

1999 ASSEMBLY BILL 860

1 **AN ACT** *to repeal* 71.01 (6) (f), 71.22 (4) (f), 71.22 (4m) (d), 71.26 (2) (b) 6., 71.34
2 (1g) (f) and 71.42 (2) (e); *to amend* 71.01 (6) (L), 71.01 (6) (m), 71.01 (6) (n), 71.01
3 (7r), 71.22 (4) (L), 71.22 (4) (m), 71.22 (4) (n), 71.22 (4m) (j), 71.22 (4m) (k), 71.22
4 (4m) (L), 71.26 (2) (b) 12., 71.26 (2) (b) 13., 71.26 (2) (b) 14., 71.26 (3) (y), 71.34
5 (1g) (L), 71.34 (1g) (m), 71.34 (1g) (n), 71.365 (1m), 71.42 (2) (k), 71.42 (2) (L),
6 71.42 (2) (m), 71.45 (2) (a) 13. and 565.30 (5); and *to create* 71.01 (6) (o), 71.22
7 (4) (o), 71.22 (4m) (m), 71.26 (2) (b) 15., 71.34 (1g) (o), 71.42 (2) (n), 71.67 (5m),
8 565.01 (2m) and 565.30 (6r) (c) 10. of the statutes; **relating to:** references to the
9 Internal Revenue Code for income tax and franchise tax purposes, withholding
10 income taxes from the amount paid to purchase the assignment of a lottery

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1 prize and requiring the lottery administrator to report to the department of
2 revenue the federal income tax number of an assignee.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 71.01 (6) (f) of the statutes, as affected by 1999 Wisconsin Act 9, is
4 repealed.

5 **SECTION 2.** 71.01 (6) (L) of the statutes, as affected by 1999 Wisconsin Act 9,
6 is amended to read:

7 71.01 **(6)** (L) For taxable years that begin after December 31, 1996, and before
8 January 1, 1998, for natural persons and fiduciaries, except fiduciaries of nuclear
9 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
10 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,
11 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203
12 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
13 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and P.L.
14 105–277 and P.L. 106–36, and as indirectly affected by P.L. 99–514, P.L. 100–203,
15 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280,
16 P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.
17 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
18 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
19 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188, excluding sections 1123 (b), 1202
20 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
21 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and P.L. 106–36. The Internal

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1 Revenue Code applies for Wisconsin purposes at the same time as for federal
2 purposes. Amendments to the federal Internal Revenue Code enacted after
3 December 31, 1996, do not apply to this paragraph with respect to taxable years
4 beginning after December 31, 1996, and before January 1, 1998, except that
5 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
6 105–206 and P.L. 105–277 and P.L. 106–36 and changes that indirectly affect the
7 provisions applicable to this subchapter made by P.L. 105–33, P.L. 105–34, P.L.
8 105–206 and P.L. 105–277 and P.L. 106–36 apply for Wisconsin purposes at the same
9 time as for federal purposes.

10 **SECTION 3.** 71.01 (6) (m) of the statutes, as affected by 1999 Wisconsin Act 9,
11 is amended to read:

12 71.01 **(6)** (m) For taxable years that begin after December 31, 1997, and before
13 January 1, 1999, for natural persons and fiduciaries, except fiduciaries of nuclear
14 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
15 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,
16 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203
17 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
18 104–188, and as amended by P.L. 105–178, P.L. 105–206 and P.L. 105–277, P.L.
19 106–36 and P.L. 106–170, and as indirectly affected by P.L. 99–514, P.L. 100–203,
20 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280,
21 P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.
22 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
23 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
24 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188, excluding sections 1123 (b), 1202
25 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.

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1 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and
2 P.L. 106–170. The Internal Revenue Code applies for Wisconsin purposes at the
3 same time as for federal purposes. Amendments to the federal Internal Revenue
4 Code enacted after December 31, 1997, do not apply to this paragraph with respect
5 to taxable years beginning after December 31, 1997, and before January 1, 1999,
6 except that changes to the Internal Revenue Code made by P.L. 105–178, P.L.
7 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 and changes that
8 indirectly affect the provisions applicable to this subchapter made by P.L. 105–178,
9 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for Wisconsin
10 purposes at the same time as for federal purposes.

11 **SECTION 4.** 71.01 (6) (n) of the statutes, as created by 1999 Wisconsin Act 9, is
12 amended to read:

13 71.01 **(6)** (n) For taxable years that begin after December 31, 1998, and before
14 January 1, 2000, for natural persons and fiduciaries, except fiduciaries of nuclear
15 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
16 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,
17 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203
18 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
19 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as indirectly affected
20 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
21 P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding
22 sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66,
23 excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66,
24 P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188,
25 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.

