

## 1999 ASSEMBLY BILL 860

March 8, 2000 – Introduced by Representative GARD, cosponsored by Senator BURKE, by request of Department of Revenue. Referred to Joint survey committee on Tax Exemptions.

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

**ASSEMBLY BILL 860**

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***

***Taxation***

This bill adopts, for income tax and franchise tax purposes, the changes to the federal Internal Revenue Code made by Public Laws 106–36 and 106–170. The changes are adopted for all taxable years for which the changes apply for federal income tax purposes.

***Gambling***

Under current law, a lottery prizewinner may make a voluntary assignment of all or part of that lottery prize to a person. This person is called the assignee. An assignment is only valid if a court issues an order confirming that certain requirements have been met, including that the assignee has specified in an affidavit that the assignee will pay taxes on the assigned prize. Under current law, an assignee who buys the rights to a lottery prize is not required to withhold income taxes from the amount the assignee pays to the lottery prizewinner to purchase the rights to the prize.

Under this bill, an assignee is required to withhold income taxes from the amount the assignee pays to the lottery prizewinner to purchase the rights to the prize. In addition, this bill requires that before an assignment can be valid the court order must confirm that the assignee has specified in an affidavit that the assignee will withhold income taxes from the amount the assignee pays to the lottery prizewinner.

Also under current law, the department of revenue (DOR) is required to withhold from the payment of a lottery prize to an assignee any delinquent state taxes, court-ordered child support, spousal support, maintenance or family support, court-ordered fines or other debt owed to the state. The lottery administrator is required to report the name, address and social security number of all assignees to DOR so that DOR may, in consultation with the department of workforce development, determine the necessary withholdings, if any. This bill requires the lottery administrator to report the federal income tax number of an assignee, if any, to DOR.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

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

**ASSEMBLY BILL 860**

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

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

5           71.01 **(6)** (L) For taxable years that begin after December 31, 1996, and before  
6 January 1, 1998, for natural persons and fiduciaries, except fiduciaries of nuclear  
7 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal  
8 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,  
9 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
10 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
11 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L.  
12 105–277 and P.L. 106–36, and as indirectly affected by P.L. 99–514, P.L. 100–203,  
13 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280,  
14 P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.  
15 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150  
16 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.  
17 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188, excluding sections 1123 (b), 1202  
18 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
19 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36. The Internal  
20 Revenue Code applies for Wisconsin purposes at the same time as for federal  
21 purposes. Amendments to the federal Internal Revenue Code enacted after  
22 December 31, 1996, do not apply to this paragraph with respect to taxable years  
23 beginning after December 31, 1996, and before January 1, 1998, except that  
24 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.  
25 105–206 and, P.L. 105–277 and P.L. 106–36 and changes that indirectly affect the

**ASSEMBLY BILL 860****SECTION 2**

1 provisions applicable to this subchapter made by P.L. 105–33, P.L. 105–34, P.L.  
2 105–206 and, P.L. 105–277 and P.L. 106–36 apply for Wisconsin purposes at the same  
3 time as for federal purposes.

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

6 71.01 **(6)** (m) For taxable years that begin after December 31, 1997, and before  
7 January 1, 1999, for natural persons and fiduciaries, except fiduciaries of nuclear  
8 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal  
9 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
10 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
11 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
12 104–188, and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L.  
13 106–36 and P.L. 106–170, and as indirectly affected by P.L. 99–514, P.L. 100–203,  
14 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280,  
15 P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.  
16 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150  
17 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.  
18 103–465, P.L. 104–7, P.L. 104–117, 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. The Internal Revenue Code applies for Wisconsin purposes at the  
22 same time as for federal purposes. Amendments to the federal Internal Revenue  
23 Code enacted after December 31, 1997, do not apply to this paragraph with respect  
24 to taxable years beginning after December 31, 1997, and before January 1, 1999,  
25 except that changes to the Internal Revenue Code made by P.L. 105–178, P.L.

**ASSEMBLY BILL 860**

1 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 and changes that  
2 indirectly affect the provisions applicable to this subchapter made by P.L. 105–178,  
3 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for Wisconsin  
4 purposes at the same time as for federal purposes.

