

1 excluding sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the
2 same time as for federal purposes.

3 *b0685/1.3* SECTION 2175dc. 71.26 (2) (b) 9. of the statutes is amended to
4 read:

5 71.26 (2) (b) 9. For taxable years that begin after December 31, 1993, and
6 before January 1, 1995, for a corporation, conduit or common law trust which
7 qualifies as a regulated investment company, real estate mortgage investment
8 conduit or real estate investment trust under the Internal Revenue Code as amended
9 to December 31, 1993, excluding sections 103, 104, and 110 of P.L. 102–227 and
10 sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103–66, and
11 as amended by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding
12 section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L.
13 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
14 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly affected
15 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
16 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
17 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
18 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, 13203
19 (d), and 13215 of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7,
20 excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L.
21 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
22 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, “net income”
23 means the federal regulated investment company taxable income, federal real estate
24 mortgage investment conduit taxable income or federal real estate investment trust
25 taxable income of the corporation, conduit or trust as determined under the Internal

1 Revenue Code as amended to December 31, 1993, excluding sections 103, 104, and
2 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and
3 13215 of P.L. 103–66, and as amended by P.L. 103–296, P.L. 103–337, P.L. 103–465,
4 P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311
5 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L.
6 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, 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, 13203 (d), and 13215 of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465,
12 P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311
13 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L.
14 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, except
15 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
16 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
17 amended to December 31, 1980, shall continue to be depreciated under the Internal
18 Revenue Code as amended to December 31, 1980, and except that the appropriate
19 amount shall be added or subtracted to reflect differences between the depreciation
20 or adjusted basis for federal income tax purposes and the depreciation or adjusted
21 basis under this chapter of any property disposed of during the taxable year. The
22 Internal Revenue Code as amended to December 31, 1993, excluding sections 103,
23 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203
24 (d), and 13215 of P.L. 103–66, and as amended by P.L. 103–296, P.L. 103–337, P.L.
25 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding

1 section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206
2 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
3 and as indirectly affected in the provisions applicable to this subchapter by P.L.
4 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
5 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
6 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
7 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103–66, P.L. 103–296, P.L. 103–337,
8 P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding
9 section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206
10 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
11 applies for Wisconsin purposes at the same time as for federal purposes.
12 Amendments to the Internal Revenue Code enacted after December 31, 1993, do not
13 apply to this subdivision with respect to taxable years that begin after
14 December 31, 1993, and before January 1, 1995, except that changes to the Internal
15 Revenue Code made by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7,
16 excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L.
17 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
18 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and changes that
19 indirectly affect the provisions applicable to this subchapter made by P.L. 103–296,
20 P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L.
21 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
22 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
23 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time as for federal
24 purposes.

1 ***b0685/1.3* SECTION 2175dd.** 71.26 (2) (b) 10. of the statutes is amended to
2 read:

3 71.26 (2) (b) 10. For taxable years that begin after December 31, 1994, and
4 before January 1, 1996, for a corporation, conduit or common law trust which
5 qualifies as a regulated investment company, real estate mortgage investment
6 conduit or real estate investment trust under the Internal Revenue Code as amended
7 to December 31, 1994, excluding sections 103, 104, and 110 of P.L. 102–227 and
8 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, and as
9 amended by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311, and 1605
10 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L.
11 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as
12 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
13 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
14 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
15 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
16 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
17 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188,
18 P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
19 106–554, excluding sections 162 and 165 of P.L. 106–554, “net income” means the
20 federal regulated investment company taxable income, federal real estate mortgage
21 investment conduit taxable income or federal real estate investment trust taxable
22 income of the corporation, conduit or trust as determined under the Internal
23 Revenue Code as amended to December 31, 1994, excluding sections 103, 104, and
24 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
25 of P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding sections 1202,

1 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
2 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
3 106–554, and as indirectly affected in the provisions applicable to this subchapter
4 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,
5 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
6 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
7 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
8 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311, and 1605 of
9 P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L.
10 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, except
11 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
12 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
13 amended to December 31, 1980, shall continue to be depreciated under the Internal
14 Revenue Code as amended to December 31, 1980, and except that the appropriate
15 amount shall be added or subtracted to reflect differences between the depreciation
16 or adjusted basis for federal income tax purposes and the depreciation or adjusted
17 basis under this chapter of any property disposed of during the taxable year. The
18 Internal Revenue Code as amended to December 31, 1994, excluding sections 103,
19 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and
20 13203 (d) of P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding
21 sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
22 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
23 and 165 of P.L. 106–554, and as indirectly affected in the provisions applicable to this
24 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
25 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,

1 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
2 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
3 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,
4 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
5 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
6 106–554, applies for Wisconsin purposes at the same time as for federal purposes.
7 Amendments to the Internal Revenue Code enacted after December 31, 1994, do not
8 apply to this subdivision with respect to taxable years that begin after
9 December 31, 1994, and before January 1, 1996, except that changes made by P.L.
10 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188,
11 P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
12 106–554, excluding sections 162 and 165 of P.L. 106–554, and changes that indirectly
13 affect the provisions applicable to this subchapter made by P.L. 104–7, P.L. 104–188,
14 excluding sections 1202, 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L.
15 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
16 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
17 as for federal purposes.

18 *b0685/1.3* SECTION 2175de. 71.26 (2) (b) 11. of the statutes is amended to
19 read:

20 71.26 (2) (b) 11. For taxable years that begin after December 31, 1995, and
21 before January 1, 1997, for a corporation, conduit or common law trust which
22 qualifies as a regulated investment company, real estate mortgage investment
23 conduit or real estate investment trust under the Internal Revenue Code as amended
24 to December 31, 1995, excluding sections 103, 104, and 110 of P.L. 102–227 and
25 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, and as

1 amended by P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L.
2 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and,
3 P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and
4 as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514,
5 P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,
6 P.L. 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, 1202, 1204, 1311, and 1605 of P.L.
10 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and,
11 P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, “net
12 income” means the federal regulated investment company taxable income, federal
13 real estate mortgage investment conduit taxable income or federal real estate
14 investment trust taxable income of the corporation, conduit or trust as determined
15 under the Internal Revenue Code as amended to December 31, 1995, excluding
16 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),
17 13174, and 13203 (d) of P.L. 103–66, and as amended by P.L. 104–188, excluding
18 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
19 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
20 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly affected
21 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
22 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
23 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
24 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
25 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.

1 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L.
2 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
3 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, except that
4 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
5 for taxable years 1983 to 1986 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, and except that the appropriate amount
8 shall be added or subtracted to reflect differences between the depreciation or
9 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
10 under this chapter of any property disposed of during the taxable year. The Internal
11 Revenue Code as amended to December 31, 1995, excluding sections 103, 104, and
12 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
13 of P.L. 103–66, and as amended by P.L. 104–188, excluding sections 1123, 1202, 1204,
14 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34,
15 P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165
16 of P.L. 106–554, and as indirectly affected in the provisions applicable to this
17 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
18 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
19 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
20 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
21 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123, 1202,
22 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
23 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
24 and 165 of P.L. 106–554, applies for Wisconsin purposes at the same time as for
25 federal purposes. Amendments to the Internal Revenue Code enacted after

1 December 31, 1995, do not apply to this subdivision with respect to taxable years
2 that begin after December 31, 1995, and before January 1, 1997, except that
3 changes to the Internal Revenue Code made by P.L. 104–188, excluding sections
4 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
5 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
6 sections 162 and 165 of P.L. 106–554, and changes that indirectly affect the
7 provisions applicable to this subchapter made by P.L. 104–188, excluding sections
8 1123, 1202, 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
9 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
10 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
11 as for federal purposes.

