

**2007 Mr8 DRAFTING REQUEST**

**Bill**

Received: **03/10/2008**

Received By: **chanaman**

Wanted: **As time permits**

Identical to LRB:

For: **Administration**

By/Representing: **Schmiedicke**

This file may be shown to any legislator: **NO**

Drafter: **chanaman**

May Contact:

Addl. Drafters:

Subject: **State Finance - bud generally**

Extra Copies:

Submit via email: **YES**

Requester's email: **jennifer.kraus@wisconsin.gov**

Carbon copy (CC:) to: **david.schmiedicke@wisconsin.gov**  
**kirsten.grinde@wisconsin.gov**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Budget adjustment bill

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**Instructions:**

See Attached--compile of BABs from DOA

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	chanaman 03/10/2008			_____			S&L
/1			jfrantze 03/11/2008	_____	lparisi 03/11/2008	mbarman 03/11/2008	S&L

FE Sent For: "/1" @ intro. 3-12-00 <END>

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Carbon copy (CC:) to: david.schmiedicke@wisconsin.gov

*Kirsten-gardie@wisconsin.gov*

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/P1	chanaman 03/10/2008	<i>p2 3/10 jld</i>	lrb_lps	<i>[Signature]</i>	<i>[Signature]</i>		S&L
FE Sent For:		<i>p3/mk 3/11 nwn 11/5F 3/11 3/11</i>	<i>nwn/ps 3/11</i>	<i>[Signature]</i>	<i>[Signature]</i>		

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/P1	chanaman						
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\_\_\_\_\_

FE Sent For:

<END>

## Barman, Mike

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**From:** Hanaman, Cathlene  
**Sent:** Tuesday, March 11, 2008 9:17 AM  
**To:** Barman, Mike  
**Subject:** bab310inonly.xls

**Attachments:** bab310inonly.xls

Here is the compile in-list for the spec session budget adjustment bill (-4268).



bab310inonly.xls  
(16 KB)

LRB	status	In/Out	Date	Pre Topic	Attorney	Analyst	Subject	Topic
07-4059/1	in		2/12/08	BAB002	pgrant	Hynek	Education - libraries	Public library aids
07-4072/3	in		3/10/08	BAB013	agary	Steinmetz	Transportation - miscellaneous	Implementation of federal REAL ID Act; transfer to general fund; JCF supplemental appropriation
07-4077/2	in		3/10/08	BAB019	jkreye	Frederick	Tax, Business - crp inc, fran	Real estate investment trust dividend paid deduction
07-4081/4	in		3/10/08	BAB003	dkennedy	Gauger	Health - miscellaneous	Hospital assessment
07-4082/5	in		2/29/08	BAB020	rchampag	Frederick	State Finance - miscellaneous	Transfers from Budget Stabilization Fund
07-4168/1	in		2/26/08	BAB024	agary	Steinmetz	Transportation - highways	General obligation bonding for transportation
07-4187/2	in		3/5/08	BAB026	rchampag	Grinde	State Finance - bud generally	Revenue shortfall trigger
07-4188/2	in		3/4/08	BAB027	rchampag	Grinde	State Finance - bud generally	Temporary reallocations from the general fund
07-4215/3	in		3/10/08	BAB029	rchampag	Frederick	State Finance - bud generally	Lapses and transfers to the general fund
07-4240/1	in		3/6/08	BAB034	rchampag	Gauger	State Finance - miscellaneous	Permanent Endowment Fund transfer to Medical Assistance Trust Fund
07-4242/3	in		3/10/08	BAB032	agary	Steinmetz	Transportation - highways	Highway program funding levels
07-4267/1	in		3/10/08	BAB038	rchampag	Grinde	State Finance - miscellaneous	General fund structural balance

## Sorted Item List

<u>Store File Name</u>	<u>Text</u>
-4168.1	13.101 (6) (a) of the statutes is amended to read:
-4081.1	13.101 (18) of the statutes is created to read:
-4081.2	20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:
-4168.2	20.395 (6) (ac) of the statutes is created to read:
-4081.3	20.435 (4) (gp) of the statutes is repealed.
-4081.4	20.435 (4) (xc) of the statutes is created to read:
-4168.3	20.866 (1) (u) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4168.4	20.866 (2) (uut) of the statutes is created to read:
-4081.5	25.17 (1) (gs) of the statutes is created to read:
-4240.1	25.69 of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4081.6	25.77 (11) of the statutes is created to read:
-4081.7	25.772 of the statutes is created to read:
-4081.8	46.27 (9) (a) of the statutes is amended to read:
-4081.9	46.27 (10) (a) 1. of the statutes is amended to read:
-4081.10	46.275 (5) (a) of the statutes is amended to read:
-4081.11	46.275 (5) (c) of the statutes is amended to read:
-4081.12	46.283 (5) of the statutes is amended to read:
-4081.13	46.284 (5) (a) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4081.14	46.485 (2g) (intro.) of the statutes is amended to read:
-4081.15	49.45 (2) (a) 17. of the statutes is amended to read:
-4081.16	49.45 (5m) (ag) of the statutes is repealed.
-4081.17	49.45 (5m) (am) of the statutes is amended to read:
-4081.18	49.45 (6m) (ag) (intro.) of the statutes is amended to read:
-4081.19	49.45 (6v) (b) of the statutes is amended to read:
-4081.20	49.45 (6x) (a) of the statutes is amended to read:
-4081.21	49.45 (6y) (a) of the statutes is amended to read:
-4081.22	49.45 (6y) (am) of the statutes is amended to read:

-4081.23	49.45 (6z) (a) (intro.) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4081.24	49.45 (8) (b) of the statutes is amended to read:
-4081.25	49.45 (24m) (intro.) of the statutes is amended to read:
-4081.26	49.45 (52) of the statutes is amended to read:
-4081.27	49.45 (58) of the statutes is created to read:
-4081.28	49.472 (6) (a) of the statutes is amended to read:
-4081.29	49.472 (6) (b) of the statutes is amended to read:
-4081.30	49.473 (5) of the statutes is amended to read:
-4081.31	50.375 of the statutes is created to read:
-4077.1	71.22 (4) (n) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4077.2	71.22 (4) (o) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4077.3	71.22 (4) (p) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4077.4	71.22 (4) (q) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4077.5	71.22 (4) (r) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
-4077.6	71.22 (4) (s) of the statutes, as created by 2007 Wisconsin Act 20, is amended to read:
-4077.7	71.22 (4) (t) of the statutes, as created by 2007 Wisconsin Act 20, is amended to read:
-4077.8	71.22 (9a) of the statutes is created to read:
-4077.9	71.22 (9c) of the statutes is created to read:
-4077.10	71.22 (9d) of the statutes is created to read:
-4077.11	71.22 (9e) of the statutes is created to read:
-4077.12	71.26 (2) (b) of the statutes is repealed and recreated to read:
-4168.5	84.013 (2) of the statutes is amended to read:
-4168.6	84.014 (2) of the statutes is amended to read:
-4168.7	84.557 of the statutes is created to read:
-4081.32	146.99 of the statutes is repealed.
-4187.9101	Nonstatutory provisions; Administration. }
-4188.9101	Nonstatutory provisions; <u>administration</u> . }
-4267.9130	Nonstatutory provisions; <u>legislature</u> .