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

7 71.01 **(6)** (n) For taxable years that begin after December 31, 1998, and before  
8 January 1, 2000, 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, 1998, 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. 106–36 and P.L. 106–170, and as indirectly affected  
14 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,  
15 P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding  
16 sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66,  
17 excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66,  
18 P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188,  
19 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.  
20 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and,  
21 P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue Code applies for  
22 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
23 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this  
24 paragraph with respect to taxable years beginning after December 31, 1998, and  
25 before January 1, 2000, except that changes to the Internal Revenue Code made by

**ASSEMBLY BILL 860****SECTION 4**

1 P.L. 106-36 and P.L. 106-170 and changes that indirectly affect the provisions  
2 applicable to this subchapter made by P.L. 106-36 and P.L. 106-170 apply for  
3 Wisconsin purposes at the same time as for federal purposes.

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

5 71.01 **(6)** (o) For taxable years that begin after December 31, 1999, for natural  
6 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or  
7 reserve funds, “Internal Revenue Code” means the federal Internal Revenue Code  
8 as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.  
9 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and  
10 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
11 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
12 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L.  
13 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.  
14 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
15 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.  
16 104-117, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
17 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
18 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170. The Internal  
19 Revenue Code applies for Wisconsin purposes at the same time as for federal  
20 purposes. Amendments to the federal Internal Revenue Code enacted after  
21 December 31, 1999, do not apply to this paragraph with respect to taxable years  
22 beginning after December 31, 1999.

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

**ASSEMBLY BILL 860**

1           71.01 **(7r)** Notwithstanding sub. (6), for purposes of computing amortization  
2 or depreciation, “Internal Revenue Code” means either the federal Internal Revenue  
3 Code as amended to December 31, ~~1998~~ 1999, or the federal Internal Revenue Code  
4 in effect for the taxable year for which the return is filed, except that property that,  
5 under s. 71.02 (2) (d) 12., 1985 stats., is required to be depreciated for taxable year  
6 1986 under the Internal Revenue Code as amended to December 31, 1980, shall  
7 continue to be depreciated under the Internal Revenue Code as amended to  
8 December 31, 1980.

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

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

13           71.22 **(4)** (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
14 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
15 December 31, 1996, and before January 1, 1998, means the federal Internal  
16 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and  
17 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
18 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188,  
19 and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 ~~and~~ P.L. 105–277 and P.L.  
20 106–36, and as indirectly affected in the provisions applicable to this subchapter by  
21 P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2),  
22 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L.  
23 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.  
24 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.  
25 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and



**ASSEMBLY BILL 860****SECTION 8**

1 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.  
2 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
3 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and,  
4 P.L. 105–277 and P.L. 106–36. The Internal Revenue Code applies for Wisconsin  
5 purposes at the same time as for federal purposes. Amendments to the federal  
6 Internal Revenue Code enacted after December 31, 1996, do not apply to this  
7 paragraph with respect to taxable years beginning after December 31, 1996, and  
8 before January 1, 1998, except that changes to the Internal Revenue Code made by  
9 P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36 and  
10 changes that indirectly affect the provisions applicable to this subchapter made by  
11 P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36 apply for  
12 Wisconsin purposes at the same time as for federal purposes.

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

15 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
16 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
17 December 31, 1997, and before January 1, 1999, means the federal Internal  
18 Revenue Code as amended to December 31, 1997, excluding sections 103, 104 and  
19 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
20 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188,  
21 and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and  
22 P.L. 106–170, and as indirectly affected in the provisions applicable to this  
23 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2)  
24 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514 and section 1008  
25 (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.



**ASSEMBLY BILL 860**

1 101–508, 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. 105–178,  
6 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue  
7 Code applies for Wisconsin purposes at the same time as for federal purposes.  
8 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,  
9 do not apply to this paragraph with respect to taxable years beginning after  
10 December 31, 1997, and before January 1, 1999, except that changes to the Internal  
11 Revenue Code made by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36  
12 and P.L. 106–170 and changes that indirectly affect the provisions applicable to this  
13 subchapter made by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and  
14 P.L. 106–170 apply for Wisconsin purposes at the same time as for federal purposes.