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1 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and,
2 P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue Code applies for
3 Wisconsin purposes at the same time as for federal purposes. Amendments to the
4 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this
5 paragraph with respect to taxable years beginning after December 31, 1998, and
6 before January 1, 2000, except that changes to the Internal Revenue Code made by
7 P.L. 106–36 and P.L. 106–170 and changes that indirectly affect the provisions
8 applicable to this subchapter made by P.L. 106–36 and P.L. 106–170 apply for
9 Wisconsin purposes at the same time as for federal purposes.

10 **SECTION 5.** 71.01 (6) (o) of the statutes is created to read:

11 71.01 (6) (o) For taxable years that begin after December 31, 1999, for natural
12 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or
13 reserve funds, “Internal Revenue Code” means the federal Internal Revenue Code
14 as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.
15 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and
16 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as
17 indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
18 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L.
19 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.
20 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
21 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
22 104–117, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605
23 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
24 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal
25 Revenue Code applies for Wisconsin purposes at the same time as for federal

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1 purposes. Amendments to the federal Internal Revenue Code enacted after
2 December 31, 1999, do not apply to this paragraph with respect to taxable years
3 beginning after December 31, 1999.

4 **SECTION 6.** 71.01 (7r) of the statutes, as affected by 1999 Wisconsin Act 9, is
5 amended to read:

6 71.01 (7r) Notwithstanding sub. (6), for purposes of computing amortization
7 or depreciation, “Internal Revenue Code” means either the federal Internal Revenue
8 Code as amended to December 31, ~~1998~~ 1999, or the federal Internal Revenue Code
9 in effect for the taxable year for which the return is filed, except that property that,
10 under s. 71.02 (2) (d) 12., 1985 stats., is required to be depreciated for taxable year
11 1986 under the Internal Revenue Code as amended to December 31, 1980, shall
12 continue to be depreciated under the Internal Revenue Code as amended to
13 December 31, 1980.

14 **SECTION 7.** 71.22 (4) (f) of the statutes, as affected by 1999 Wisconsin Act 9, is
15 repealed.

16 **SECTION 8.** 71.22 (4) (L) of the statutes, as affected by 1999 Wisconsin Act 9,
17 is amended to read:

18 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
19 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
20 December 31, 1996, and before January 1, 1998, means the federal Internal
21 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and
22 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
23 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188,
24 and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L.
25 106–36, and as indirectly affected in the provisions applicable to this subchapter by

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1 P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2),
2 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
3 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
4 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.
5 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
6 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
7 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
8 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and,
9 P.L. 105-277 and P.L. 106-36. The Internal Revenue Code applies for Wisconsin
10 purposes at the same time as for federal purposes. Amendments to the federal
11 Internal Revenue Code enacted after December 31, 1996, do not apply to this
12 paragraph with respect to taxable years beginning after December 31, 1996, and
13 before January 1, 1998, except that changes to the Internal Revenue Code made by
14 P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36 and
15 changes that indirectly affect the provisions applicable to this subchapter made by
16 P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36 apply for
17 Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 9.** 71.22 (4) (m) of the statutes, as affected by 1999 Wisconsin Act 9,
19 is amended to read:

20 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
21 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
22 December 31, 1997, and before January 1, 1999, means the federal Internal
23 Revenue Code as amended to December 31, 1997, excluding sections 103, 104 and
24 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
25 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188,

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1 and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and
2 P.L. 106–170, and as indirectly affected in the provisions applicable to this
3 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2)
4 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514 and section 1008
5 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
6 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
7 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
8 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
9 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
10 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
11 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue
12 Code applies for Wisconsin purposes at the same time as for federal purposes.
13 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,
14 do not apply to this paragraph with respect to taxable years beginning after
15 December 31, 1997, and before January 1, 1999, except that changes to the Internal
16 Revenue Code made by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36
17 and P.L. 106–170 and changes that indirectly affect the provisions applicable to this
18 subchapter made by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and
19 P.L. 106–170 apply for Wisconsin purposes at the same time as for federal purposes.

20 **SECTION 10.** 71.22 (4) (n) of the statutes, as created by 1999 Wisconsin Act 9,
21 is amended to read:

22 71.22 **(4)** (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
23 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
24 December 31, 1998, and before January 1, 2000, means the federal Internal
25 Revenue Code as amended to December 31, 1998, excluding sections 103, 104 and

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1 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
2 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188,
3 and as amended by P.L. 106–36 and P.L. 106–170, and as indirectly affected in the
4 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647
5 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of
6 P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
7 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and
8 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
9 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
10 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
11 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
12 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and P.L. 105–277, P.L. 106–36 and
13 P.L. 106–170. The Internal Revenue Code applies for Wisconsin purposes at the
14 same time as for federal purposes. Amendments to the federal Internal Revenue
15 Code enacted after December 31, 1998, do not apply to this paragraph with respect
16 to taxable years beginning after December 31, 1998, and before January 1, 2000,
17 except that changes to the Internal Revenue Code made by P.L. 106–36 and P.L.
18 106–170 and changes that indirectly affect the provisions applicable to this
19 subchapter made by P.L. 106–36 and P.L. 106–170 apply for Wisconsin purposes at
20 the same time as for federal purposes.

