or measured by net income or gross receipts in Wisconsin or in another jurisdiction, and the tax base included the income received from the taxpayer for the expenses, in the manner described in sec. 71.80(23)(a)2., Wis. Stats. See the explanation of Condition B in the Schedule RT instructions for details.

Condition C The related entity to which the taxpayer paid, accrued, or incurred the expense was a conduit through which the taxpayer indirectly paid the expense to an unrelated entity or to a qualifying holding company or subsidiary of a qualifying holding company, as described in sec. 71.80(23)(a)1., Wis. Stats. See the explanation of Condition C in the Schedule RT instructions for details.

Using the guidelines given above, enter the amount of each type of expense eligible for a deduction on lines 6a through 6d below:

6a Total **interest** expenses that qualify for deduction . . . . . **6a** .00

6b Total **rent** expenses that qualify for deduction . . . . . **6b** .00

6c Total **management fees** that qualify for deduction . . . . . **6c** .00

6d Total **intangible expenses** that qualify for deduction . . . . . **6d** .00

7 **Total subtraction modification.** Add lines 6a through 6d. This is the amount of the expenses you reported on Part I, line 5 that you may deduct as a Wisconsin subtraction modification . . . . . **7** .00

Note: The Department of Revenue retains the right to make adjustments to the amount deducted if the requirements of sec. 71.80(23), Wis. Stats., are not met or if the department determines that:

- Distribution, apportionment, or allocation of income, deductions, credits, or allowances between or among related entities is otherwise necessary in order to prevent evasion of taxes or clearly to reflect the income of any such entities as provided under secs. 71.10(1), 71.30(2), or 71.80(1)(b), Wis. Stats., or
- The transactions that produced the deduction lack economic substance, as provided under secs. 71.10(1m), 71.30(2m), and 71.80(1m), Wis. Stats.

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