12 *b0685/1.3* SECTION 2175df. 71.26 (2) (b) 12. of the statutes is amended to
13 read:

14 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and
15 before January 1, 1998, for a corporation, conduit or common law trust which
16 qualifies as a regulated investment company, real estate mortgage investment
17 conduit, real estate investment trust or financial asset securitization investment
18 trust under the 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),
20 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
21 1605 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206,
22 P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of
23 P.L. 106–554, and as indirectly affected in the provisions applicable to this
24 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
25 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,

1 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
2 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
3 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
4 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
5 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 ~~and~~, P.L. 106–36, and P.L. 106–554,
6 excluding sections 162 and 165 of P.L. 106–554, “net income” means the federal
7 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
11 December 31, 1996, excluding sections 103, 104, and 110 of P.L. 102–227, sections
12 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123
13 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188 and as amended by P.L.
14 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 ~~and~~, P.L. 106–36, and P.L. 106–554,
15 excluding sections 162 and 165 of P.L. 106–554, and as indirectly affected in the
16 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647,
17 P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
18 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
19 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
20 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
21 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
22 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 ~~and~~,
23 P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, except
24 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
25 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as

1 amended to December 31, 1980, shall continue to be depreciated under the Internal
2 Revenue Code as amended to December 31, 1980, and except that the appropriate
3 amount shall be added or subtracted to reflect differences between the depreciation
4 or adjusted basis for federal income tax purposes and the depreciation or adjusted
5 basis under this chapter of any property disposed of during the taxable year. The
6 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,
7 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
8 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
9 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277
10 and, P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
11 and as indirectly affected in the provisions applicable to this subchapter by P.L.
12 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
13 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
14 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
15 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
16 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),
17 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
18 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding
19 sections 162 and 165 of P.L. 106–554, applies for Wisconsin purposes at the same
20 time as for federal purposes. Amendments to the Internal Revenue Code enacted
21 after December 31, 1996, do not apply to this subdivision with respect to taxable
22 years that begin after December 31, 1996, and before January 1, 1998, except that
23 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
24 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
25 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable

1 to this subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and,
2 P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply
3 for Wisconsin purposes at the same time as for federal purposes.

4 *b0685/1.3* SECTION 2175dg. 71.26 (2) (b) 13. of the statutes is amended to
5 read:

6 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and
7 before January 1, 1999, for a corporation, conduit or common law trust which
8 qualifies as a regulated investment company, real estate mortgage investment
9 conduit, real estate investment trust or financial asset securitization investment
10 trust under the Internal Revenue Code as amended to December 31, 1997, excluding
11 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
12 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
13 1605 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206, P.L.
14 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
15 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in the provisions
16 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
17 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
18 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
19 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
20 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
21 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
22 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
23 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
24 165 of P.L. 106–554, and P.L. 106–573, “net income” means the federal regulated
25 investment company taxable income, federal real estate mortgage investment

1 conduit taxable income, federal real estate investment trust or financial asset
2 securitization investment trust taxable income of the corporation, conduit or trust
3 as determined under the Internal Revenue Code as amended to December 31, 1997,
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. 105–178, P.L. 105–206, P.L.
7 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
8 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in the provisions
9 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
10 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
11 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
12 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
13 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
14 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
15 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
16 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
17 165 of P.L. 106–554, and P.L. 106–573, except that property that, under s. 71.02 (1)
18 (c) 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, 1997, excluding sections 103, 104, and 110 of P.L.

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. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
4 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and
5 as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514,
6 P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,
7 P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
8 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
9 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
10 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
11 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,
12 P.L. 105–206, P.L. 105–277, P.L. 106–36 and and, P.L. 106–170, P.L. 106–554,
13 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, applies for
14 Wisconsin purposes at the same time as for federal purposes. Amendments to the
15 Internal Revenue Code enacted after December 31, 1997, do not apply to this
16 subdivision with respect to taxable years that begin after December 31, 1997, and
17 before January 1, 1999, except that changes to the Internal Revenue Code made by
18 P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L.
19 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 and
20 changes that indirectly affect the provisions applicable to this subchapter made by
21 P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and and, P.L. 106–170, P.L.
22 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 apply for
23 Wisconsin purposes at the same time as for federal purposes.

24 *b0685/1.3* SECTION 2175dgm. 71.26 (2) (b) 14. of the statutes is amended to
25 read:

1 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and
2 before January 1, 2000, for a corporation, conduit or common law trust which
3 qualifies as a regulated investment company, real estate mortgage investment
4 conduit, real estate investment trust or financial asset securitization investment
5 trust under the Internal Revenue Code as amended to December 31, 1998, excluding
6 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
7 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
8 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36 and, P.L. 106–170, P.L.
9 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
10 106–573, and as indirectly affected in the provisions applicable to this subchapter
11 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,
12 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
13 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
14 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
15 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),
16 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
17 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
18 P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
19 106–573, “net income” means the federal regulated investment company taxable
20 income, federal real estate mortgage investment conduit taxable income, federal real
21 estate investment trust or financial asset securitization investment trust taxable
22 income of the corporation, conduit or trust as determined under the Internal
23 Revenue Code as amended to December 31, 1998, 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,

1 and as amended by P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554,
2 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly
3 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
4 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,
5 P.L. 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, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554,
11 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that
12 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
13 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
14 December 31, 1980, shall continue to be depreciated under the Internal Revenue
15 Code as amended to December 31, 1980, and except that the appropriate amount
16 shall be added or subtracted to reflect differences between the depreciation or
17 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
18 under this chapter of any property disposed of during the taxable year. The Internal
19 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
20 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
21 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,
22 and as amended by P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554,
23 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, 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,

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, P.L. 106–230, P.L. 106–554,
7 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, applies for
8 Wisconsin purposes at the same time as for federal purposes. Amendments to the
9 Internal Revenue Code enacted after December 31, 1998, do not apply to this
10 subdivision with respect to taxable years that begin after December 31, 1998, and
11 before January 1, 2000, except that changes to the Internal Revenue Code made by
12 P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162
13 and 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the
14 provisions applicable to this subchapter made by P.L. 106–36 and, P.L. 106–170, P.L.
15 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
16 106–573 apply for Wisconsin purposes at the same time as for federal purposes.

17 *b0685/1.3* **SECTION 2175dh.** 71.26 (2) (b) 15. of the statutes is amended to
18 read:

19 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, and
20 before January 1, 2001, for a corporation, conduit or common law trust which
21 qualifies as a regulated investment company, real estate mortgage investment
22 conduit, real estate investment trust or financial asset securitization investment
23 trust under the Internal Revenue Code as amended to December 31, 1999, excluding
24 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
25 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and

1 1605 (d) of P.L. 104–188, and as amended by P.L. 106–200, P.L. 106–230, P.L.
2 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as
3 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
4 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
5 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
6 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
7 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
8 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
9 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
10 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–200,
11 P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
12 106–573, “net income” means the federal regulated investment company taxable
13 income, federal real estate mortgage investment conduit taxable income, federal real
14 estate investment trust or financial asset securitization investment trust taxable
15 income of the corporation, conduit or trust as determined under the Internal
16 Revenue Code as amended to December 31, 1999, 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. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162
20 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in the
21 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647,
22 P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
23 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
24 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
25 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,

1 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
2 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
3 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554,
4 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that
5 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
6 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
7 December 31, 1980, shall continue to be depreciated under the Internal Revenue
8 Code as amended to December 31, 1980, and except that the appropriate amount
9 shall be added or subtracted to reflect differences between the depreciation or
10 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
11 under this chapter of any property disposed of during the taxable year. The Internal
12 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and
13 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
14 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,
15 and as amended by P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162
16 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in the
17 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647,
18 P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
19 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
20 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
21 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
22 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
23 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
24 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554,
25 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, applies for

1 Wisconsin purposes at the same time as for federal purposes. Amendments to the
2 Internal Revenue Code enacted after December 31, 1999, do not apply to this
3 subdivision with respect to taxable years that begin after December 31, 1999, and
4 before January 1, 2001, except that changes to the Internal Revenue Code made by
5 P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.
6 106–554, and P.L. 106–573 and changes that indirectly affect the provisions
7 applicable to this subchapter made by P.L. 106–200, P.L. 106–230, P.L. 106–554,
8 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 apply for Wisconsin
9 purposes at the same time as for federal purposes.