21 **SECTION 11.** 71.22 (4) (o) of the statutes is created to read:

22 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
23 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
24 December 31, 1999, means the federal Internal Revenue Code as amended to
25 December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections

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1 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),
2 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected in the
3 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647
4 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of
5 P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
6 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and
7 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
8 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
9 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
10 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
11 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and P.L.
12 106–170. The Internal Revenue Code applies for Wisconsin purposes at the same
13 time as for federal purposes. Amendments to the federal Internal Revenue Code
14 enacted after December 31, 1999, do not apply to this paragraph with respect to
15 taxable years beginning after December 31, 1999.

16 **SECTION 12.** 71.22 (4m) (d) of the statutes, as affected by 1999 Wisconsin Act
17 9, is repealed.

18 **SECTION 13.** 71.22 (4m) (j) of the statutes, as affected by 1999 Wisconsin Act
19 9, is amended to read:

20 71.22 (4m) (j) For taxable years that begin after December 31, 1996, and before
21 January 1, 1998, “Internal Revenue Code”, for corporations that are subject to a tax
22 on unrelated business income under s. 71.26 (1) (a), means the federal Internal
23 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and
24 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
25 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188

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1 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and P.L.
2 106-36, and as indirectly affected in the provisions applicable to this subchapter by
3 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
4 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.
5 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
6 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
7 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
8 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
9 105-34, P.L. 105-206 and P.L. 105-277 and P.L. 106-36. The Internal Revenue Code
10 applies for Wisconsin purposes at the same time as for federal purposes.
11 Amendments to the Internal Revenue Code enacted after December 31, 1996, do not
12 apply to this paragraph with respect to taxable years beginning after
13 December 31, 1996, and before January 1, 1998, except that changes to the Internal
14 Revenue Code made by P.L. 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and
15 P.L. 106-36 and changes that indirectly affect provisions applicable to this
16 subchapter made by P.L. 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and
17 P.L. 106-36, apply for Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 14.** 71.22 (4m) (k) of the statutes, as affected by 1999 Wisconsin Act
19 9, is amended to read:

20 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and
21 before January 1, 1999, "Internal Revenue Code", for corporations that are subject
22 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
23 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,
24 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203
25 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.

ASSEMBLY BILL 860**SECTION 14**

1 104–188, and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L.
2 106–36 and P.L. 106–170, and as indirectly affected in the provisions applicable to
3 this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
4 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
5 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
6 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.
7 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
8 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
9 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277,
10 P.L. 106–36 and P.L. 106–170. The Internal Revenue Code applies for Wisconsin
11 purposes at the same time as for federal purposes. Amendments to the Internal
12 Revenue Code enacted after December 31, 1997, do not apply to this paragraph with
13 respect to taxable years beginning after December 31, 1997, and before
14 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.
15 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 and changes
16 that indirectly affect the provisions applicable to this subchapter made by P.L.
17 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for
18 Wisconsin purposes at the same time as for federal purposes.

19 **SECTION 15.** 71.22 (4m) (L) of the statutes, as created by 1999 Wisconsin Act
20 9, is amended to read:

21 71.22 **(4m)** (L) For taxable years that begin after December 31, 1998, and
22 before January 1, 2000, “Internal Revenue Code”, for corporations that are subject
23 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
24 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,
25 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203

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1 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
2 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as indirectly affected
3 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
4 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
5 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.
6 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
7 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
8 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
9 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
10 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue
11 Code applies for Wisconsin purposes at the same time as for federal purposes.
12 Amendments to the Internal Revenue Code enacted after December 31, 1998, do not
13 apply to this paragraph with respect to taxable years beginning after
14 December 31, 1998, and before January 1, 2000, except that changes to the Internal
15 Revenue Code made by P.L. 106–36 and P.L. 106–170 and changes that indirectly
16 affect the provisions applicable to this subchapter made by P.L. 106–36 and P.L.
17 106–170 apply for Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 16.** 71.22 (4m) (m) of the statutes is created to read:

19 71.22 (4m) (m) For taxable years that begin after December 31, 1999, “Internal
20 Revenue Code”, for corporations that are subject to a tax on unrelated business
21 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended
22 to December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections
23 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, and sections 1123
24 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected
25 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.

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1 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
2 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.
3 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
4 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
5 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
6 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
7 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue Code
8 applies for Wisconsin purposes at the same time as for federal purposes.
9 Amendments to the Internal Revenue Code enacted after December 31, 1999, do not
10 apply to this paragraph with respect to taxable years beginning after
11 December 31, 1999.

12 **SECTION 17.** 71.26 (2) (b) 6. of the statutes, as affected by 1999 Wisconsin Act
13 9, is repealed.