-4072.9148	Nonstatutory provisions; Transportation.	}
-4242.9148	Nonstatutory provisions; Transportation.	}
-4082.9201	Fiscal changes; Administration.	}
-4215.9201	Fiscal changes; Administration.	}
-4081.9221	Fiscal changes; Health and Family Services.	}
-4240.9221	Fiscal changes; Health and Family Services.	}
-4059.9237	Fiscal changes; Public Instruction.	
-4072.9248	Fiscal changes; Transportation.	}
-4242.9248	Fiscal changes; Transportation.	}
-4077.9341	Initial applicability; Revenue.	①



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-4268/PI

March 2008 Special Session

Y.....nwn

AW all

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

don't gen

state finances and appropriations

1

AN ACT ...; relating to: the budget adjustment bill

*Analysis by the Legislative Reference Bureau*

~~\*\*\* ANALYSIS FROM -4059/T \*\*\*~~

**EDUCATION**

~~PRIMARY AND SECONDARY EDUCATION~~

This bill corrects the source for all funding for public library system aid in the 2008-09 fiscal year from the general fund to the universal service fund.

~~\*\*\* ANALYSIS FROM -4081/4 \*\*\*~~

**HEALTH AND HUMAN SERVICES**

~~MEDICAL ASSISTANCE~~

Under current federal and state law, Medical Assistance (MA) is a jointly funded, federal-state program, including BadgerCare Plus, that DHFS administers to provide health care benefits to eligible individuals with very low incomes and few assets, (generally, pregnant women, certain children, certain parents or caretaker relatives, certain adults under age 21 who were in foster care, migrant workers and their dependents, and elderly or disabled individuals). The state share of MA is paid from a combination of general purpose revenues, program revenues from hospital assessments, and segregated funds under the MA trust fund.

Under current law, DHFS annually assesses hospitals a total of \$1,500,000, in proportion to each hospital's respective gross private-pay patient revenues during the hospital's most recent fiscal year. Moneys from the assessments are credited to a program revenue appropriation account, from which is paid a portion of MA program benefits, certain long-term care MA pilot projects, and services under the Family Care Program.

Currently, under MA, DHFS must distribute not more than \$2,256,000 in each fiscal year to provide supplemental funds to rural hospitals and to critical access hospitals that have a high utilization of inpatient services by patients whose care is provided from governmental sources.

This bill eliminates the current annual hospital assessment and the associated program revenue appropriation account and, instead, authorizes DHFS to levy, enforce, and collect assessments on the gross patient revenue of hospitals, based on claims information collected by an entity from hospitals under the laws relating to health care information or based on any other source that is approved in the state Medicaid plan. Under the bill, the entire assessment for fiscal year 2007-08 must be paid by June 1, 2008, and thereafter assessments must be paid by September 1, 2008, December 1, 2008, March 1, 2009, and June 1, 2009. DHFS must verify the amount of each hospital's gross patient revenue and determine the amount of the assessment owed by each hospital based on a uniform rate applicable to total gross patient revenue that DHFS estimates will yield \$205,532,800 in fiscal year 2007-08 and \$214,226,000 in fiscal year 2008-09. DHFS may allow delayed payment by hospitals that are unable to pay by the assessment dates; a DHFS determination that a hospital may not make a delayed payment is not subject to an administrative appeal process. If DHFS determines that any portion of the revenue needed to provide MA payment increases for inpatient or outpatient hospital services as fee for service or through health maintenance organizations (HMOs) or to support the MA Program is not eligible for the federal Medicaid share, DHFS must refund that amount to hospitals in proportion to each hospital's assessment payment. The assessments must be deposited into a separate, nonlapsible trust fund, as created in the bill (the hospital assessment fund).

Moneys from the hospital assessments deposited in the hospital assessment fund are, under the bill, appropriated in the amounts of \$145,032,800 in fiscal year 2007-08 and \$147,726,500 in fiscal year 2008-09 to provide the MA nonfederal share for increased payments, in excess of the aggregate inpatient and outpatient MA hospital payment rates in effect in fiscal year 2006-07, and refunds to hospitals for services provided under MA. They are also transferred to the MA trust fund and appropriated to provide \$58,500,000 in fiscal year 2007-08 and \$65,000,000 in fiscal year 2008-09, for a portion of MA program benefits and to increase (together with federal Medicaid matching moneys) the amount of moneys DHFS must distribute to rural hospitals for fiscal year 2007-08 and each fiscal year thereafter, by \$3,000,000. The general program revenue appropriation account for MA program benefits is decreased by \$60,000,000 in fiscal year 2007-08 and by \$62,500,000 in fiscal year 2008-09. JCF may not transfer moneys from the hospital assessment fund.

The bill requires HMOs that provide services under MA to make monthly payments to hospitals in amounts equivalent to any increase in the capitated rate that DHFS pays HMOs for serving MA recipients, which increase is intended to cover hospital services and is associated with the hospital assessment. The bill requires DHFS to determine monthly amounts that HMOs must pay hospitals based on data that DHFS uses to calculate the capitated rates DHFS pays HMOs as well as encounter data provided by the HMOs. DHFS must redetermine the amounts at

least once annually and must publicly disclose the methodology used to calculate the amounts. The bill further requires HMOs to compare the monthly payments to hospitals with the amount derived by applying the rate increase that is associated with the hospital assessment to actual utilization of hospital services by MA recipients. If the amount based on actual utilization exceeds the monthly payments, HMOs must pay hospitals the difference. These requirements do not apply after December 31, 2009.