10 *b0685/1.3* SECTION 2175dj. 71.26 (2) (b) 16. of the statutes is created to read:

11 71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, for a
12 corporation, conduit, or common law trust which qualifies as a regulated investment
13 company, real estate mortgage investment conduit, real estate investment trust, or
14 financial asset securitization investment trust under the Internal Revenue Code as
15 amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102–227,
16 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections
17 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188 and as indirectly
18 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
19 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,
20 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
21 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
22 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.
23 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
24 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
25 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L.

1 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, “net
2 income” means the federal regulated investment company taxable income, federal
3 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, 2000, 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
8 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
9 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
10 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
11 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
12 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
13 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
14 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
15 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
16 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–200, P.L.
17 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
18 106–573, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is
19 required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue
20 Code as amended to December 31, 1980, shall continue to be depreciated under the
21 Internal Revenue Code as amended to December 31, 1980, and except that the
22 appropriate amount shall be added or subtracted to reflect differences between the
23 depreciation or adjusted basis for federal income tax purposes and the depreciation
24 or adjusted basis under this chapter of any property disposed of during the taxable
25 year. The Internal Revenue Code as amended to December 31, 2000, excluding

1 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
2 13174, and 13203 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,
3 and 1605 (d) of P.L. 104–188, and as indirectly affected in the provisions applicable
4 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
5 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
6 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
7 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
8 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
9 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
10 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
11 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections
12 162 and 165 of P.L. 106–554, and P.L. 106–573, applies for Wisconsin purposes at the
13 same time as for federal purposes. Amendments to the Internal Revenue Code
14 enacted after December 31, 2000, do not apply to this subdivision with respect to
15 taxable years that begin after December 31, 2000.

16 ***-0667/5.6* SECTION 2176.** 71.26 (3) (n) of the statutes is amended to read:

17 71.26 (3) (n) Sections 381, 382 and 383 (relating to carry-overs in certain
18 corporate acquisitions) are modified so that they apply to losses under sub. (4) and
19 credits under s. 71.28 (1di), (1dL), (1dm), (1dx) and, (3) to, (4), and (5) instead of to
20 federal credits and federal net operating losses.

21 ***b0685/1.4* SECTION 2176d.** 71.26 (3) (y) of the statutes is amended to read:

22 71.26 (3) (y) A corporation may compute amortization and depreciation under
23 either the federal Internal Revenue Code as amended to December 31, ~~1999~~ 2000,
24 or the federal Internal Revenue Code in effect for the taxable year for which the
25 return is filed, except that property first placed in service by the taxpayer on or after

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 *~~0667/5.7~~* **SECTION 2177.** 71.28 (1dm) of the statutes is created to read:

9 71.28 (1dm) DEVELOPMENT ZONE CAPITAL INVESTMENT CREDIT. (a) In this
10 subsection:

11 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or
12 certified under s. 560.795 (5).

13 2. "Claimant" means a person who files a claim under this subsection.

14 3. "Development zone" means a development opportunity zone under s. 560.795
15 (1) (e).

16 4. "Previously owned property" means real property that the claimant or a
17 related person owned during the 2 years prior to the department of commerce
18 designating the place where the property is located as a development zone and for
19 which the claimant may not deduct a loss from the sale of the property to, or an
20 exchange of the property with, the related person under section 267 of the Internal
21 Revenue Code, except that section 267 (b) of the Internal Revenue Code is modified
22 so that if the claimant owns any part of the property, rather than 50% ownership, the
23 claimant is subject to section 267 (a) (1) of the Internal Revenue Code for purposes
24 of this subsection.

1 (b) Subject to the limitations provided in this subsection and in s. 73.03 (35),
2 for any taxable year for which the claimant is certified, a claimant may claim as a
3 credit against the taxes imposed under s. 71.23 an amount that is equal to 3% of the
4 following:

- 5 1. The purchase price of depreciable, tangible personal property.
- 6 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
7 real property in a development zone.

8 (c) A claimant may claim the credit under par. (b) 1., if the tangible personal
9 property is purchased after the claimant is certified and the personal property is
10 used for at least 50% of its use in the claimant's business at a location in a
11 development zone or, if the property is mobile, the property's base of operations for
12 at least 50% of its use is at a location in a development zone.

13 (d) A claimant may claim the credit under par. (b) 2. for an amount expended
14 to construct, rehabilitate, remodel, or repair real property, if the claimant began the
15 physical work of construction, rehabilitation, remodeling, or repair, or any
16 demolition or destruction in preparation for the physical work, after the place where
17 the property is located was designated a development zone, or if the completed
18 project is placed in service after the claimant is certified. In this paragraph, "physical
19 work" does not include preliminary activities such as planning, designing, securing
20 financing, researching, developing specifications, or stabilizing the property to
21 prevent deterioration.

22 (e) A claimant may claim the credit under par. (b) 2. for an amount expended
23 to acquire real property, if the property is not previously owned property and if the
24 claimant acquires the property after the place where the property is located was

1 designated a development zone, or if the completed project is placed in service after
2 the claimant is certified.

3 (f) No credit may be allowed under this subsection unless the claimant includes
4 with the claimant's return:

5 1. A copy of a verification from the department of commerce that the claimant
6 may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5).

7 2. A statement from the department of commerce verifying the purchase price
8 of the investment and verifying that the investment fulfills the requirements under
9 par. (b).

10 (g) In calculating the credit under par. (b) a claimant shall reduce the amount
11 expended to acquire property by a percentage equal to the percentage of the area of
12 the real property not used for the purposes for which the claimant is certified and
13 shall reduce the amount expended for other purposes by the amount expended on the
14 part of the property not used for the purposes for which the claimant is certified.

15 (h) The carry-over provisions of sub. (4) (e) and (f) as they relate to the credit
16 under sub. (4) relate to the credit under this subsection.

17 (i) Partnerships, limited liability companies, and tax-option corporations may
18 not claim the credit under this subsection, but the eligibility for, and the amount of,
19 that credit shall be determined on the basis of their economic activity, not that of their
20 shareholders, partners, or members. The corporation, partnership, or limited
21 liability company shall compute the amount of credit that may be claimed by each
22 of its shareholders, partners, or members and provide that information to its
23 shareholders, partners, or members. Partners, members of limited liability
24 companies, and shareholders of tax-option corporations may claim the credit based
25 on the partnership's, company's, or corporation's activities in proportion to their

1 ownership interest and may offset it against the tax attributable to their income from
2 the partnership's, company's, or corporation's business operations in the
3 development zone and against the tax attributable to their income from the
4 partnership's, company's, or corporation's directly related business operations.

5 (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
6 becomes ineligible for such tax benefits, or if a person's certification under s. 560.795
7 (5) is revoked, that person may claim no credits under this subsection for the taxable
8 year that includes the day on which the person becomes ineligible for tax benefits,
9 the taxable year that includes the day on which the certification is revoked, or
10 succeeding taxable years, and that person may carry over no unused credits from
11 previous years to offset tax under this chapter for the taxable year that includes the
12 day on which the person becomes ineligible for tax benefits, the taxable year that
13 includes the day on which the certification is revoked, or succeeding taxable years.

14 (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
15 or certified under s. 560.795 (5) ceases business operations in the development zone
16 during any of the taxable years that that zone exists, that person may not carry over
17 to any taxable year following the year during which operations cease any unused
18 credits from the taxable year during which operations cease or from previous taxable
19 years.

20 (L) Subsection (4) (g) and (h) as it applies to the credit under sub. (4) applies
21 to the credit under this subsection.