14 **SECTION 18.** 71.26 (2) (b) 12. of the statutes, as affected by 1999 Wisconsin Act
15 9, is amended to read:

16 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and
17 before January 1, 1998, for a corporation, conduit or common law trust which
18 qualifies as a regulated investment company, real estate mortgage investment
19 conduit, real estate investment trust or financial asset securitization investment
20 trust under the Internal Revenue Code as amended to December 31, 1996, excluding
21 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174
22 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605
23 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and
24 P.L. 105–277 and P.L. 106–36, and as indirectly affected in the provisions applicable
25 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.

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1 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
2 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
3 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.
4 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
5 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
6 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36,
7 “net income” means the federal regulated investment company taxable income,
8 federal real estate mortgage investment conduit taxable income, federal real estate
9 investment trust or financial asset securitization investment trust taxable income
10 of the corporation, conduit or trust as determined under the Internal Revenue Code
11 as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.
12 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and
13 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188 and as amended
14 by P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36, and as
15 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
16 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
17 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
18 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
19 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
20 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
21 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206
22 and, P.L. 105–277 and P.L. 106–36, except that property that, under s. 71.02 (1) (c)
23 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
24 under the Internal Revenue Code as amended to December 31, 1980, shall continue
25 to be depreciated under the Internal Revenue Code as amended to

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1 December 31, 1980, and except that the appropriate amount shall be added or
2 subtracted to reflect differences between the depreciation or adjusted basis for
3 federal income tax purposes and the depreciation or adjusted basis under this
4 chapter of any property disposed of during the taxable year. The Internal Revenue
5 Code as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.
6 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66,
7 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as
8 amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and P.L.
9 106–36, and as indirectly affected in the provisions applicable to this subchapter by
10 P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
11 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.
12 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
13 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
14 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),
15 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
16 105–34, P.L. 105–206 and P.L. 105–277 and P.L. 106–36, applies for Wisconsin
17 purposes at the same time as for federal purposes. Amendments to the Internal
18 Revenue Code enacted after December 31, 1996, do not apply to this subdivision with
19 respect to taxable years that begin after December 31, 1996, and before
20 January 1, 1998, except that changes to the Internal Revenue Code made by P.L.
21 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and P.L. 106–36 and changes
22 that indirectly affect the provisions applicable to this subchapter made by P.L.
23 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and P.L. 106–36 apply for
24 Wisconsin purposes at the same time as for federal purposes.

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1 **SECTION 19.** 71.26 (2) (b) 13. of the statutes, as affected by 1999 Wisconsin Act
2 9, is amended to read:

3 71.26 **(2)** (b) 13. For taxable years that begin after December 31, 1997, and
4 before January 1, 1999, for a corporation, conduit or common law trust which
5 qualifies as a regulated investment company, real estate mortgage investment
6 conduit, real estate investment trust or financial asset securitization investment
7 trust under the Internal Revenue Code as amended to December 31, 1997, excluding
8 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174
9 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605
10 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277,
11 P.L. 106–36 and P.L. 106–170, and as indirectly affected in the provisions applicable
12 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
13 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
14 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
15 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.
16 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
17 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
18 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277,
19 P.L. 106–36 and P.L. 106–170, “net income” means the federal regulated investment
20 company taxable income, federal real estate mortgage investment conduit taxable
21 income, federal real estate investment trust or financial asset securitization
22 investment trust taxable income of the corporation, conduit or trust as determined
23 under the Internal Revenue Code as amended to December 31, 1997, excluding
24 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174
25 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605

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1 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277,
2 P.L. 106–36 and P.L. 106–170, and as indirectly affected in the provisions applicable
3 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
4 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
5 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
6 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.
7 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
8 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
9 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277,
10 P.L. 106–36 and P.L. 106–170, except that property that, under s. 71.02 (1) (c) 8. to
11 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under
12 the Internal Revenue Code as amended to December 31, 1980, shall continue to be
13 depreciated under the Internal Revenue Code as amended to December 31, 1980,
14 and except that the appropriate amount shall be added or subtracted to reflect
15 differences between the depreciation or adjusted basis for federal income tax
16 purposes and the depreciation or adjusted basis under this chapter of any property
17 disposed of during the taxable year. The Internal Revenue Code as amended to
18 December 31, 1997, excluding sections 103, 104 and 110 of P.L. 102–227, sections
19 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, and sections 1123
20 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as amended by P.L.
21 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, and as
22 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
23 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
24 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
25 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),

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1 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
2 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
3 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
4 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, applies for Wisconsin
5 purposes at the same time as for federal purposes. Amendments to the Internal
6 Revenue Code enacted after December 31, 1997, do not apply to this subdivision with
7 respect to taxable years that begin after December 31, 1997, and before
8 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.
9 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 and changes
10 that indirectly affect the provisions applicable to this subchapter made by P.L.
11 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for
12 Wisconsin purposes at the same time as for federal purposes.

13 **SECTION 20.** 71.26 (2) (b) 14. of the statutes, as created by 1999 Wisconsin Act
14 9, is amended to read:

15 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and
16 before January 1, 2000, for a corporation, conduit or common law trust which
17 qualifies as a regulated investment company, real estate mortgage investment
18 conduit, real estate investment trust or financial asset securitization investment
19 trust under the Internal Revenue Code as amended to December 31, 1998, excluding
20 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174
21 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605
22 (d) of P.L. 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as
23 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
24 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
25 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.