Under the bill, DHFS must report, by December 31, 2008, and by December 31, 2009, to JCF all of the following information for the immediately previous state fiscal year: (1) the total amount of hospital assessments collected; (2) the total amount of assessments collected from each hospital; (3) the total amounts that DHFS determines were paid to HMOs for increased MA payments to hospitals; (4) the total amount of these payments made to each hospital by HMOs; (5) the total amount of these payments made to each hospital and the portion of the capitated payments made to HMOs for inpatient and outpatient hospital services from general purpose revenues; (6) the total amounts, including amounts under (3), that DHFS determines were paid to HMOs for MA payments to hospitals; and (7) the results of any audits conducted by DHFS concerning these payments to HMOs and any actions taken by DHFS as the result of such an audit.

INS A ✓  
INS B ✓  
INS C ✓  
INS D ✓  
REVENUE

~~\*\*\* ANALYSIS FROM 4072/3 \*\*\*~~

~~TRANSPORTATION~~

~~OTHER TRANSPORTATION~~

This bill requires the secretary of administration to transfer \$5,000,000 from the transportation fund to the general fund in fiscal year 2007-08.

This bill also prohibits JCF from supplementing any DOT appropriation in fiscal year 2007-08, for purposes relating to implementation of the federal REAL ID Act of 2005, unless after the supplement there remains unexpended in the JCF appropriation, for fiscal year 2007-08, at least \$5,000,000 of the estimated expenditures in this appropriation relating to implementation of the federal REAL ID Act of 2005.

~~\*\*\* ANALYSIS FROM 4077/3 \*\*\*~~

~~TAXATION~~

~~INCOME TAXATION~~

This bill disallows certain deductions, for income and franchise tax purposes, for amounts paid to a real estate investment trust and for amounts paid to a regulated investment company.

~~\*\*\* ANALYSIS FROM 4082/5 \*\*\*~~

~~STATE GOVERNMENT~~

~~STATE FINANCE~~

Under current law, certain excess general purpose revenues, net proceeds from the sale of state buildings, structures, or land, and net proceeds from the sale of state surplus property are deposited into the budget stabilization fund. This bill provides that, if the projected balance of the general fund on June 30, 2008, or June 30, 2009,

D  
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①

is less than \$65,000,000, the secretary of administration may transfer any amount of moneys from the budget stabilization fund to the general fund.

(end ins D)

~~\*\*\* ANALYSIS FROM -4168/2 \*\*\*~~

~~TRANSPORTATION~~

~~HIGHWAYS~~

Current law authorizes the state to contract public debt (issue general obligation bonds) for purposes of funding major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects, subject to specified limitations. On some of this debt, principal and interest costs incurred in financing the debt (debt service) is paid from the general fund, and on some of this debt the debt service is paid from the transportation fund.

This bill authorizes the state to contract up to an additional \$190,000,000 in public debt for purposes of funding major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects. Debt service on this additional debt is paid from the general fund.

~~\*\*\* ANALYSIS FROM -4187/2 \*\*\*~~

~~STATE GOVERNMENT~~

~~STATE FINANCE~~

Under current law, after enactment of the biennial budget act, if the secretary of administration determines that authorized expenditures will exceed revenues in the current or forthcoming fiscal year by more than 0.5 percent of estimated general purpose revenue appropriations for that fiscal year, the governor must submit a bill making recommendations for correcting the imbalance between projected revenues and authorized expenditures. This bill increases the threshold during the remainder of the 2007-09 fiscal biennium to 2 percent of estimated general purpose revenue appropriations for a fiscal year.

JNSB

~~\*\*\* ANALYSIS FROM -4188/2 \*\*\*~~

~~STATE GOVERNMENT~~

~~STATE FINANCE~~

Currently, in any fiscal year, the secretary of administration may temporarily reallocate moneys to the general fund from other state funds in an amount not to exceed, at any one time, 5 percent of the total general purpose revenue appropriations for that fiscal year. This bill increases that amount to 10 percent during the 2007-09 fiscal biennium.

~~\*\*\* ANALYSIS FROM -4215/3 \*\*\*~~

~~STATE GOVERNMENT~~

~~STATE FINANCE~~

2007 Wisconsin Act 20 required the secretary of administration to lapse or transfer to the general fund from appropriations to almost all executive branch state agencies, other than sum sufficient appropriations and appropriations of federal revenues, an amount equal to \$200,000,000 during the 2007-09 fiscal biennium and \$200,000,000 during the 2009-11 fiscal biennium.

The bill requires the secretary of administration to make additional lapses or transfers to the general fund from appropriations to all executive branch state



B

agencies, other than sum sufficient appropriations and appropriations of federal revenues, in an amount equal to \$330,400,000 during the 2007-09 fiscal biennium and \$330,400,000 during the 2009-11 fiscal biennium.

The bill, however, provides that not more than a total of \$293,000,000 may be lapsed or transferred, under this act and 2007 Wisconsin Act 20, to the general fund from appropriations to the Department of Transportation during the 2007-09 fiscal biennium.

(ending B)

\*\*\* ANALYSIS FROM -4242/4 \*\*\*

DOT

**TRANSPORTATION**

**HIGHWAYS**

This bill decreases DOT state funds appropriations for major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects. The bill also requires the secretary of administration and DOT to increase revenue estimates for certain other appropriations, and for available general obligation bond proceeds, for major highway projects, southeast Wisconsin freeway rehabilitation projects, and state highway rehabilitation projects. The appropriation decreases are not included in establishing DOT's appropriation base level for the respective appropriations when DOT submits its 2009-11 biennial budget request.

\*\*\* ANALYSIS FROM -4240/1 \*\*\*

**HEALTH**

**MEDICAL ASSISTANCE**

On November 23, 1998, Wisconsin and other states agreed to a settlement of lawsuits brought against the major U.S. tobacco product manufacturers. Under the tobacco settlement agreement, the state was to receive annual payments from the U.S. tobacco product manufacturers in perpetuity. 2001 Wisconsin Act 16 authorized the secretary of administration to sell the state's right to receive payments under the tobacco settlement agreement. Moneys received from the sale were required to be deposited into the permanent endowment fund, a fund created in 2001. Currently, the first \$50,000,000 of moneys deposited into the fund is transferred to the Medical Assistance trust fund in each fiscal year.

The bill increases the amount that is transferred from the permanent endowment fund to the Medical Assistance trust fund to \$65,000,000 in each fiscal year and also reduces general purpose revenue funding for the Medical Assistance program by \$15,000,000 in each year of the 2007-09 fiscal biennium.