22 ***-0669/1.2* SECTION 2178.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

23 71.28 (1dx) (a) 5. "Member of a targeted group" means ~~a person under sub. (2dj)~~
24 ~~(am) 1.~~, a person who resides in an empowerment zone, or an enterprise community,
25 that the U.S. government designates, a person who is employed in an unsubsidized

1 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
2 works employment position, a person who is employed in a trial job, as defined in s.
3 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a
4 person who is a vocational rehabilitation referral, an economically disadvantaged
5 youth, an economically disadvantaged veteran, a supplemental security income
6 recipient, a general assistance recipient, an economically disadvantaged ex-convict,
7 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated
8 worker, as defined in 29 USC 2801 (9), or a food stamp recipient; if the person has
9 been certified in the manner under sub. (1dj) (am) 3. by a designated local agency,
10 as defined in sub. (1dj) (am) 2.

11 ***-1856/6.3*** SECTION 2179. 71.28 (3g) of the statutes is created to read:

12 71.28 (3g) TECHNOLOGY ZONES CREDIT. (a) Subject to the limitations under this
13 subsection and ss. 73.03 (35m) and 560.96, a business that is certified under s. 560.96
14 (3) may claim as a credit against the taxes imposed under s. 71.23 an amount equal
15 to the sum of the following, as established under s. 560.96 (3) (c):

16 1. The amount of real and personal property taxes imposed under s. 70.01 that
17 the business paid in the taxable year.

18 2. The amount of income and franchise taxes imposed under s. 71.23 that the
19 business paid in the taxable year.

20 3. The amount of sales and use taxes imposed under ss. 77.52, 77.53, and 77.71
21 that the business paid in the taxable year.

22 (b) The department of revenue shall notify the department of commerce of all
23 claims under this subsection.

24 (c) Subsection (4) (e), (f), (g), and (h), as it applies to the credit under sub. (4),
25 applies to the credit under par. (a).

1 (d) Partnerships, limited liability companies, and tax-option corporations may
2 not claim the credit under this subsection, but the eligibility for, and the amount of,
3 the credit are based on their payment of amounts under par. (a). A partnership,
4 limited liability company, or tax-option corporation shall compute the amount of
5 credit that each of its partners, members, or shareholders may claim and shall
6 provide that information to each of them. Partners, members of limited liability
7 companies, and shareholders of tax-option corporations may claim the credit in
8 proportion to their ownership interest.

9 ***-0667/5.8* SECTION 2180.** 71.30 (3) (emb) of the statutes is created to read:

10 71.30 (3) (emb) Development zone capital investment credit under s. 71.28
11 (1dm).

12 ***-1856/6.4* SECTION 2181.** 71.30 (3) (eon) of the statutes is created to read:

13 71.30 (3) (eon) Technology zones credit under s. 71.28 (3g).

14 ***-0667/5.9* SECTION 2182.** 71.34 (1) (g) of the statutes is amended to read:

15 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
16 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx) ~~and~~ (3),
17 and (3g) and passed through to shareholders.

18 ***b0685/1.5* SECTION 2182d.** 71.34 (1g) (g) of the statutes is repealed.

19 ***b0685/1.5* SECTION 2182db.** 71.34 (1g) (h) of the statutes is amended to read:

20 71.34 (1g) (h) "Internal Revenue Code" for tax-option corporations, for taxable
21 years that begin after December 31, 1992, and before January 1, 1994, means the
22 federal Internal Revenue Code as amended to December 31, 1992, excluding
23 sections 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 103-66, excluding
24 sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66,
25 P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L.

1 ~~105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.~~
2 ~~106–554,~~ and as indirectly affected in the provisions applicable to this subchapter
3 by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d)
4 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L.
5 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
6 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
7 102–486, P.L. 103–66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,
8 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311
9 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554,
10 ~~excluding sections 162 and 165 of P.L. 106–554,~~ except that section 1366 (f) (relating
11 to pass-through of items to shareholders) is modified by substituting the tax under
12 s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code
13 applies for Wisconsin purposes at the same time as for federal purposes.
14 Amendments to the federal Internal Revenue Code enacted after
15 December 31, 1992, do not apply to this paragraph with respect to taxable years
16 beginning after December 31, 1992, and before January 1, 1994, except that
17 changes to the Internal Revenue Code made by P.L. 103–66, P.L. 103–465, P.L.
18 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L.
19 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and
20 changes that indirectly affect the provisions applicable to this subchapter made by
21 P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L.
22 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
23 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time as for federal
24 purposes.

25 ***b0685/1.5* SECTION 2182dc.** 71.34 (1g) (i) of the statutes is amended to read:

1 71.34 (1g) (i) “Internal Revenue Code” for tax-option corporations, for taxable
2 years that begin after December 31, 1993, and before January 1, 1995, means the
3 federal Internal Revenue Code as amended to December 31, 1993, excluding
4 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),
5 13174, 13203 (d), and 13215 of P.L. 103–66, and as amended by P.L. 103–296, P.L.
6 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188,
7 excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
8 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
9 106–554, and as indirectly affected in the provisions applicable to this subchapter
10 by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d)
11 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L.
12 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, 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, 13203
15 (d), and 13215 of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7,
16 excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L.
17 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
18 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, except that section
19 1366 (f) (relating to pass-through of items to shareholders) is modified by
20 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
21 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
22 purposes. Amendments to the federal Internal Revenue Code enacted after
23 December 31, 1993, do not apply to this paragraph with respect to taxable years
24 beginning after December 31, 1993, and before January 1, 1995, except that
25 changes to the Internal Revenue Code made by P.L. 103–296, P.L. 103–337, P.L.

1 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding
2 section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206
3 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
4 and changes that indirectly affect the provisions applicable to this subchapter made
5 by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L.
6 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L.
7 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
8 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
9 as for federal purposes.

10 *b0685/1.5* SECTION 2182dd. 71.34 (1g) (j) of the statutes is amended to read:
11 71.34 (1g) (j) “Internal Revenue Code” for tax-option corporations, for taxable
12 years that begin after December 31, 1994, and before January 1, 1996, means the
13 federal Internal Revenue Code as amended to December 31, 1994, excluding
14 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),
15 13174, and 13203 (d) of P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188,
16 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
17 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
18 sections 162 and 165 of P.L. 106–554, and as indirectly affected in the provisions
19 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding
20 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514
21 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
22 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
23 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
24 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
25 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311, and 1605 of

1 P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L.
2 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, except
3 that section 1366 (f) (relating to pass-through of items to shareholders) is modified
4 by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375.
5 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
6 federal purposes. Amendments to the federal Internal Revenue Code enacted after
7 December 31, 1994, do not apply to this paragraph with respect to taxable years
8 beginning after December 31, 1994, and before January 1, 1996, except changes to
9 the Internal Revenue Code made by P.L. 104–7, P.L. 104–188, excluding sections
10 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34,
11 P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165
12 of P.L. 106–554, and changes that indirectly affect the provisions applicable to this
13 subchapter made by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311
14 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and,
15 P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
16 apply for Wisconsin purposes at the same time as for federal purposes.

17 *b0685/1.5* SECTION 2182de. 71.34 (1g) (k) of the statutes is amended to read:

18 71.34 (1g) (k) “Internal Revenue Code” for tax-option corporations, for taxable
19 years that begin after December 31, 1995, and before January 1, 1997, means the
20 federal Internal Revenue Code as amended to December 31, 1995, excluding
21 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),
22 13174, and 13203 (d) of P.L. 103–66, and as amended by P.L. 104–188, excluding
23 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
24 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
25 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly affected

1 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
2 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
3 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of 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, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
9 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
10 sections 162 and 165 of P.L. 106–554, except that section 1366 (f) (relating to
11 pass-through of items to shareholders) is modified by substituting the tax under s.
12 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies
13 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
14 federal Internal Revenue Code enacted after December 31, 1995, do not apply to this
15 paragraph with respect to taxable years beginning after December 31, 1995, and
16 before January 1, 1997, except that changes to the Internal Revenue Code made by
17 P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188,
18 P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L.
19 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and
20 changes that indirectly affect the provisions applicable to this subchapter made by
21 P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188,
22 P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L.
23 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply for
24 Wisconsin purposes at the same time as for federal purposes.