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1 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
2 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
3 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
4 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
5 P.L. 105–206 and P.L. 105–277, P.L. 106–36 and P.L. 106–170, “net income” means
6 the federal regulated investment company taxable income, federal real estate
7 mortgage investment conduit taxable income, federal real estate investment trust
8 or financial asset securitization investment trust taxable income of the corporation,
9 conduit or trust as determined under the Internal Revenue Code as amended to
10 December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102–227, sections
11 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),
12 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36
13 and P.L. 106–170, and as indirectly affected in the provisions applicable to this
14 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
15 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104
16 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
17 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
18 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
19 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
20 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and P.L. 105–277, P.L. 106–36 and
21 P.L. 106–170, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,
22 is required to be depreciated for taxable years 1983 to 1986 under the Internal
23 Revenue Code as amended to December 31, 1980, shall continue to be depreciated
24 under the Internal Revenue Code as amended to December 31, 1980, and except that
25 the appropriate amount shall be added or subtracted to reflect differences between

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1 the depreciation or adjusted basis for federal income tax purposes and the
2 depreciation or adjusted basis under this chapter of any property disposed of during
3 the taxable year. The Internal Revenue Code as amended to December 31, 1998,
4 excluding sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171
5 (d), 13174 and 13203 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311
6 and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and
7 as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514,
8 P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,
9 P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
10 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
11 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
12 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
13 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
14 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, applies for Wisconsin
15 purposes at the same time as for federal purposes. Amendments to the Internal
16 Revenue Code enacted after December 31, 1998, do not apply to this subdivision with
17 respect to taxable years that begin after December 31, 1998, and before
18 January 1, 2000, except that changes to the Internal Revenue Code made by P.L.
19 106–36 and P.L. 106–170 and changes that indirectly affect the provisions applicable
20 to this subchapter made by P.L. 106–36 and P.L. 106–170 apply for Wisconsin
21 purposes at the same time as for federal purposes.

22 **SECTION 21.** 71.26 (2) (b) 15. of the statutes is created to read:

23 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, for a
24 corporation, conduit or common law trust which qualifies as a regulated investment
25 company, real estate mortgage investment conduit, real estate investment trust or

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1 financial asset securitization investment trust under the Internal Revenue Code as
2 amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227,
3 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections
4 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly
5 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
6 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,
7 P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.
8 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
9 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
10 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
11 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
12 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170, “net income” means the
13 federal regulated investment company taxable income, federal real estate mortgage
14 investment conduit taxable income, federal real estate investment trust or financial
15 asset securitization investment trust taxable income of the corporation, conduit or
16 trust as determined under the Internal Revenue Code as amended to December 31,
17 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d),
18 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204
19 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected in the provisions
20 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
21 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
22 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
23 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
24 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
25 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.

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1 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
2 105–277, P.L. 106–36 and P.L. 106–170, except that property that, under s. 71.02 (1)
3 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
4 under the Internal Revenue Code as amended to December 31, 1980, shall continue
5 to be depreciated under the Internal Revenue Code as amended to
6 December 31, 1980, and except that the appropriate amount shall be added or
7 subtracted to reflect differences between the depreciation or adjusted basis for
8 federal income tax purposes and the depreciation or adjusted basis under this
9 chapter of any property disposed of during the taxable year. The Internal Revenue
10 Code as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.
11 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66,
12 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as
13 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
14 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
15 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
16 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
17 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
18 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
19 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
20 P.L. 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170, applies for Wisconsin
21 purposes at the same time as for federal purposes. Amendments to the Internal
22 Revenue Code enacted after December 31, 1999, do not apply to this subdivision with
23 respect to taxable years that begin after December 31, 1999.

24 **SECTION 22.** 71.26 (3) (y) of the statutes, as affected by 1999 Wisconsin Act 9,
25 is amended to read:

ASSEMBLY BILL 860**SECTION 22**

1 71.26 **(3)** (y) A corporation may compute amortization and depreciation under
2 either the federal Internal Revenue Code as amended to December 31, ~~1998~~ 1999,
3 or the federal Internal Revenue Code in effect for the taxable year for which the
4 return is filed, except that property first placed in service by the taxpayer on or after
5 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
6 1985 stats., is required to be depreciated under the Internal Revenue Code as
7 amended to December 31, 1980, and property first placed in service in taxable year
8 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
9 stats., is required to be depreciated under the Internal Revenue Code as amended
10 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
11 Code as amended to December 31, 1980.

12 **SECTION 23.** 71.34 (1g) (f) of the statutes, as affected by 1999 Wisconsin Act 9,
13 is repealed.