\*\*\* ANALYSIS FROM -4267/2 \*\*\*

**STATE GOVERNMENT**

**STATE FINANCE**

Current statutes contain a rule of proceeding governing legislative action on certain bills. Generally, the rule provides that no bill may be adopted by the legislature if the bill would cause general purpose revenue expenditures in a fiscal year, less amounts transferred to the budget stabilization fund in that fiscal year, to exceed the sum of taxes and departmental revenues deposited in the general fund in that fiscal year. This bill includes the balance of the budget stabilization fund for

A

C



the purpose of calculating the cap for general purpose revenue expenditures during each fiscal year of the 2007-09 fiscal biennium. (end ins c)

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

X-SPC

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

1           \*-4168/2.1\* SECTION 1. 13.101 (6) (a) of the statutes is amended to read:

2           13.101 (6) (a) As an emergency measure necessitated by decreased state  
3 revenues and to prevent the necessity for a state tax on general property, the  
4 committee may reduce any appropriation made to any board, commission,  
5 department, or the University of Wisconsin System, or to any other state agency or  
6 activity, by such amount as it deems feasible, not exceeding 25% of the  
7 appropriations, except appropriations made by ss. 20.255 (2) (ac), (bc), (bh), (cg), and  
8 (cr), 20.395 (1), (2) (cq), (eq) to (ex) and (gq) to (gx), (3), (4) (aq) to (ax), and (6) (ac),  
9 (af), (aq), (ar), and (au), 20.435 (6) (a) and (7) (da), and 20.445 (3) (a) and (dz) or for  
10 forestry purposes under s. 20.370 (1), or any other moneys distributed to any county,  
11 city, village, town, or school district. Appropriations of receipts and of a sum  
12 sufficient shall for the purposes of this section be regarded as equivalent to the  
13 amounts expended under such appropriations in the prior fiscal year which ended  
14 June 30. All functions of said state agencies shall be continued in an efficient  
15 manner, but because of the uncertainties of the existing situation no public funds  
16 should be expended or obligations incurred unless there shall be adequate revenues  
17 to meet the expenditures therefor. For such reason the committee may make  
18 reductions of such appropriations as in its judgment will secure sound financial  
19 operations of the administration for said state agencies and at the same time  
20 interfere least with their services and activities.



1           **\*-4081/4.4\* \*b1194/P2.3\* SECTION 6.** 20.435 (4) (xc) of the statutes is created  
2 to read:

3           20.435 (4) (xc) *Hospital assessment fund; hospital payments and refunds.*  
4 Biennially, from the medical assessment trust fund, the amounts in the schedule for  
5 increased payments and refunds to hospitals and for higher capitated payment rates  
6 under s. 49.45 (58) (a), as the Medical Assistance nonfederal share, in order to  
7 increase payment rates in excess of the aggregate inpatient and outpatient hospital  
8 payment rates in effect in fiscal year 2006-07 for services provided by hospitals  
9 under the Medical Assistance program administered under subch. IV of ch. 49.

10           **\*-4168/2.3\* SECTION 7.** 20.866 (1) (u) of the statutes, as affected by 2007  
11 Wisconsin Act 20, is amended to read:

12           20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
13 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b), (f), and (s), 20.190  
14 (1) (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
15 20.255 (1) (d), 20.285 (1) (d), (db), (im), (in), (je), (jq), (kd), (km), and (ko) and (5) (i),  
16 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag), (aq), (ar), (at), (au), (bq), (br),  
17 (ca), (cb), (cc), (cd), (ce), (cf), (cg), (ea), (eq), and (er), 20.395 (6) (ac), (af), (aq), (ar), and  
18 (au), 20.410 (1) (e), (ec), and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1) (d),  
19 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (4) (es), (et), (ha), and (hb) and (5)  
20 (c), (g), (kc), and (kd), 20.855 (8) (a), and 20.867 (1) (a) and (b) and (3) (a), (b), (bm),  
21 (bn), (bp), (bq), (br), (bu), (bv), (g), (h), (i), and (q) for the payment of principal,  
22 interest, premium due, if any, and payment due, if any, under an agreement or  
23 ancillary arrangement entered into under s. 18.06 (8) (a) relating to any public debt  
24 contracted under subchs. I and IV of ch. 18.

25           **\*-4168/2.4\* SECTION 8.** 20.866 (2) (uut) of the statutes is created to read:

1           20.866 (2) (uut) *Transportation; major highway projects and southeast*  
2 *Wisconsin freeway and state highway rehabilitation projects.* From the capital  
3 improvement fund, a sum sufficient for the department of transportation to fund  
4 major highway projects, southeast Wisconsin freeway rehabilitation projects, and  
5 state highway rehabilitation projects, as provided under s. 84.557. The state may  
6 contract public debt in an amount not to exceed \$190,000,000 for these purposes.

7           \*-4081/4.5\* SECTION 9. 25.17 (1) (gs) of the statutes is created to read:

8           25.17 (1) (gs) Hospital assessment fund (s. 25.772);

9           \*-4240/1.1\* SECTION 10. 25.69 of the statutes, as affected by 2007 Wisconsin  
10 Act 20, is amended to read:

11           **25.69 Permanent endowment fund.** There is established a separate  
12 nonlapsible trust fund designated as the permanent endowment fund, consisting of  
13 all of the proceeds from the sale of the state's right to receive payments under the  
14 Attorneys General Master Tobacco Settlement Agreement of November 23, 1998,  
15 and all investment earnings on the proceeds. There is transferred from the  
16 permanent endowment fund to the Medical Assistance trust fund \$50,000,000  
17 \$65,000,000 in each fiscal year.

18           \*-4081/4.6\* SECTION 11. 25.77 (11) of the statutes is created to read:

19           25.77 (11) All moneys transferred under 2007 Wisconsin Act .... (this act),  
20 section 9221 (2).

21           \*-4081/4.7\* SECTION 12. 25.772 of the statutes is created to read:

22           **25.772 Hospital assessment fund.** There is established a separate  
23 nonlapsible trust fund designated as the hospital assessment fund, to consist of all  
24 moneys received under s. 50.375 from assessments on hospitals.

1           **\*-4081/4.8\* \*-0892/11.13\* SECTION 13.** 46.27 (9) (a) of the statutes is amended  
2 to read:

3           46.27 (9) (a) The department may select up to 5 counties that volunteer to  
4 participate in a pilot project under which they will receive certain funds allocated for  
5 long-term care. The department shall allocate a level of funds to these counties  
6 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), ~~(gp)~~, or (w),  
7 to nursing homes for providing care because of increased utilization of nursing home  
8 services, as estimated by the department. In estimating these levels, the department  
9 shall exclude any increased utilization of services provided by state centers for the  
10 developmentally disabled. The department shall calculate these amounts on a  
11 calendar year basis under sub. (10).