25 *b0685/1.5* SECTION 2182df. 71.34 (1g) (L) of the statutes is amended to read:

1 71.34 (1g) (L) “Internal Revenue Code” for tax-option corporations, for taxable
2 years that begin after December 31, 1996, and before January 1, 1998, means the
3 federal Internal Revenue Code as amended to December 31, 1996, excluding
4 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
5 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
6 1605 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206,
7 P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of
8 P.L. 106–554, and as indirectly affected in the provisions applicable to this
9 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2)
10 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008
11 (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.
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
16 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
17 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
18 and 165 of P.L. 106–554, except that section 1366 (f) (relating to pass-through of
19 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
20 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
21 purposes at the same time as for federal purposes. Amendments to the federal
22 Internal Revenue Code enacted after December 31, 1996, do not apply to this
23 paragraph with respect to taxable years beginning after December 31, 1996, and
24 before January 1, 1998, except that changes to the Internal Revenue Code made by
25 P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L.

1 106-554, excluding sections 162 and 165 of P.L. 106-554, and changes that indirectly
2 affect the provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34,
3 P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, excluding sections
4 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time as for
5 federal purposes.

6 *b0685/1.5* **SECTION 2182dg.** 71.34 (1g) (m) of the statutes is amended to read:

7 71.34 (1g) (m) “Internal Revenue Code” for tax-option corporations, for taxable
8 years that begin after December 31, 1997, and before January 1, 1999, means the
9 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
10 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
11 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
12 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
13 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L.
14 106-554, and P.L. 106-573, and as indirectly affected in the provisions applicable to
15 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803
16 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section
17 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
18 P.L. 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
22 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
23 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554,
24 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section
25 1366 (f) (relating to pass-through of items to shareholders) is modified by

1 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
2 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
3 purposes. Amendments to the federal Internal Revenue Code enacted after
4 December 31, 1997, do not apply to this paragraph with respect to taxable years
5 beginning after December 31, 1997, and before January 1, 1999, except that
6 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.
7 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and
8 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the
9 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206, P.L.
10 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and
11 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin purposes at the same time
12 as for federal purposes.

13 *b0685/1.5* SECTION 2182dh. 71.34 (1g) (n) of the statutes is amended to read:

14 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable
15 years that begin after December 31, 1998, and before January 1, 2000, means the
16 federal Internal Revenue Code as amended to December 31, 1998, excluding sections
17 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
18 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
19 of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L.
20 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as
21 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
22 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
23 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
24 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
25 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.

1 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
2 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
3 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
4 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
5 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
6 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section 1366 (f)
7 (relating to pass-through of items to shareholders) is modified by substituting the
8 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
9 Code applies for Wisconsin purposes at the same time as for federal purposes.
10 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,
11 do not apply to this paragraph with respect to taxable years beginning after
12 December 31, 1998, and before January 1, 2000, except that changes to the Internal
13 Revenue Code made by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
14 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 and changes that
15 indirectly affect the provisions applicable to this subchapter made by P.L. 106-36
16 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
17 106-554, and P.L. 106-573 apply for Wisconsin purposes at the same time as for
18 federal purposes.

19 *b0685/1.5* SECTION 2182dj. 71.34 (1g) (o) of the statutes is amended to read:
20 71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable
21 years that begin after December 31, 1999, and before January 1, 2001, means the
22 federal Internal Revenue Code as amended to December 31, 1999, excluding sections
23 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
24 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
25 of P.L. 104-188, and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554,

1 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly
2 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
3 P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
4 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.
5 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
6 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
7 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
8 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
9 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
10 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
11 106–36 ~~and~~, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding
12 sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that section 1366 (f)
13 (relating to pass-through of items to shareholders) is modified by substituting the
14 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
15 Code applies for Wisconsin purposes at the same time as for federal purposes.
16 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,
17 do not apply to this paragraph with respect to taxable years beginning after
18 December 31, 1999, and before January 1, 2001, except that changes to the Internal
19 Revenue Code made by P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections
20 162 and 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the
21 provisions applicable to this subchapter made by P.L. 106–200, P.L. 106–230, P.L.
22 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 apply for
23 Wisconsin purposes at the same time as for federal purposes.

24 *b0685/1.5* SECTION 2182dk. 71.34 (1g) (p) of the statutes is created to read:

1 71.34 (1g) (p) “Internal Revenue Code” for tax–option corporations, for taxable
2 years that begin after December 31, 2000, means the federal Internal Revenue Code
3 as amended to December 31, 2000, 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
5 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
6 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
7 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
8 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L.
9 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
10 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
11 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
12 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
13 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
14 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
15 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554,
16 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that section
17 1366 (f) (relating to pass–through of items to shareholders) is modified by
18 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
19 Internal 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, 2000, do not apply to this paragraph with respect to taxable years
22 beginning after December 31, 2000.

23 ***b0685/1.5* SECTION 2182dL.** 71.365 (1m) of the statutes is amended to read:
24 71.365 (1m) TAX–OPTION CORPORATIONS; DEPRECIATION. A tax–option corporation
25 may compute amortization and depreciation under either the federal Internal

1 Revenue Code as amended to December 31, ~~1999~~ 2000, or the federal Internal
2 Revenue Code in effect for the taxable year for which the return is filed, except that
3 property first placed in service by the taxpayer on or after January 1, 1983, but
4 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required
5 to be depreciated under the Internal Revenue Code as amended to
6 December 31, 1980, and property first placed in service in taxable year 1981 or
7 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is
8 required to be depreciated under the Internal Revenue Code as amended to
9 December 31, 1980, shall continue to be depreciated under the Internal Revenue
10 Code as amended to December 31, 1980. Any difference between the adjusted basis
11 for federal income tax purposes and the adjusted basis under this chapter shall be
12 taken into account in determining net income or loss in the year or years for which
13 the gain or loss is reportable under this chapter. If that property was placed in
14 service by the taxpayer during taxable year 1986 and thereafter but before the
15 property is used in the production of income subject to taxation under this chapter,
16 the property's adjusted basis and the depreciation or other deduction schedule are
17 not required to be changed from the amount allowable on the owner's federal income
18 tax returns for any year because the property is used in the production of income
19 subject to taxation under this chapter. If that property was acquired in a transaction
20 in taxable year 1986 or thereafter in which the adjusted basis of the property in the
21 hands of the transferee is the same as the adjusted basis of the property in the hands
22 of the transferor, the Wisconsin adjusted basis of that property on the date of transfer
23 is the adjusted basis allowable under the Internal Revenue Code as defined for
24 Wisconsin purposes for the property in the hands of the transferor.

25 *b0685/1.5* SECTION 2182dm. 71.42 (2) (f) of the statutes is repealed.

1 ***b0685/1.5* SECTION 2182dn.** 71.42 (2) (g) of the statutes is amended to read:
2 71.42 (2) (g) For taxable years that begin after December 31, 1992, and before
3 January 1, 1994, “Internal Revenue Code” means the federal Internal Revenue Code
4 as amended to December 31, 1992, excluding sections 103, 104, and 110 of P.L.
5 102–227, and as amended by P.L. 103–66, excluding sections 13101 (a) and (c) 1,
6 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188,
7 excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
8 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly
9 affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
10 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and
11 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
12 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L.
13 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L.
14 105–206 and P.L. 105–277 and, P.L. 105–277, and P.L. 106–554, excluding sections
15 162 and 165 of P.L. 106–554, except that “Internal Revenue Code” does not include
16 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
17 applies for Wisconsin purposes at the same time as for federal purposes.
18 Amendments to the federal Internal Revenue Code enacted after
19 December 31, 1992, do not apply to this paragraph with respect to taxable years
20 beginning after December 31, 1992, and before January 1, 1994, except that
21 changes to the Internal Revenue Code made by P.L. 103–66, P.L. 103–465, P.L.
22 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L.
23 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and
24 changes that indirectly affect the federal Internal Revenue Code made by P.L.
25 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L.