14 **SECTION 24.** 71.34 (1g) (L) of the statutes, as affected by 1999 Wisconsin Act
15 9, is amended to read:

16 71.34 **(1g)** (L) “Internal Revenue Code” for tax-option corporations, for taxable
17 years that begin after December 31, 1996, and before January 1, 1998, means the
18 federal Internal Revenue Code as amended to December 31, 1996, excluding
19 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174
20 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605
21 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and,
22 P.L. 105–277 and P.L. 106–36, and as indirectly affected in the provisions applicable
23 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803
24 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514 and section
25 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,

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1 P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
2 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
3 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
4 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
5 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206
6 and, P.L. 105–277 and P.L. 106–36, except that section 1366 (f) (relating to
7 pass-through of items to shareholders) is modified by substituting the tax under s.
8 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies
9 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
10 federal Internal Revenue Code enacted after December 31, 1996, do not apply to this
11 paragraph with respect to taxable years beginning after December 31, 1996, and
12 before January 1, 1998, except that changes to the Internal Revenue Code made by
13 P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36 and
14 changes that indirectly affect the provisions applicable to this subchapter made by
15 P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36, apply for
16 Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 25.** 71.34 (1g) (m) of the statutes, as affected by 1999 Wisconsin Act
18 9, is amended to read:

19 71.34 **(1g)** (m) “Internal Revenue Code” for tax-option corporations, for taxable
20 years that begin after December 31, 1997, and before January 1, 1999, means the
21 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
22 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and
23 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
24 of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277,
25 P.L. 106–36 and P.L. 106–170, and as indirectly affected in the provisions applicable

ASSEMBLY BILL 860**SECTION 25**

1 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803
2 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514 and section
3 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,
4 P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
5 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
6 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
7 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
8 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
9 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, except that section
10 1366 (f) (relating to pass-through of items to shareholders) is modified by
11 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
12 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
13 purposes. Amendments to the federal Internal Revenue Code enacted after
14 December 31, 1997, do not apply to this paragraph with respect to taxable years
15 beginning after December 31, 1997, and before January 1, 1999, except that
16 changes to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206 and, P.L.
17 105–277, P.L. 106–36 and P.L. 106–170 and changes that indirectly affect the
18 provisions applicable to this subchapter made by P.L. 105–178, P.L. 105–206 and,
19 P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for Wisconsin purposes at the same
20 time as for federal purposes.

21 **SECTION 26.** 71.34 (1g) (n) of the statutes, as created by 1999 Wisconsin Act 9,
22 is amended to read:

23 71.34 **(1g)** (n) “Internal Revenue Code” for tax-option corporations, for taxable
24 years that begin after December 31, 1998, and before January 1, 2000, means the
25 federal Internal Revenue Code as amended to December 31, 1998, excluding sections

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1 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and
2 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
3 of P.L. 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as indirectly
4 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
5 P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and
6 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.
7 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
8 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
9 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.
10 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
11 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
12 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277,
13 P.L. 106–36 and P.L. 106–170, except that section 1366 (f) (relating to pass-through
14 of items to shareholders) is modified by substituting the tax under s. 71.35 for the
15 taxes under sections 1374 and 1375. The Internal Revenue Code applies for
16 Wisconsin purposes at the same time as for federal purposes. Amendments to the
17 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this
18 paragraph with respect to taxable years beginning after December 31, 1998, and
19 before January 1, 2000, except that changes to the Internal Revenue Code made by
20 P.L. 106–36 and P.L. 106–170 and changes that indirectly affect the provisions
21 applicable to this subchapter made by P.L. 106–36 and P.L. 106–170 apply for
22 Wisconsin purposes at the same time as for federal purposes.

23 **SECTION 27.** 71.34 (1g) (o) of the statutes is created to read:

24 71.34 (1g) (o) “Internal Revenue Code” for tax-option corporations, for taxable
25 years that begin after December 31, 1999, means the federal Internal Revenue Code

ASSEMBLY BILL 860**SECTION 27**

1 as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.
2 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and
3 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as
4 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
5 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
6 (b) (2) and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L.
7 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
8 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
9 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
10 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
11 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.
12 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
13 105–277, P.L. 106–36 and P.L. 106–170, except that section 1366 (f) (relating to
14 pass-through of items to shareholders) is modified by substituting the tax under s.
15 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies
16 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
17 federal Internal Revenue Code enacted after December 31, 1999, do not apply to this
18 paragraph with respect to taxable years beginning after December 31, 1999.