12           **\*-4081/4.9\* \*-0892/11.14\* SECTION 14.** 46.27 (10) (a) 1. of the statutes is  
13 amended to read:

14           46.27 (10) (a) 1. The department shall determine for each county participating  
15 in the pilot project under sub. (9) a funding level of state medical assistance  
16 expenditures to be received by the county. This level shall equal the amount that the  
17 department determines would otherwise be paid under s. 20.435 (4) (b), ~~(gp)~~, or (w),  
18 or because of increased utilization of nursing home services, as estimated by the  
19 department.

20           **\*-4081/4.10\* \*-0892/11.15\* SECTION 15.** 46.275 (5) (a) of the statutes is  
21 amended to read:

22           46.275 (5) (a) Medical Assistance reimbursement for services a county, or the  
23 department under sub. (3r), provides under this program is available from the  
24 appropriation accounts under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w). If 2 or more counties  
25 jointly contract to provide services under this program and the department approves

1 the contract, Medical Assistance reimbursement is also available for services  
2 provided jointly by these counties.

3 **\*-4081/4.11\* \*-0892/11.16\* SECTION 16.** 46.275 (5) (c) of the statutes is  
4 amended to read:

5 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w) to  
6 counties and to the department under sub. (3r) for services provided under this  
7 section may not exceed the amount approved by the federal department of health and  
8 human services. A county may use funds received under this section only to provide  
9 services to persons who meet the requirements under sub. (4) and may not use  
10 unexpended funds received under this section to serve other developmentally  
11 disabled persons residing in the county.

12 **\*-4081/4.12\* \*-0892/11.19\* SECTION 17.** 46.283 (5) of the statutes is amended  
13 to read:

14 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),  
15 (bm), ~~(gp)~~, (pa), and (w) and (7) (b), (bd), and (md), the department may contract with  
16 organizations that meet standards under sub. (3) for performance of the duties under  
17 sub. (4) and shall distribute funds for services provided by resource centers.

18 **\*-4081/4.13\* SECTION 18.** 46.284 (5) (a) of the statutes, as affected by 2007  
19 Wisconsin Act 20, is amended to read:

20 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), ~~(gp)~~,  
21 (im), (o), and (w) and (7) (b), (bd), and (g), the department shall provide funding on  
22 a capitated payment basis for the provision of services under this section.  
23 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is  
24 under contract with the department may expend the funds, consistent with this

1 section, including providing payment, on a capitated basis, to providers of services  
2 under the family care benefit.

3 **\*-4081/4.14\* \*-0892/11.21\* SECTION 19.** 46.485 (2g) (intro.) of the statutes is  
4 amended to read:

5 46.485 (2g) (intro.) From the appropriation ~~accounts~~ account under s. 20.435  
6 (4) (b) ~~and (gp)~~, the department may in each fiscal year transfer funds to the  
7 appropriation under s. 20.435 (7) (kb) for distribution under this section and from the  
8 appropriation account under s. 20.435 (7) (mb) the department ~~may not~~ shall  
9 distribute ~~more than~~ \$1,330,500 in each fiscal year to applying counties in this state  
10 that meet all of the following requirements, as determined by the department:

11 **\*-4081/4.15\* \*-0892/11.22\* SECTION 20.** 49.45 (2) (a) 17. of the statutes is  
12 amended to read:

13 49.45 (2) (a) 17. Notify the governor, the joint committee on legislative  
14 organization, the joint committee on finance and appropriate standing committees,  
15 as determined by the presiding officer of each house, if the appropriation ~~accounts~~  
16 account under s. 20.435 (4) (b) ~~and (gp) are~~ is insufficient to provide the state share  
17 of medical assistance.

18 **\*-4081/4.16\* SECTION 21.** 49.45 (5m) (ag) of the statutes is repealed.

19 **\*-4081/4.17\* \*-0892/11.23\* SECTION 22.** 49.45 (5m) (am) of the statutes is  
20 amended to read:

21 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
22 under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), the department shall distribute not more  
23 than ~~\$2,256,000~~ \$5,256,000 in each fiscal year 2007-08 and each fiscal year  
24 thereafter, to provide supplemental funds to rural hospitals that, as determined by  
25 the department, have high utilization of inpatient services by patients whose care

1 is provided from governmental sources, and to provide supplemental funds to critical  
2 access hospitals, except that the department may not distribute funds to a rural  
3 hospital or to a critical access hospital to the extent that the distribution would  
4 exceed any limitation under 42 USC 1396b (i) (3).

5 \*~~4081/4.18~~\* \*~~0892/11.24~~\* SECTION 23. 49.45 (6m) (ag) (intro.) of the statutes  
6 is amended to read:

7 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this  
8 subsection made under s. 20.435 (4) (b), ~~(gp)~~, (o), (pa), or (w) shall, except as provided  
9 in pars. (bg), (bm), and (br), be determined according to a prospective payment  
10 system updated annually by the department. The payment system shall implement  
11 standards that are necessary and proper for providing patient care and that meet  
12 quality and safety standards established under subch. II of ch. 50 and ch. 150. The  
13 payment system shall reflect all of the following:

14 \*~~4081/4.19~~\* \*~~0892/11.25~~\* SECTION 24. 49.45 (6v) (b) of the statutes is  
15 amended to read:

16 49.45 (6v) (b) The department shall, each year, submit to the joint committee  
17 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that  
18 provides information on the utilization of beds by recipients of medical assistance in  
19 facilities and a discussion and detailed projection of the likely balances,  
20 expenditures, encumbrances and carry over of currently appropriated amounts in  
21 the appropriation accounts under s. 20.435 (4) (b), ~~(gp)~~, and (o).

22 \*~~4081/4.20~~\* \*~~0892/11.26~~\* SECTION 25. 49.45 (6x) (a) of the statutes is  
23 amended to read:

24 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
25 under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), the department shall distribute not more

1 than \$4,748,000 in each fiscal year, to provide funds to an essential access city  
2 hospital, except that the department may not allocate funds to an essential access  
3 city hospital to the extent that the allocation would exceed any limitation under 42  
4 USC 1396b (i) (3).

5 **\*-4081/4.21\* \*-0892/11.27\* SECTION 26.** 49.45 (6y) (a) of the statutes is  
6 amended to read:

7 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
8 under s. 20.435 (4) (b), (~~gp~~), (o), and (w), the department ~~shall~~ may distribute funding  
9 in each fiscal year to provide supplemental payment to hospitals that enter into a  
10 contract under s. 49.02 (2) to provide health care services funded by a relief block  
11 grant, as determined by the department, for hospital services that are not in excess  
12 of the hospitals' customary charges for the services, as limited under 42 USC 1396b  
13 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of  
14 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the  
15 department may distribute funds to hospitals that have not entered into a contract  
16 under s. 49.02 (2).