1 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
2 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time as for federal
3 purposes.

4 *b0685/1.5* SECTION 2182dp. 71.42 (2) (h) of the statutes is amended to read:

5 71.42 (2) (h) For taxable years that begin after December 31, 1993, and before
6 January 1, 1995, “Internal Revenue Code” means the federal Internal Revenue Code
7 as amended to December 31, 1993 excluding sections 103, 104, and 110 of P.L.
8 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L.
9 103–66, and as amended by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7,
10 excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L.
11 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
12 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly
13 affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
14 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and
15 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486 and P.L. 103–66, excluding sections
16 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103–66, P.L. 103–296,
17 P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L.
18 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
19 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
20 and 165 of P.L. 106–554, except that “Internal Revenue Code” does not include
21 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
22 applies for Wisconsin purposes at the same time as for federal purposes.
23 Amendments to the federal Internal Revenue Code enacted after
24 December 31, 1993, do not apply to this paragraph with respect to taxable years
25 beginning after December 31, 1993, and before January 1, 1995, except that

1 changes to the Internal Revenue Code made by P.L. 103–296, P.L. 103–337, P.L.
2 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding
3 section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206
4 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
5 and changes that indirectly affect the provisions applicable to this subchapter made
6 by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L.
7 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L.
8 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
9 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
10 as for federal purposes.

11 ***b0685/1.5* SECTION 2182dq.** 71.42 (2) (i) of the statutes is amended to read:
12 71.42 (2) (i) For taxable years that begin after December 31, 1994, and before
13 January 1, 1996, “Internal Revenue Code” means the federal Internal Revenue Code
14 as amended to December 31, 1994, excluding sections 103, 104, and 110 of P.L.
15 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
16 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,
17 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
18 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
19 106–554, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
20 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
21 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
22 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
23 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
24 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
25 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding

1 sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code” does not
2 include section 847 of the federal Internal Revenue Code. The Internal Revenue
3 Code applies for Wisconsin purposes at the same time as for federal purposes.
4 Amendments to the federal Internal Revenue Code enacted after
5 December 31, 1994, do not apply to this paragraph with respect to taxable years
6 beginning after December 31, 1994, and before January 1, 1996, except that
7 changes to the Internal Revenue Code made by P.L. 104–7, P.L. 104–188, excluding
8 sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
9 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
10 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable
11 to this subchapter made by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,
12 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
13 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
14 106–554, apply for Wisconsin purposes at the same time as for federal purposes.

15 ***b0685/1.5* SECTION 2182dr.** 71.42 (2) (j) of the statutes is amended to read:

16 71.42 (2) (j) For taxable years that begin after December 31, 1995, and before
17 January 1, 1997, “Internal Revenue Code” means the federal Internal Revenue Code
18 as amended to December 31, 1995, excluding sections 103, 104, and 110 of P.L.
19 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
20 103–66, and as amended by P.L. 104–188, excluding sections 1123, 1202, 1204, 1311,
21 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
22 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
23 106–554, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
24 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
25 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.

1 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
2 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
3 excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191,
4 P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
5 106–554, excluding sections 162 and 165 of P.L. 106–554, except that “Internal
6 Revenue Code” does not include section 847 of the federal Internal Revenue Code.
7 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
8 federal purposes. Amendments to the federal Internal Revenue Code enacted after
9 December 31, 1995, do not apply to this paragraph with respect to taxable years
10 beginning after December 31, 1995, and before January 1, 1997, except that
11 changes to the Internal Revenue Code made by P.L. 104–188, excluding sections
12 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
13 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
14 sections 162 and 165 of P.L. 106–554, and changes that indirectly affect the
15 provisions applicable to this subchapter made by P.L. 104–188, excluding sections
16 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
17 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
18 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
19 as for federal purposes.

20 *b0685/1.5* SECTION 2182ds. 71.42 (2) (k) of the statutes is amended to read:
21 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
22 January 1, 1998, “Internal Revenue Code” means the federal Internal Revenue Code
23 as amended to December 31, 1996, 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
25 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as

1 amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36,
2 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly
3 affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
4 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and
5 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
6 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
7 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
8 (c) 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
9 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554,
10 excluding sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code”
11 does not include section 847 of the federal Internal Revenue Code. The Internal
12 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, 1996, do not apply to this paragraph with respect to taxable years
15 beginning after December 31, 1996, and before January 1, 1998, except that
16 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
17 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
18 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable
19 to this subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and,
20 P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply
21 for Wisconsin purposes at the same time as for federal purposes.

22 *b0685/1.5* SECTION 2182dt. 71.42 (2) (L) of the statutes is amended to read:

23 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
24 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code
25 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.

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. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
4 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and
5 as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
6 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
7 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
8 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
9 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
10 1123 (b), 1202 (c) 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
11 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
12 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L.
13 106–554, and P.L. 106–573, except that “Internal Revenue Code” does not include
14 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
15 applies for Wisconsin purposes at the same time as for federal purposes.
16 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,
17 do not apply to this paragraph with respect to taxable years beginning after
18 December 31, 1997, and before January 1, 1999, except that changes to the Internal
19 Revenue Code made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and,
20 P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
21 106–573 and changes that indirectly affect the provisions applicable to this
22 subchapter made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
23 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
24 106–573 apply for Wisconsin purposes at the same time as for federal purposes.

25 *b0685/1.5* SECTION 2182du. 71.42 (2) (m) of the statutes is amended to read:

1 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
2 January 1, 2000, “Internal Revenue Code” means the federal Internal Revenue Code
3 as amended to December 31, 1998, 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
5 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
6 amended by P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding
7 sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected by
8 P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
9 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
10 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
11 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
12 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f),
13 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
14 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
15 P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
16 106–573, except that “Internal Revenue Code” does not include section 847 of the
17 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
18 purposes at the same time as for federal purposes. Amendments to the federal
19 Internal Revenue Code enacted after December 31, 1998, do not apply to this
20 paragraph with respect to taxable years beginning after December 31, 1998, and
21 before January 1, 2000, except that changes to the Internal Revenue Code made by
22 P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162
23 and 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the
24 provisions applicable to this subchapter made by P.L. 106–36 and, P.L. 106–170, P.L.

1 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
2 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

3 ***b0685/1.5* SECTION 2182dv.** 71.42 (2) (n) of the statutes is amended to read:

4 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
5 January 1, 2001, “Internal Revenue Code” means the federal Internal Revenue Code
6 as amended to December 31, 1999, 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
8 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
9 amended by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and
10 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected 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. 105-178,
17 P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200, P.L.
18 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
19 106-573, except that “Internal Revenue Code” does not include section 847 of the
20 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
21 purposes at the same time as for federal purposes. Amendments to the federal
22 Internal Revenue Code enacted after December 31, 1999, do not apply to this
23 paragraph with respect to taxable years beginning after December 31, 1999, and
24 before January 1, 2001, except that changes to the Internal Revenue Code made by
25 P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.

1 106-554, and P.L. 106-573 and changes that indirectly affect the provisions
2 applicable to this subchapter made by P.L. 106-200, P.L. 106-230, P.L. 106-554,
3 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin
4 purposes at the same time as for federal purposes.

5 *b0685/1.5* SECTION 2182dw. 71.42 (2) (o) of the statutes is created to read:

6 71.42 (2) (o) For taxable years that begin after December 31, 2000, “Internal
7 Revenue Code” means the federal Internal Revenue Code as amended to
8 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections
9 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123
10 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as indirectly affected
11 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,
12 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
13 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
14 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
15 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c) 1204 (f),
16 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
17 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
18 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
19 and P.L. 106-573, except that “Internal Revenue Code” does not include section 847
20 of the federal Internal Revenue Code. The Internal Revenue Code applies for
21 Wisconsin purposes at the same time as for federal purposes. Amendments to the
22 federal Internal Revenue Code enacted after December 31, 2000, do not apply to this
23 paragraph with respect to taxable years beginning after December 31, 2000.