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

17 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
18 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
19 December 31, 1998, and before January 1, 2000, means the federal Internal Revenue  
20 Code as amended to December 31, 1998, excluding sections 103, 104 and 110 of P.L.  
21 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and  
22 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as  
23 amended by P.L. 106–36 and P.L. 106–170, and as indirectly affected in the  
24 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647  
25 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of

**ASSEMBLY BILL 860****SECTION 10**

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

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

17 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
18 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
19 December 31, 1999, means the federal Internal Revenue Code as amended to  
20 December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections  
21 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),  
22 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected in the  
23 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647  
24 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of  
25 P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.

**ASSEMBLY BILL 860**

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

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

13 **SECTION 13.** 71.22 (4m) (j) of the statutes, as affected by 1999 Wisconsin Act  
14 9, is amended to read:

15 71.22 **(4m)** (j) For taxable years that begin after December 31, 1996, and before  
16 January 1, 1998, “Internal Revenue Code”, for corporations that are subject to a tax  
17 on unrelated business income under s. 71.26 (1) (a), means the federal Internal  
18 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and  
19 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
20 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188  
21 and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L.  
22 106–36, and as indirectly affected in the provisions applicable to this subchapter by  
23 P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,  
24 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.  
25 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150

**ASSEMBLY BILL 860****SECTION 13**

1 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.  
2 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
3 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.  
4 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36. The Internal Revenue Code  
5 applies for Wisconsin purposes at the same time as for federal purposes.  
6 Amendments to the Internal Revenue Code enacted after December 31, 1996, do not  
7 apply to this paragraph with respect to taxable years beginning after  
8 December 31, 1996, and before January 1, 1998, except that changes to the Internal  
9 Revenue Code made by P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and  
10 P.L. 106–36 and changes that indirectly affect provisions applicable to this  
11 subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and  
12 P.L. 106–36, apply for Wisconsin purposes at the same time as for federal purposes.

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

15 71.22 **(4m)** (k) For taxable years that begin after December 31, 1997, and  
16 before January 1, 1999, “Internal Revenue Code”, for corporations that are subject  
17 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
18 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
19 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
20 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
21 104–188, and as amended by P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L.  
22 106–36 and P.L. 106–170, and as indirectly affected in the provisions applicable to  
23 this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.  
24 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
25 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding

**ASSEMBLY BILL 860**

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

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

16 71.22 (4m) (L) For taxable years that begin after December 31, 1998, and  
17 before January 1, 2000, “Internal Revenue Code”, for corporations that are subject  
18 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
19 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,  
20 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
21 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
22 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as indirectly affected  
23 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.  
24 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.  
25 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.

**ASSEMBLY BILL 860**

1 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
2 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.  
3 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
4 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
5 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue  
6 Code applies for Wisconsin purposes at the same time as for federal purposes.  
7 Amendments to the Internal Revenue Code enacted after December 31, 1998, do not  
8 apply to this paragraph with respect to taxable years beginning after  
9 December 31, 1998, and before January 1, 2000, except that changes to the Internal  
10 Revenue Code made by P.L. 106–36 and P.L. 106–170 and changes that indirectly  
11 affect the provisions applicable to this subchapter made by P.L. 106–36 and P.L.  
12 106–170 apply for Wisconsin purposes at the same time as for federal purposes.

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

14 71.22 (4m) (m) For taxable years that begin after December 31, 1999, “Internal  
15 Revenue Code”, for corporations that are subject to a tax on unrelated business  
16 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended  
17 to December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections  
18 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, and sections 1123  
19 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected  
20 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.  
21 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.  
22 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.  
23 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
24 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.  
25 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.

**ASSEMBLY BILL 860**

1 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
2 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170. The Internal Revenue Code  
3 applies for Wisconsin purposes at the same time as for federal purposes.  
4 Amendments to the Internal Revenue Code enacted after December 31, 1999, do not  
5 apply to this paragraph with respect to taxable years beginning after  
6 December 31, 1999.

7 **SECTION 17.** 71.26 (2) (b) 6. of the statutes, as affected by 1999 Wisconsin Act  
8 9, is repealed.