17 **\*-4081/4.22\* \*-0892/11.28\* SECTION 27.** 49.45 (6y) (am) of the statutes is  
18 amended to read:

19 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
20 under s. 20.435 (4) (b), (h), (~~gp~~), (o), and (w), the department shall distribute funding  
21 in each fiscal year to provide supplemental payments to hospitals that enter into  
22 contracts under s. 49.02 (2) with a county having a population of 500,000 or more to  
23 provide health care services funded by a relief block grant, as determined by the  
24 department, for hospital services that are not in excess of the hospitals' customary  
25 charges for the services, as limited under 42 USC 1396b (i) (3).

1           **\*-4081/4.23\* SECTION 28.** 49.45 (6z) (a) (intro.) of the statutes, as affected by  
2 2007 Wisconsin Act 20, is amended to read:

3           49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation  
4 accounts under s. 20.435 (4) (b), (~~gp~~), (o), and (w), the department may distribute  
5 funding in each fiscal year to supplement payment for services to hospitals that enter  
6 into indigent care agreements, in accordance with the approved state plan for  
7 services under 42 USC 1396a, with relief agencies that administer the medical relief  
8 block grant under this chapter, if the department determines that the hospitals serve  
9 a disproportionate number of low-income patients with special needs. If no medical  
10 relief block grant under this chapter is awarded or if the allocation of funds to such  
11 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department  
12 may distribute funds to hospitals that have not entered into indigent care  
13 agreements. The department may not distribute funds under this subsection to the  
14 extent that the distribution would do any of the following:

15           **\*-4081/4.24\* \*-0892/11.29\* SECTION 29.** 49.45 (8) (b) of the statutes is  
16 amended to read:

17           49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), (~~gp~~), (o), and (w) for home  
18 health services provided by a certified home health agency or independent nurse  
19 shall be made at the home health agency's or nurse's usual and customary fee per  
20 patient care visit, subject to a maximum allowable fee per patient care visit that is  
21 established under par. (c).

22           **\*-4081/4.25\* \*-0892/11.30\* SECTION 30.** 49.45 (24m) (intro.) of the statutes is  
23 amended to read:

24           49.45 **(24m)** (intro.) From the appropriation accounts under s. 20.435 (4) (b),  
25 (~~gp~~), (o), and (w), in order to test the feasibility of instituting a system of

1 reimbursement for providers of home health care and personal care services for  
2 medical assistance recipients that is based on competitive bidding, the department  
3 shall:

4 **\*-4081/4.26\* \*-0892/11.31\* SECTION 31.** 49.45 (52) of the statutes is amended  
5 to read:

6 49.45 (52) PAYMENT ADJUSTMENTS. Beginning on January 1, 2003, the  
7 department may, from the appropriation account under s. 20.435 (7) (b), make  
8 Medical Assistance payment adjustments to county departments under s. 46.215,  
9 46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01  
10 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and  
11 (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16. Payment  
12 adjustments under this subsection shall include the state share of the payments.  
13 The total of any payment adjustments under this subsection and Medical Assistance  
14 payments made from appropriation accounts under s. 20.435 (4) (b), (~~gp~~), (o), and (w),  
15 may not exceed applicable limitations on payments under 42 USC 1396a (a) (30) (A).

16 **\*-4081/4.27\* \*b1194/P2.10\* SECTION 32.** 49.45 (58) of the statutes is created  
17 to read:

18 49.45 (58) HEALTH MAINTENANCE ORGANIZATION PAYMENTS TO HOSPITALS. (a) The  
19 department shall establish a schedule of amounts that each health maintenance  
20 organization that contracts with the department to provide medical assistance  
21 services shall pay monthly to hospitals that serve recipients of medical assistance  
22 who are enrolled in the health maintenance organization. The amounts shall be  
23 based on any increase in the capitated rate that the department pays a health  
24 maintenance organization, which is intended to cover inpatient and outpatient  
25 hospital services and which is associated with the assessment imposed on hospitals

1 under s. 50.375. The department shall use the information that it uses to calculate  
2 the capitated rates that the department pays health maintenance organizations and  
3 encounter data that is provided by the health maintenance organizations to calculate  
4 the amounts in the schedule. The department shall disclose publicly the  
5 methodology it uses to calculate the amounts in the schedule. The department shall  
6 recalculate the amounts in the schedule at least once every 12 months.

7 (b) The department shall require, as a term of contracts with health  
8 maintenance organizations to provide medical assistance services, that the health  
9 maintenance organization do all of the following:

10 1. Monthly pay hospitals the applicable amounts in the schedule under par. (a).  
11 2. Calculate the amounts that result from applying the rate increase that is  
12 derived using the methodology under par. (a) to services for recipients of medical  
13 assistance for which hospitals submit claims to the health maintenance  
14 organization.

15 3. Every 6 months, compare the amounts that the health maintenance  
16 organization paid hospitals under subd. 1. for the previous 6 months with the  
17 amounts calculated under subd. 2. for services provided during that same period,  
18 and, if the amounts under subd. 2. exceed the amounts of the payments under subd.  
19 1., pay hospitals the difference within 90 days.

20 (c) If the department determines that a health maintenance organization has  
21 not complied with a condition under par. (b), the department shall require the health  
22 maintenance organization to comply with the condition within 15 days after the  
23 department's determination. The department may terminate a contract with a  
24 health maintenance organization for failure to comply with a condition under par.

1 (b). The department may audit health maintenance organizations to determine  
2 whether they have complied with the conditions under par. (b).

3 (d) This subsection does not apply after December 31, 2009.

4 **\*-4081/4.28\* \*-0892/11.32\* SECTION 33.** 49.472 (6) (a) of the statutes is  
5 amended to read:

6 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation account  
7 under s. 20.435 (4) (b), ~~(gp)~~, or (w), the department shall, on the part of an individual  
8 who is eligible for medical assistance under sub. (3), pay premiums for or purchase  
9 individual coverage offered by the individual's employer if the department  
10 determines that paying the premiums for or purchasing the coverage will not be more  
11 costly than providing medical assistance.