24 *-0538/2.3* SECTION 2183. 71.42 (3d) of the statutes is created to read:

1 71.42 (3d) “Member” does not include a member of a limited liability company
2 treated as a corporation under s. 71.22 (1).

3 *~~0538/2.4~~* SECTION 2184. 71.42 (3h) of the statutes is created to read:

4 71.42 (3h) “Partner” does not include a partner of a publicly traded partnership
5 treated as a corporation under s. 71.22 (1).

6 *~~b0685/1.6~~* SECTION 2184r. 71.45 (2) (a) 13. of the statutes is amended to read:

7 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference
8 between the depreciation deduction under the federal Internal Revenue Code as
9 amended to December 31, ~~1999~~ 2000, and the depreciation deduction under the
10 federal Internal Revenue Code in effect for the taxable year for which the return is
11 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,
12 except that property first placed in service by the taxpayer on or after
13 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
14 1985 stats., is required to be depreciated under the Internal Revenue Code as
15 amended to December 31, 1980, and property first placed in service in taxable year
16 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
17 stats., is required to be depreciated under the Internal Revenue Code as amended
18 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
19 Code as amended to December 31, 1980.

20 *~~1059/6.25~~* SECTION 2185. 71.45 (3) (intro.) of the statutes is amended to
21 read:

22 71.45 (3) APPORTIONMENT. (intro.) ~~With respect~~ Except as provided in sub. (3d),
23 to determine Wisconsin income for purposes of the franchise tax, domestic insurers
24 not engaged in the sale of life insurance but which ~~that~~, in the taxable year, have
25 collected received premiums, other than life insurance premiums, written on

1 ~~subjects of~~ for insurance on property or risks resident, located or to be performed
2 outside this state, ~~there shall be subtracted from~~ multiply the net income figure
3 derived by application of sub. (2) (a) ~~to arrive at Wisconsin income constituting the~~
4 ~~measure of the franchise tax an amount calculated by multiplying such adjusted~~
5 ~~federal taxable income~~ by the arithmetic average of the following 2 percentages:

6 *~~1059/6.26~~* SECTION 2186. 71.45 (3) (a) of the statutes is amended to read:

7 71.45 (3) (a) The Subject to sub. (3d), the percentage of total determined by
8 dividing the sum of direct premiums written on all property and risks for insurance
9 other than life insurance, with respect to all property and risks resident, located, or
10 to be performed in this state, and assumed premiums written for reinsurance, other
11 than life insurance, with respect to all property and risks resident, located, or to be
12 performed in this state, by the sum of direct premiums written for insurance on all
13 property and risks, other than life insurance, wherever located during the taxable
14 year, as reflects, and assumed premiums written on insurance for reinsurance on all
15 property and risks, other than life insurance, where the subject of insurance was
16 resident, located or to be performed outside this state wherever located. In this
17 paragraph, “direct premiums” means direct premiums as reported for the taxable
18 year on an annual statement that is filed by the insurer with the commissioner of
19 insurance under s. 601.42 (1g) (a). In this paragraph, “assumed premiums” means
20 assumed reinsurance premiums from domestic insurance companies as reported for
21 the taxable year on an annual statement that is filed with the commissioner of
22 insurance under s. 601.42 (1g) (a).

23 *~~1059/6.27~~* SECTION 2187. 71.45 (3) (b) of the statutes is renumbered 71.45

24 (3) (b) 1. and amended to read:

1 71.45 (3) (b) 1. ~~The Subject to sub. (3d), the percentage of determined by~~
2 ~~dividing the payroll, exclusive of life insurance payroll, paid in this state in the~~
3 ~~taxable year by total payroll, exclusive of life insurance payroll, paid everywhere in~~
4 ~~the taxable year as reflects such compensation paid outside this state.~~
5 ~~Compensation.~~

6 2. ~~Under subd. 1., payroll is paid outside in~~ this state if the individual's service
7 is performed entirely ~~outside in~~ this state; or the individual's service is performed
8 both ~~within and without in and outside~~ this state, but the service performed ~~within~~
9 ~~outside this state~~ is incidental to the individual's service ~~without in~~ this state; or
10 some service is performed ~~without in~~ this state and the base of operations, or if there
11 is no base of operations, the place from which the service is directed or controlled is
12 ~~without in~~ this state, or the base of operations or the place from which the service is
13 directed or controlled is not in any state in which some part of the service is
14 performed, but the individual's residence is ~~outside in~~ this state.

15 *~~1059/6.28~~* SECTION 2188. 71.45 (3d) of the statutes is created to read:

16 71.45 (3d) PHASE IN; DOMESTIC INSURERS. (a) For taxable years beginning after
17 December 31, 2003, and before January 1, 2005, a domestic insurer that is subject
18 to apportionment under sub. (3) and this subsection shall multiply the net income
19 figure derived by the application of sub. (2) by an apportionment fraction composed
20 of the percentage under sub. (3) (a) representing 60% of the fraction and the
21 percentage under sub. (3) (b) 1. representing 40% of the fraction.

22 (b) For taxable years beginning after December 31, 2004, and before January
23 1, 2006, a domestic insurer that is subject to apportionment under sub. (3) and this
24 subsection shall multiply the net income figure derived by the application of sub. (2)
25 by an apportionment fraction composed of the percentage under sub. (3) (a)

1 representing 80% of the fraction and the percentage under sub. (3) (b) 1. representing
2 20% of the fraction.

3 (c) For taxable years beginning after December 31, 2005, a domestic insurer
4 that is subject to apportionment under sub. (3) and this subsection shall multiply the
5 net income figure derived by the application of sub. (2) by the percentage under sub.
6 (3) (a).

7 ***b0679/3.35* SECTION 2188m.** 71.45 (3e) of the statutes is created to read:

8 71.45 (3e) APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years
9 beginning before January 1, 2006, if both the numerator and the denominator used
10 to determine the percentage under sub. (3) (a) related to a taxpayer's net income are
11 zero, the percentage under sub. (3) (a) is eliminated from the apportionment formula
12 to determine the taxpayer's income under sub. (3).

13 2. For taxable years beginning after December 31, 2005, if both the numerator
14 and the denominator used to determine the percentage under sub. (3) (a) related to
15 a taxpayer's net income are zero, none of the taxpayer's net income is apportioned
16 to this state.

17 (b) 1. For taxable years beginning before January 1, 2006, if the numerator
18 used to determine the percentage under sub. (3) (a) related to a taxpayer's net income
19 is a negative number and the denominator used to determine the percentage under
20 sub. (3) (a) related to a taxpayer's net income is not zero, the percentage under sub.
21 (3) (a) is zero.

22 2. For taxable years beginning after December 31, 2005, if the numerator used
23 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is
24 a negative number and the denominator used to determine the percentage under

1 sub. (3) (a) related to a taxpayer's net income is not zero, none of the taxpayer's net
2 income is apportioned to this state.

3 (c) 1. For taxable years beginning before January 1, 2006, if the numerator used
4 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is
5 a positive number and the denominator used to determine the percentage under sub.
6 (3) (a) related to a taxpayer's net income is zero or a negative number, the percentage
7 under sub. (3) (a) is one.

8 2. For taxable years beginning after December 31, 2005, if the numerator used
9 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is
10 a positive number and the denominator used to determine the percentage under sub.
11 (3) (a) related to a taxpayer's net income is zero or a negative number, all of the
12 taxpayer's net income is apportioned to this state.