9 **SECTION 18.** 71.26 (2) (b) 12. of the statutes, as affected by 1999 Wisconsin Act  
10 9, is amended to read:

11 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and  
12 before January 1, 1998, for a corporation, conduit or common law trust which  
13 qualifies as a regulated investment company, real estate mortgage investment  
14 conduit, real estate investment trust or financial asset securitization investment  
15 trust under the Internal Revenue Code as amended to December 31, 1996, excluding  
16 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174  
17 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
18 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and,  
19 P.L. 105–277 and P.L. 106–36, and as indirectly affected in the provisions applicable  
20 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.  
21 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
22 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
23 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.  
24 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
25 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.



**ASSEMBLY BILL 860****SECTION 18**

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

**ASSEMBLY BILL 860**

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

20 **SECTION 19.** 71.26 (2) (b) 13. of the statutes, as affected by 1999 Wisconsin Act  
21 9, is amended to read:

22 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and  
23 before January 1, 1999, for a corporation, conduit or common law trust which  
24 qualifies as a regulated investment company, real estate mortgage investment  
25 conduit, real estate investment trust or financial asset securitization investment

**ASSEMBLY BILL 860****SECTION 19**

1 trust under the Internal Revenue Code as amended to December 31, 1997, excluding  
2 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174  
3 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
4 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206 and P.L. 105–277,  
5 P.L. 106–36 and P.L. 106–170, and as indirectly affected in the provisions applicable  
6 to this subchapter by P.L. 99–514, P.L. 100–203, 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, “net income” means the federal regulated investment  
14 company taxable income, federal real estate mortgage investment conduit taxable  
15 income, federal real estate investment trust or financial asset securitization  
16 investment trust taxable income of the corporation, conduit or trust as determined  
17 under the Internal Revenue Code as amended to December 31, 1997, excluding  
18 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174  
19 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
20 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206 and P.L. 105–277,  
21 P.L. 106–36 and P.L. 106–170, and as indirectly affected in the provisions applicable  
22 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.  
23 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
24 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
25 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.

**ASSEMBLY BILL 860**

1 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
2 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
3 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277,  
4 P.L. 106–36 and P.L. 106–170, except that property that, under s. 71.02 (1) (c) 8. to  
5 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under  
6 the Internal Revenue Code as amended to December 31, 1980, shall continue to be  
7 depreciated under the Internal Revenue Code as amended to December 31, 1980,  
8 and except that the appropriate amount shall be added or subtracted to reflect  
9 differences between the depreciation or adjusted basis for federal income tax  
10 purposes and the depreciation or adjusted basis under this chapter of any property  
11 disposed of during the taxable year. The Internal Revenue Code as amended to  
12 December 31, 1997, excluding sections 103, 104 and 110 of P.L. 102–227, sections  
13 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, and sections 1123  
14 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as amended 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 as  
16 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.  
17 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.  
18 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.  
19 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),  
20 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.  
21 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
22 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,  
23 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, applies for Wisconsin  
24 purposes at the same time as for federal purposes. Amendments to the Internal  
25 Revenue Code enacted after December 31, 1997, do not apply to this subdivision with

**ASSEMBLY BILL 860****SECTION 19**

1 respect to taxable years that begin after December 31, 1997, and before  
2 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.  
3 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170 and changes  
4 that indirectly affect the provisions applicable to this subchapter made by P.L.  
5 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170 apply for  
6 Wisconsin purposes at the same time as for federal purposes.

7 **SECTION 20.** 71.26 (2) (b) 14. of the statutes, as created by 1999 Wisconsin Act  
8 9, is amended to read:

9 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and  
10 before January 1, 2000, for a corporation, conduit or common law trust which  
11 qualifies as a regulated investment company, real estate mortgage investment  
12 conduit, real estate investment trust or financial asset securitization investment  
13 trust under the Internal Revenue Code as amended to December 31, 1998, excluding  
14 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
15 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
16 (d) of P.L. 104-188, and as amended by P.L. 106-36 and P.L. 106-170, and as  
17 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
18 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
19 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
20 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
21 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
22 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
23 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,  
24 P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170, “net income” means  
25 the federal regulated investment company taxable income, federal real estate