12 **\*-4081/4.29\* \*-0892/11.33\* SECTION 34.** 49.472 (6) (b) of the statutes is  
13 amended to read:

14 49.472 (6) (b) If federal financial participation is available, from the  
15 appropriation account under s. 20.435 (4) (b), ~~(gp)~~, or (w), the department may pay  
16 medicare Part A and Part B premiums for individuals who are eligible for medicare  
17 and for medical assistance under sub. (3).

18 **\*-4081/4.30\* \*-0892/11.34\* SECTION 35.** 49.473 (5) of the statutes is amended  
19 to read:

20 49.473 (5) The department shall audit and pay, from the appropriation  
21 accounts under s. 20.435 (4) (b), ~~(gp)~~, and (o), allowable charges to a provider who is  
22 certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who  
23 meets the requirements under sub. (2) for all benefits and services specified under  
24 s. 49.46 (2).

1           \*-4081/4.31\* \*b1194/P2.12\* SECTION 36. 50.375 of the statutes is created to  
2 read:

3           **50.375 Assessment.** (1) Except as provided in subs. (2) and (7), for the  
4 privilege of doing business in this state, there are imposed on each hospital  
5 assessments, based on the hospital's gross patient revenue, that each hospital shall  
6 pay by June 1, 2008, for fiscal year 2007-08; and by September 1, 2008, December  
7 1, 2008, March 1, 2009, and June 1, 2009. The assessments shall be deposited into  
8 the hospital assessment fund.

9           (2) At the discretion of the department, a hospital that is unable timely to make  
10 a payment by a date specified under sub. (1) may be allowed to make a delayed  
11 payment. A determination by the department that a hospital may not make a  
12 delayed payment under this subsection is final and is not subject to review under ch.  
13 227.

14           (3) The amount of each hospital's assessment shall be based on the information  
15 that shall be provided to the department under s. 153.46 (5) or shall be based on any  
16 other source that is approved in the state plan for services under 42 USC 1396.

17           (4) The department shall verify the amount of each hospital's gross patient  
18 revenue and shall determine the amount of the assessment owed by each hospital  
19 based on a uniform rate that is applicable to total gross patient revenue that the  
20 department estimates will yield the amounts specified in the appropriation schedule  
21 under s. 20.005 (3) for the appropriation account under s. 20.435 (4) (xc) and the  
22 amounts specified under 2007 Wisconsin Act .... (this act), section 9221 (2).

23           (5) The department shall levy, enforce, and collect the assessments under this  
24 section and shall develop and distribute forms necessary for these purposes.

1           **(6)** If the department determines that any portion of the revenue collected  
2 under sub. (5) to provide Medical Assistance payment increases for inpatient and  
3 outpatient hospital services as fee for service or through health maintenance  
4 organizations or to support the Medical Assistance Program is not eligible for federal  
5 financial participation, the department will refund that amount of revenue to  
6 hospitals in proportion to each hospital's payment of the assessment.

7           **(7)** This section does not apply to a critical access hospital, as defined in s. 50.33  
8 (1g), or to an institution for mental diseases, as defined in s. 46.011 (1m).

9           **(8)** Sections 77.59 (1) to (5), (6) (intro.), (a), and (c), and (7) to (10), 77.60 (1) to  
10 (7), (9), and (10), 77.61 (9) and (12) to (14), and 77.62, as they apply to the taxes under  
11 subch. III of ch. 77, apply to the assessment under this section, except that the  
12 amount of any assessment collected under sub. (1) shall be deposited in the hospital  
13 assessment fund.

14           **(9)** By December 31, 2008, and by December 31, 2009, the department shall  
15 report to the joint committee on finance all of the following information for the  
16 immediately previous state fiscal year:

17           (a) The total amount of assessments collected under this section.

18           (b) The total amount of assessments collected from each hospital under this  
19 section.

20           (c) The total amounts that the department determines were paid to health  
21 maintenance organizations for increased Medical Assistance payments to hospitals.

22           (d) The total amount of payments made to each hospital by health maintenance  
23 organizations under s. 49.45 (58) (b) 1.

24           (e) The total amount of Medical Assistance payments made to each hospital and  
25 the portion of the Medical Assistance capitated payments made to health

1 maintenance organizations for inpatient and outpatient hospital services from  
2 appropriation accounts of general purpose revenues.

3 (f) The total amounts, including the amounts specified under par. (c), that the  
4 department determines were paid to health maintenance organizations for Medical  
5 Assistance payments to hospitals.

6 (g) The results of any audits conducted by the department under s. 49.45 (58)  
7 concerning Medical Assistance payments and any actions taken by the department  
8 as a result of such an audit.

9 (10) This section does not apply after December 31, 2009.

10 \*-4077/3.1\* SECTION 37. 71.22 (4) (n) of the statutes, as affected by 2007  
11 Wisconsin Act 20, is amended to read:

12 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
13 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
14 December 31, 1998, and before January 1, 2000, means the federal Internal  
15 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and  
16 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
17 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
18 and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding  
19 sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L.  
20 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L.  
21 107-147, P.L. 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of P.L.  
22 108-121, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.  
23 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,  
24 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105,  
25 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.

1 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as  
2 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
3 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
4 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.  
5 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
6 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
7 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
8 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
9 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
10 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
11 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections  
12 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
13 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L.  
14 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.  
15 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L.  
16 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910  
17 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105, 201 (a) as it  
18 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and  
19 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue  
20 Code applies for Wisconsin purposes at the same time as for federal purposes.  
21 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,  
22 do not apply to this paragraph with respect to taxable years beginning after  
23 December 31, 1998, and before January 1, 2000, except that changes to the Internal  
24 Revenue Code made by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,  
25 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431

1 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406  
2 of P.L. 107-147, P.L. 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of  
3 P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a)  
4 of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337,  
5 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections  
6 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405  
7 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280,  
8 and changes that indirectly affect the provisions applicable to this subchapter made  
9 by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and  
10 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134,  
11 P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181,  
12 P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311,  
13 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,  
14 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
15 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates  
16 to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L.  
17 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin  
18 purposes at the same time as for federal purposes.