19 **SECTION 28.** 71.365 (1m) of the statutes, as affected by 1999 Wisconsin Act 9,
20 is amended to read:

21 **71.365 (1m) TAX-OPTION CORPORATIONS; DEPRECIATION.** A tax-option corporation
22 may compute amortization and depreciation under either the federal Internal
23 Revenue Code as amended to December 31, ~~1998~~ 1999, or the federal Internal
24 Revenue Code in effect for the taxable year for which the return is filed, except that
25 property first placed in service by the taxpayer on or after January 1, 1983, but

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1 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required
2 to be depreciated under the Internal Revenue Code as amended to
3 December 31, 1980, and property first placed in service in taxable year 1981 or
4 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is
5 required to be depreciated under the Internal Revenue Code as amended to
6 December 31, 1980, shall continue to be depreciated under the Internal Revenue
7 Code as amended to December 31, 1980. Any difference between the adjusted basis
8 for federal income tax purposes and the adjusted basis under this chapter shall be
9 taken into account in determining net income or loss in the year or years for which
10 the gain or loss is reportable under this chapter. If that property was placed in
11 service by the taxpayer during taxable year 1986 and thereafter but before the
12 property is used in the production of income subject to taxation under this chapter,
13 the property's adjusted basis and the depreciation or other deduction schedule are
14 not required to be changed from the amount allowable on the owner's federal income
15 tax returns for any year because the property is used in the production of income
16 subject to taxation under this chapter. If that property was acquired in a transaction
17 in taxable year 1986 or thereafter in which the adjusted basis of the property in the
18 hands of the transferee is the same as the adjusted basis of the property in the hands
19 of the transferor, the Wisconsin adjusted basis of that property on the date of transfer
20 is the adjusted basis allowable under the Internal Revenue Code as defined for
21 Wisconsin purposes for the property in the hands of the transferor.

22 **SECTION 29.** 71.42 (2) (e) of the statutes, as affected by 1999 Wisconsin Act 9,
23 is repealed.

24 **SECTION 30.** 71.42 (2) (k) of the statutes, as affected by 1999 Wisconsin Act 9,
25 is amended to read:

ASSEMBLY BILL 860**SECTION 30**

1 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
2 January 1, 1998, “Internal Revenue Code” means the federal Internal Revenue Code
3 as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.
4 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and
5 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as
6 amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and P.L.
7 106–36, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
8 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
9 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
10 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
11 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
12 excluding sections 1123 (b), 1202 (c) 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.
13 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and
14 P.L. 106–36, except that “Internal Revenue Code” does not include section 847 of the
15 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
16 purposes at the same time as for federal purposes. Amendments to the federal
17 Internal Revenue Code enacted after December 31, 1996, do not apply to this
18 paragraph with respect to taxable years beginning after December 31, 1996, and
19 before January 1, 1998, except that changes to the Internal Revenue Code made by
20 P.L. 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and P.L. 106–36 and
21 changes that indirectly affect the provisions applicable to this subchapter made by
22 P.L. 105–33, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and P.L. 106–36, apply for
23 Wisconsin purposes at the same time as for federal purposes.

24 **SECTION 31.** 71.42 (2) (L) of the statutes, as affected by 1999 Wisconsin Act 9,
25 is amended to read:

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1 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
2 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code
3 as amended to December 31, 1997, excluding sections 103, 104 and 110 of P.L.
4 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and
5 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as
6 amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L.
7 106–170, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
8 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
9 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
10 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
11 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
12 excluding sections 1123 (b), 1202 (c) 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.
13 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and,
14 P.L. 105–277, P.L. 106–36 and P.L. 106–170, except that “Internal Revenue Code”
15 does not include section 847 of the federal Internal Revenue Code. The Internal
16 Revenue Code applies for Wisconsin purposes at the same time as for federal
17 purposes. Amendments to the federal Internal Revenue Code enacted after
18 December 31, 1997, do not apply to this paragraph with respect to taxable years
19 beginning after December 31, 1997, and before January 1, 1999, except that
20 changes to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206 and, P.L.
21 105–277, P.L. 106–36 and P.L. 106–170 and changes that indirectly affect the
22 provisions applicable to this subchapter made by P.L. 105–178, P.L. 105–206 and,
23 P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for Wisconsin purposes at the same
24 time as for federal purposes.

ASSEMBLY BILL 860**SECTION 32**

1 **SECTION 32.** 71.42 (2) (m) of the statutes, as created by 1999 Wisconsin Act 9,
2 is amended to read:

3 71.42 **(2)** (m) For taxable years that begin after December 31, 1998, and before
4 January 1, 2000, “Internal Revenue Code” means the federal Internal Revenue Code
5 as amended to December 31, 1998, excluding sections 103, 104 and 110 of P.L.
6 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and
7 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as
8 amended by P.L. 106–36 and P.L. 106–170, and as indirectly affected by P.L. 99–514,
9 P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,
10 P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.
11 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
12 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
13 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311 and 1605 (d)
14 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
15 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, except that “Internal
16 Revenue Code” does not include section 847 of the federal Internal Revenue Code.
17 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
18 federal purposes. Amendments to the federal Internal Revenue Code enacted after
19 December 31, 1998, do not apply to this paragraph with respect to taxable years
20 beginning after December 31, 1998, and before January 1, 2000, except that
21 changes to the Internal Revenue Code made by P.L. 106–36 and P.L. 106–170 and
22 changes that indirectly affect the provisions applicable to this subchapter made by
23 P.L. 106–36 and P.L. 106–170 apply for Wisconsin purposes at the same time as for
24 federal purposes.