**ASSEMBLY BILL 860**

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

**ASSEMBLY BILL 860****SECTION 20**

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

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

17 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, for a  
18 corporation, conduit or common law trust which qualifies as a regulated investment  
19 company, real estate mortgage investment conduit, real estate investment trust or  
20 financial asset securitization investment trust under the Internal Revenue Code as  
21 amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227,  
22 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections  
23 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly  
24 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
25 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,



**ASSEMBLY BILL 860**

1 P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.  
2 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
3 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.  
4 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
5 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
6 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170, “net income” means the  
7 federal regulated investment company taxable income, federal real estate mortgage  
8 investment conduit taxable income, federal real estate investment trust or financial  
9 asset securitization investment trust taxable income of the corporation, conduit or  
10 trust as determined under the Internal Revenue Code as amended to December 31,  
11 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d),  
12 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204  
13 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected in the provisions  
14 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.  
15 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,  
16 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.  
17 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
18 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
19 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.  
20 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.  
21 105–277, P.L. 106–36 and P.L. 106–170, except that property that, under s. 71.02 (1)  
22 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
23 under the Internal Revenue Code as amended to December 31, 1980, shall continue  
24 to be depreciated under the Internal Revenue Code as amended to  
25 December 31, 1980, and except that the appropriate amount shall be added or

**ASSEMBLY BILL 860**

1 subtracted to reflect differences between the depreciation or adjusted basis for  
2 federal income tax purposes and the depreciation or adjusted basis under this  
3 chapter of any property disposed of during the taxable year. The Internal Revenue  
4 Code as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.  
5 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66,  
6 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as  
7 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.  
8 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.  
9 101–508, 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, 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, 1999, do not apply to this subdivision with  
17 respect to taxable years that begin after December 31, 1999.

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

20 71.26 (3) (y) A corporation may compute amortization and depreciation under  
21 either the federal Internal Revenue Code as amended to December 31, ~~1998~~ 1999,  
22 or the federal Internal Revenue Code in effect for the taxable year for which the  
23 return is filed, except that property first placed in service by the taxpayer on or after  
24 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),  
25 1985 stats., is required to be depreciated under the Internal Revenue Code as

**ASSEMBLY BILL 860**

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

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

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

10 71.34 **(1g)** (L) “Internal Revenue Code” for tax-option corporations, for taxable  
11 years that begin after December 31, 1996, and before January 1, 1998, means the  
12 federal Internal Revenue Code as amended to December 31, 1996, excluding  
13 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
14 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
15 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and,  
16 P.L. 105-277 and P.L. 106-36, and as indirectly affected in the provisions applicable  
17 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
18 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section  
19 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
20 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
21 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
22 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
23 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
24 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  
25 and, P.L. 105-277 and P.L. 106-36, except that section 1366 (f) (relating to

**ASSEMBLY BILL 860****SECTION 24**

1 pass-through of items to shareholders) is modified by substituting the tax under s.  
2 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies  
3 for Wisconsin purposes at the same time as for federal purposes. Amendments to the  
4 federal Internal Revenue Code enacted after December 31, 1996, do not apply to this  
5 paragraph with respect to taxable years beginning after December 31, 1996, and  
6 before January 1, 1998, except that changes to the Internal Revenue Code made by  
7 P.L. 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and P.L. 106-36 and  
8 changes that indirectly affect the provisions applicable to this subchapter made by  
9 P.L. 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and P.L. 106-36, apply for  
10 Wisconsin purposes at the same time as for federal purposes.

11 **SECTION 25.** 71.34 (1g) (m) of the statutes, as affected by 1999 Wisconsin Act  
12 9, is amended to read:

13 71.34 **(1g)** (m) “Internal Revenue Code” for tax-option corporations, for taxable  
14 years that begin after December 31, 1997, and before January 1, 1999, means the  
15 federal Internal Revenue Code as amended to December 31, 1997, excluding sections  
16 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and  
17 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
18 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277,  
19 P.L. 106-36 and P.L. 106-170, and as indirectly affected in the provisions applicable  
20 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
21 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section  
22 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
23 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
24 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
25 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.