13 ***-1059/6.29* SECTION 2189.** 71.45 (3m) of the statutes is amended to read:

14 71.45 (3m) ARITHMETIC AVERAGE. ~~The Except as provided in sub. (3d), the~~
15 ~~arithmetic average of the 2 percentages referred to in sub. (3) shall be applied to the~~
16 ~~net income figure arrived at by the successive application of sub. (2) (a) and (b) with~~
17 ~~respect to Wisconsin insurers to which sub. (2) (a) and (b) applies and which have~~
18 ~~collected received premiums, other than life insurance premiums, written upon for~~
19 ~~insurance, other than life insurance, where the subject of such insurance was on~~
20 ~~property or risks resident, located or to be performed outside this state, to arrive at~~
21 Wisconsin income constituting the measure of the franchise tax.

22 ***-1493/1.3* SECTION 2190.** 71.45 (6) of the statutes is created to read:

23 71.45 (6) PARTNERSHIPS AND LIMITED LIABILITY COMPANIES. (a) A general or
24 limited partner's share of the numerator and denominator of a partnership's
25 apportionment factors under this section are included in the numerator and

1 denominator of the general or limited partner's apportionment factors under this
2 section.

3 (b) If a limited liability company is treated as a partnership, for federal tax
4 purposes, a member's share of the numerator and denominator of a limited liability
5 company's apportionment factors under this section are included in the numerator
6 and denominator of the member's apportionment factors under this section.

7 ***-0667/5.10* SECTION 2191.** 71.47 (1dm) of the statutes is created to read:

8 **71.47 (1dm) DEVELOPMENT ZONE CAPITAL INVESTMENT CREDIT.** (a) In this
9 subsection:

10 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or
11 certified under s. 560.795 (5).

12 2. "Claimant" means a person who files a claim under this subsection.

13 3. "Development zone" means a development opportunity zone under s. 560.795
14 (1) (e).

15 4. "Previously owned property" means real property that the claimant or a
16 related person owned during the 2 years prior to the department of commerce
17 designating the place where the property is located as a development zone and for
18 which the claimant may not deduct a loss from the sale of the property to, or an
19 exchange of the property with, the related person under section 267 of the Internal
20 Revenue Code, except that section 267 (b) of the Internal Revenue Code is modified
21 so that if the claimant owns any part of the property, rather than 50% ownership, the
22 claimant is subject to section 267 (a) (1) of the Internal Revenue Code for purposes
23 of this subsection.

24 (b) Subject to the limitations provided in this subsection and in s. 73.03 (35),
25 for any taxable year for which the claimant is certified, a claimant may claim as a

1 credit against the taxes imposed under s. 71.43 an amount that is equal to 3% of the
2 following:

3 1. The purchase price of depreciable, tangible personal property.

4 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
5 real property in a development zone.

6 (c) A claimant may claim the credit under par. (b) 1., if the tangible personal
7 property is purchased after the claimant is certified and the personal property is
8 used for at least 50% of its use in the claimant's business at a location in a
9 development zone or, if the property is mobile, the property's base of operations for
10 at least 50% of its use is at a location in a development zone.

11 (d) A claimant may claim the credit under par. (b) 2. for an amount expended
12 to construct, rehabilitate, remodel, or repair real property, if the claimant began the
13 physical work of construction, rehabilitation, remodeling, or repair, or any
14 demolition or destruction in preparation for the physical work, after the place where
15 the property is located was designated a development zone, or if the completed
16 project is placed in service after the claimant is certified. In this paragraph, "physical
17 work" does not include preliminary activities such as planning, designing, securing
18 financing, researching, developing specifications, or stabilizing the property to
19 prevent deterioration.

20 (e) A claimant may claim the credit under par. (b) 2. for an amount expended
21 to acquire real property, if the property is not previously owned property and if the
22 claimant acquires the property after the place where the property is located was
23 designated a development zone, or if the completed project is placed in service after
24 the claimant is certified.

1 (f) No credit may be allowed under this subsection unless the claimant includes
2 with the claimant's return:

3 1. A copy of a verification from the department of commerce that the claimant
4 may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5).

5 2. A statement from the department of commerce verifying the purchase price
6 of the investment and verifying that the investment fulfills the requirements under
7 par. (b).

8 (g) In calculating the credit under par. (b) a claimant shall reduce the amount
9 expended to acquire property by a percentage equal to the percentage of the area of
10 the real property not used for the purposes for which the claimant is certified and
11 shall reduce the amount expended for other purposes by the amount expended on the
12 part of the property not used for the purposes for which the claimant is certified.

13 (h) The carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit
14 under s. 71.28 (4) relate to the credit under this subsection.

15 (i) Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 that credit shall be determined on the basis of their economic activity, not that of their
18 shareholders, partners, or members. The corporation, partnership, or limited
19 liability company shall compute the amount of credit that may be claimed by each
20 of its shareholders, partners, or members and provide that information to its
21 shareholders, partners, or members. Partners, members of limited liability
22 companies, and shareholders of tax-option corporations may claim the credit based
23 on the partnership's, company's, or corporation's activities in proportion to their
24 ownership interest and may offset it against the tax attributable to their income from
25 the partnership's, company's, or corporation's business operations in the

1 development zone and against the tax attributable to their income from the
2 partnership's, company's, or corporation's directly related business operations.

3 (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
4 becomes ineligible for such tax benefits, or if a person's certification under s. 560.795
5 (5) is revoked, that person may claim no credits under this subsection for the taxable
6 year that includes the day on which the person becomes ineligible for tax benefits,
7 the taxable year that includes the day on which the certification is revoked, or
8 succeeding taxable years, and that person may carry over no unused credits from
9 previous years to offset tax under this chapter for the taxable year that includes the
10 day on which the person becomes ineligible for tax benefits, the taxable year that
11 includes the day on which the certification is revoked, or succeeding taxable years.

12 (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
13 or certified under s. 560.795 (5) ceases business operations in the development zone
14 during any of the taxable years that that zone exists, that person may not carry over
15 to any taxable year following the year during which operations cease any unused
16 credits from the taxable year during which operations cease or from previous taxable
17 years.

18 (L) Section 71.28 (4) (g) and (h) as it applies to the credit under s. 71.28 (4)
19 applies to the credit under this subsection.

20 ***-0669/1.3* SECTION 2192.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

21 71.47 (1dx) (a) 5. "Member of a targeted group" means ~~a person under sub. (2d)~~
22 ~~(am) 1.~~, a person who resides in an empowerment zone, or an enterprise community,
23 that the U.S. government designates, a person who is employed in an unsubsidized
24 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
25 works employment position, a person who is employed in a trial job, as defined in s.

1 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a
2 person who is a vocational rehabilitation referral, an economically disadvantaged
3 youth, an economically disadvantaged veteran, a supplemental security income
4 recipient, a general assistance recipient, an economically disadvantaged ex-convict,
5 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated
6 worker, as defined in 29 USC 2801 (9), or a food stamp recipient; if the person has
7 been certified in the manner under sub. (1dj) (am) 3. by a designated local agency,
8 as defined in sub. (1dj) (am) 2.

9 ***-1856/6.5* SECTION 2193.** 71.47 (3g) of the statutes is created to read:

10 71.47 (3g) TECHNOLOGY ZONES CREDIT. (a) Subject to the limitations under this
11 subsection and ss. 73.03 (35m), and 560.96, a business that is certified under s.
12 560.96 (3) may claim as a credit against the taxes imposed under s. 71.43 an amount
13 equal to the sum of the following, as established under s. 560.96 (3) (c):

14 1. The amount of real and personal property taxes imposed under s. 70.01 that
15 the business paid in the taxable year.

16 2. The amount of income and franchise taxes imposed under s. 71.43 that the
17 business paid in the taxable year.

18 3. The amount of sales and use taxes imposed under ss. 77.52, 77.53, and 77.71
19 that the business paid in the taxable year.

20 (b) The department of revenue shall notify the department of commerce of all
21 claims under this subsection.

22 (c) Section 71.28 (4) (e), (f), (g), and (h), as it applies to the credit under s. 71.28
23 (4), applies to the credit under par. (a).

24 (d) Partnerships, limited liability companies, and tax-option corporations may
25 not claim the credit under this subsection, but the eligibility for, and the amount of,