25 **SECTION 33.** 71.42 (2) (n) of the statutes is created to read:

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1 71.42 (2) (n) For taxable years that begin after December 31, 1999, “Internal
2 Revenue Code” means the federal Internal Revenue Code as amended to
3 December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections
4 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),
5 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected by P.L.
6 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
7 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.
8 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
9 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
10 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311
11 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34,
12 P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170, except that
13 “Internal Revenue Code” does not include section 847 of the federal Internal Revenue
14 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time
15 as for federal purposes. Amendments to the federal Internal Revenue Code enacted
16 after December 31, 1999, do not apply to this paragraph with respect to taxable years
17 beginning after December 31, 1999.

18 **SECTION 34.** 71.45 (2) (a) 13. of the statutes, as affected by 1999 Wisconsin Act
19 9, is amended to read:

20 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference
21 between the depreciation deduction under the federal Internal Revenue Code as
22 amended to December 31, ~~1998~~ 1999 and the depreciation deduction under the
23 federal Internal Revenue Code in effect for the taxable year for which the return is
24 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,
25 except that property first placed in service by the taxpayer on or after

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1 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
2 1985 stats., is required to be depreciated under the Internal Revenue Code as
3 amended to December 31, 1980, and property first placed in service in taxable year
4 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
5 stats., is required to be depreciated under the Internal Revenue Code as amended
6 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
7 Code as amended to December 31, 1980.

8 **SECTION 35.** 71.67 (5m) of the statutes is created to read:

9 71.67 **(5m)** A person that purchases an assignment of a lottery prize shall
10 withhold from the amount of any payment made to purchase the assignment the
11 amount that is determined by multiplying the amount of the payment by the highest
12 rate applicable to individuals under s. 71.06 (1) (a) to (c), (1m), (1n) or (1p).
13 Subsection (5) (b), (c) and (d), as it applies to the amounts withheld under sub. (5) (a),
14 applies to the amount withheld under this subsection.

15 **SECTION 36.** 565.01 (2m) of the statutes is created to read:

16 565.01 **(2m)** “Federal income tax number” means either a taxpayer
17 identification number or a federal employer identification number, as required by
18 the internal revenue service.

19 **SECTION 37.** 565.30 (5) of the statutes, as affected by 1999 Wisconsin Act 9, is
20 amended to read:

21 565.30 **(5)** WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS
22 OWED THE STATE. The administrator shall report the name, address and social security
23 number or federal income tax number of each winner of a lottery prize equal to or
24 greater than \$1,000 and the name, address and social security number or federal
25 income tax number of each person to whom a lottery prize equal to or greater than

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1 \$1,000 has been assigned to the department of revenue to determine whether the
2 payee or assignee of the prize is delinquent in the payment of state taxes under ch.
3 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child
4 support or has a debt owing to the state. Upon receipt of a report under this
5 subsection, the department of revenue shall first ascertain based on certifications by
6 the department of workforce development or its designee under s. 49.855 (1) whether
7 any person named in the report is currently delinquent in court-ordered payment
8 of child support and shall next certify to the administrator whether any person
9 named in the report is delinquent in court-ordered payment of child support or
10 payment of state taxes under ch. 71, 72, 76, 77, 78 or 139. Upon this certification by
11 the department of revenue or upon court order the administrator shall withhold the
12 certified amount and send it to the department of revenue for remittance to the
13 appropriate agency or person. At the time of remittance, the department of revenue
14 shall charge its administrative expenses to the state agency that has received the
15 remittance. The administrative expenses received by the department of revenue
16 shall be credited to the appropriation under s. 20.566 (1) (h). In instances in which
17 the payee or assignee of the prize is delinquent both in payments for state taxes and
18 in court-ordered payments of child support, or is delinquent in one or both of these
19 payments and has a debt owing to the state, the amount remitted to the appropriate
20 agency or person shall be in proportion to the prize amount as is the delinquency or
21 debt owed by the payee or assignee.

22 **SECTION 38.** 565.30 (6r) (c) 10. of the statutes is created to read:

23 565.30 **(6r)** (c) 10. The individual or organization to whom part or all of the
24 lottery prize is assigned specifies in an affidavit that the individual or organization
25 agrees to withhold from any payment made to an assignor for the assignment of a

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1 lottery prize the amount calculated under s. 71.67 (5m) and agrees to deposit that
2 amount as required under s. 71.67 (5m).

3 **SECTION 39. Initial applicability.**

4 (1) DEPRECIATION DEDUCTIONS. The treatment of sections 71.01 (7r), 71.26 (3) (y),
5 71.365 (1m) and 71.45 (2) (a) 13. of the statutes first applies to property placed in
6 service in taxable years beginning on January 1, 2000.

7 (2) LOTTERY PRIZE ASSIGNMENT. The creation of section 565.30 (6r) (c) 10. of the
8 statutes first applies to court orders issued on the effective date of this subsection.

9 (END)