**ASSEMBLY BILL 860**

1 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
2 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,  
3 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, except that section  
4 1366 (f) (relating to pass-through of items to shareholders) is modified by  
5 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The  
6 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
7 purposes. Amendments to the federal Internal Revenue Code enacted after  
8 December 31, 1997, do not apply to this paragraph with respect to taxable years  
9 beginning after December 31, 1997, and before January 1, 1999, except that  
10 changes to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206 and, P.L.  
11 105–277, P.L. 106–36 and P.L. 106–170 and changes that indirectly affect the  
12 provisions applicable to this subchapter made by P.L. 105–178, P.L. 105–206 and,  
13 P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for Wisconsin purposes at the same  
14 time as for federal purposes.

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

17 71.34 **(1g)** (n) “Internal Revenue Code” for tax-option corporations, for taxable  
18 years that begin after December 31, 1998, and before January 1, 2000, means the  
19 federal Internal Revenue Code as amended to December 31, 1998, excluding sections  
20 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and  
21 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
22 of P.L. 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as indirectly  
23 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
24 P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and  
25 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.

**ASSEMBLY BILL 860****SECTION 26**

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. 105–178, P.L. 105–206 and, P.L. 105–277,  
7 P.L. 106–36 and P.L. 106–170, except that section 1366 (f) (relating to pass-through  
8 of items to shareholders) is modified by substituting the tax under s. 71.35 for the  
9 taxes under sections 1374 and 1375. The Internal Revenue Code applies for  
10 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
11 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this  
12 paragraph with respect to taxable years beginning after December 31, 1998, and  
13 before January 1, 2000, except that changes to the Internal Revenue Code made by  
14 P.L. 106–36 and P.L. 106–170 and changes that indirectly affect the provisions  
15 applicable to this subchapter made by P.L. 106–36 and P.L. 106–170 apply for  
16 Wisconsin purposes at the same time as for federal purposes.

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

18 71.34 (1g) (o) “Internal Revenue Code” for tax-option corporations, for taxable  
19 years that begin after December 31, 1999, means the federal Internal Revenue Code  
20 as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.  
21 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and  
22 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, 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, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
25 (b) (2) and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L.

**ASSEMBLY BILL 860**

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

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

15 71.365 **(1m)** TAX-OPTION CORPORATIONS; DEPRECIATION. A tax-option corporation  
16 may compute amortization and depreciation under either the federal Internal  
17 Revenue Code as amended to December 31, ~~1998~~ 1999, or the federal Internal  
18 Revenue Code in effect for the taxable year for which the return is filed, except that  
19 property first placed in service by the taxpayer on or after January 1, 1983, but  
20 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required  
21 to be depreciated under the Internal Revenue Code as amended to  
22 December 31, 1980, and property first placed in service in taxable year 1981 or  
23 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is  
24 required to be depreciated under the Internal Revenue Code as amended to  
25 December 31, 1980, shall continue to be depreciated under the Internal Revenue



**ASSEMBLY BILL 860****SECTION 28**

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

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

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

20 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before  
21 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code  
22 as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.  
23 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and  
24 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
25 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and P.L.

**ASSEMBLY BILL 860**

1 106-36, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
2 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
3 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
4 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
5 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
6 excluding sections 1123 (b), 1202 (c) 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L.  
7 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and  
8 P.L. 106-36, except that “Internal Revenue Code” does not include section 847 of the  
9 federal Internal Revenue Code. 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 31.** 71.42 (2) (L) of the statutes, as affected by 1999 Wisconsin Act 9,  
19 is amended to read:

20 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before  
21 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code  
22 as amended to December 31, 1997, excluding sections 103, 104 and 110 of P.L.  
23 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and  
24 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
25 amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L.

**ASSEMBLY BILL 860****SECTION 31**

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

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

21 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before  
22 January 1, 2000, “Internal Revenue Code” means the federal Internal Revenue Code  
23 as amended to December 31, 1998, excluding sections 103, 104 and 110 of P.L.  
24 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and  
25 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as

**ASSEMBLY BILL 860**

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

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

19 71.42 (2) (n) For taxable years that begin after December 31, 1999, “Internal  
20 Revenue Code” means the federal Internal Revenue Code as amended to  
21 December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections  
22 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),  
23 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected by P.L.  
24 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.  
25 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.

**ASSEMBLY BILL 860**

1 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150  
2 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.  
3 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311  
4 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34,  
5 P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170, except that  
6 “Internal Revenue Code” does not include section 847 of the federal Internal Revenue  
7 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time  
8 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
9 after December 31, 1999, do not apply to this paragraph with respect to taxable years  
10 beginning after December 31, 1999.

11 **SECTION 34.** 71.45 (2) (a) 13. of the statutes, as affected by 1999 Wisconsin Act  
12 9, is amended to read:

13 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference  
14 between the depreciation deduction under the federal Internal Revenue Code as  
15 amended to December 31, 1998 1999 and the depreciation deduction under the  
16 federal Internal Revenue Code in effect for the taxable year for which the return is  
17 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,  
18 except that property first placed in service by the taxpayer on or after  
19 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),  
20 1985 stats., is required to be depreciated under the Internal Revenue Code as  
21 amended to December 31, 1980, and property first placed in service in taxable year  
22 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985  
23 stats., is required to be depreciated under the Internal Revenue Code as amended  
24 to December 31, 1980, shall continue to be depreciated under the Internal Revenue  
25 Code as amended to December 31, 1980.

**ASSEMBLY BILL 860**

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

2           71.67 **(5m)** A person that purchases an assignment of a lottery prize shall  
3 withhold from the amount of any payment made to purchase the assignment the  
4 amount that is determined by multiplying the amount of the payment by the highest  
5 rate applicable to individuals under s. 71.06 (1) (a) to (c), (1m), (1n) or (1p).  
6 Subsection (5) (b), (c) and (d), as it applies to the amounts withheld under sub. (5) (a),  
7 applies to the amount withheld under this subsection.

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

9           565.01 **(2m)** “Federal income tax number” means either a taxpayer  
10 identification number or a federal employer identification number, as required by  
11 the internal revenue service.

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

14           565.30 **(5)** WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS  
15 OWED THE STATE. The administrator shall report the name, address and social security  
16 number or federal income tax number of each winner of a lottery prize equal to or  
17 greater than \$1,000 and the name, address and social security number or federal  
18 income tax number of each person to whom a lottery prize equal to or greater than  
19 \$1,000 has been assigned to the department of revenue to determine whether the  
20 payee or assignee of the prize is delinquent in the payment of state taxes under ch.  
21 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child  
22 support or has a debt owing to the state. Upon receipt of a report under this  
23 subsection, the department of revenue shall first ascertain based on certifications by  
24 the department of workforce development or its designee under s. 49.855 (1) whether  
25 any person named in the report is currently delinquent in court-ordered payment

**ASSEMBLY BILL 860****SECTION 37**

1 of child support and shall next certify to the administrator whether any person  
2 named in the report is delinquent in court-ordered payment of child support or  
3 payment of state taxes under ch. 71, 72, 76, 77, 78 or 139. Upon this certification by  
4 the department of revenue or upon court order the administrator shall withhold the  
5 certified amount and send it to the department of revenue for remittance to the  
6 appropriate agency or person. At the time of remittance, the department of revenue  
7 shall charge its administrative expenses to the state agency that has received the  
8 remittance. The administrative expenses received by the department of revenue  
9 shall be credited to the appropriation under s. 20.566 (1) (h). In instances in which  
10 the payee or assignee of the prize is delinquent both in payments for state taxes and  
11 in court-ordered payments of child support, or is delinquent in one or both of these  
12 payments and has a debt owing to the state, the amount remitted to the appropriate  
13 agency or person shall be in proportion to the prize amount as is the delinquency or  
14 debt owed by the payee or assignee.

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

16 565.30 **(6r)** (c) 10. The individual or organization to whom part or all of the  
17 lottery prize is assigned specifies in an affidavit that the individual or organization  
18 agrees to withhold from any payment made to an assignor for the assignment of a  
19 lottery prize the amount calculated under s. 71.67 (5m) and agrees to deposit that  
20 amount as required under s. 71.67 (5m).

21 **SECTION 39. Initial applicability.**

22 (1) DEPRECIATION DEDUCTIONS. The treatment of sections 71.01 (7r), 71.26 (3) (y),  
23 71.365 (1m) and 71.45 (2) (a) 13. of the statutes first applies to property placed in  
24 service in taxable years beginning on January 1, 2000.