19 **\*-4077/3.2\* SECTION 38.** 71.22 (4) (o) of the statutes, as affected by 2007  
20 Wisconsin Act 20, is amended to read:

21 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
22 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
23 December 31, 1999, and before January 1, 2003, means the federal Internal Revenue  
24 Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.  
25 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66

1 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
2 amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.  
3 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22,  
4 P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of  
5 P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,  
6 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section  
7 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,  
8 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211,  
9 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58,  
10 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
11 and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it  
12 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and  
13 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly  
14 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
15 P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
16 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.  
17 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
18 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
19 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
20 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
21 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
22 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
23 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of  
24 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
25 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a),

1 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L.  
2 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding  
3 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,  
4 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,  
5 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L.  
6 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
7 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201  
8 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
9 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The  
10 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
11 purposes. Amendments to the federal Internal Revenue Code enacted after  
12 December 31, 1999, do not apply to this paragraph with respect to taxable years  
13 beginning after December 31, 1999, and before January 1, 2003, except that changes  
14 to the Internal Revenue Code made by P.L. 106-230, P.L. 106-554, excluding sections  
15 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.  
16 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections  
17 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L.  
18 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.  
19 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311,  
20 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,  
21 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
22 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,  
23 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding  
24 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
25 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.

1 109-280, and changes that indirectly affect the provisions applicable to this  
2 subchapter made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of  
3 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
4 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a),  
5 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L.  
6 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding  
7 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,  
8 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,  
9 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L.  
10 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
11 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201  
12 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
13 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for  
14 Wisconsin purposes at the same time as for federal purposes.

15 **\*-4077/3.3\* SECTION 39.** 71.22 (4) (p) of the statutes, as affected by 2007  
16 Wisconsin Act 20, is amended to read:

17 71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b) and (3)~~, 71.34  
18 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
19 December 31, 2002, and before January 1, 2004, means the federal Internal Revenue  
20 Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L.  
21 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
22 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,  
23 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and  
24 sections 101 and 301 (a) of P.L. 107-147, and as amended by P.L. 108-27, excluding  
25 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.

1 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.  
2 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.  
3 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,  
4 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding  
5 sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351  
6 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to  
7 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L.  
8 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly affected  
9 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
10 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823  
11 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.  
12 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
13 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
14 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
15 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
16 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
17 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
18 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of  
19 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
20 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)  
21 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,  
22 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section  
23 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.  
24 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and  
25 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,

1 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58,  
2 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
3 and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it  
4 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and  
5 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue  
6 Code applies for Wisconsin purposes at the same time as for federal purposes.  
7 Amendments to the federal Internal Revenue Code enacted after December 31, 2002,  
8 do not apply to this paragraph with respect to taxable years beginning after  
9 December 31, 2002, and before January 1, 2004, except that changes to the Internal  
10 Revenue Code made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L.  
11 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding  
12 section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding  
13 sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding  
14 sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.  
15 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,  
16 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding  
17 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
18 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
19 109-280, and changes that indirectly affect the provisions applicable to this  
20 subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27,  
21 P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section  
22 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections  
23 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections  
24 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.  
25 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,

1 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding  
2 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
3 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
4 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

5 **\*-4077/3.4\* SECTION 40.** 71.22 (4) (q) of the statutes, as affected by 2007  
6 Wisconsin Act 20, is amended to read:

7 71.22 (4) (q) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
8 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
9 December 31, 2003, and before January 1, 2005, means the federal Internal Revenue  
10 Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L.  
11 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
12 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,  
13 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16,  
14 sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27,  
15 section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and as amendeded by P.L.  
16 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and  
17 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,  
18 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,  
19 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
20 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L.  
21 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section  
22 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L.  
23 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly affected  
24 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
25 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823

1 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.  
2 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
3 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
4 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
5 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
6 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
7 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
8 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of  
9 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
10 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)  
11 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,  
12 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section  
13 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.  
14 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and  
15 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,  
16 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,  
17 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
18 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L.  
19 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section  
20 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L.  
21 109-280, excluding sections 811 and 844 of P.L. 109-280. 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 December 31, 2003,  
24 do not apply to this paragraph with respect to taxable years beginning after  
25 December 31, 2003, and before January 1, 2005, except that changes to the Internal

1 Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections  
2 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections  
3 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.  
4 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309,  
5 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73,  
6 excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201  
7 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
8 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
9 109-280, and changes that indirectly affect the provisions applicable to this  
10 subchapter made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections  
11 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections  
12 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.  
13 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309,  
14 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73,  
15 excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201  
16 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.  
17 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
18 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

19 **\*-4077/3.5\* SECTION 41.** 71.22 (4) (r) of the statutes, as affected by 2007  
20 Wisconsin Act 20, is amended to read:

21 71.22 (4) (r) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34  
22 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
23 December 31, 2004, and before January 1, 2006, means the federal Internal Revenue  
24 Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L.  
25 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,

1 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,  
2 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section  
3 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and  
4 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403  
5 (a) of P.L. 108-311, and sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and  
6 910 of P.L. 108-357, and as amendeded by P.L. 109-7, P.L. 109-58, excluding sections  
7 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.  
8 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding  
9 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
10 (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,  
11 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding  
12 sections 811 and 844 of P.L. 109-280, and as indirectly affected in the provisions  
13 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding  
14 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514  
15 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
16 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
17 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
18 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
19 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
20 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
21 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.  
22 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,  
23 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.  
24 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L.  
25 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections

1 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201  
2 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306,  
3 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,  
4 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L.  
5 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,  
6 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding  
7 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it  
8 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.  
9 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.  
10 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
11 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same  
12 time as for federal purposes. Amendments to the federal Internal Revenue Code  
13 enacted after December 31, 2004, do not apply to this paragraph with respect to  
14 taxable years beginning after December 31, 2004, and before January 1, 2006,  
15 except that changes to the Internal Revenue Code made by P.L. 109-7, P.L. 109-58,  
16 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
17 and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L.  
18 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402  
19 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding  
20 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.  
21 109-280, excluding sections 811 and 844 of P.L. 109-280, and changes that indirectly  
22 affect the provisions applicable to this subchapter made by P.L. 109-7, P.L. 109-58,  
23 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,  
24 and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L.  
25 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402

1 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding  
2 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.  
3 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin  
4 purposes at the same time as for federal purposes.

5 \*~~4077/3.6~~\* SECTION 42. 71.22 (4) (s) of the statutes, as created by 2007  
6 Wisconsin Act 20, is amended to read:

7 71.22 (4) (s) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34  
8 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
9 December 31, 2005, and before January 1, 2007, means the federal Internal Revenue  
10 Code as amended to December 31, 2005, excluding sections 103, 104, and 110 of P.L.  
11 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
12 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,  
13 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section  
14 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and  
15 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403  
16 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910  
17 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,  
18 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301  
19 of P.L. 109-73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402  
20 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and as amendeded by P.L. 109-222,  
21 excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and  
22 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly  
23 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
24 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
25 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.

1 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
2 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
3 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
4 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
5 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
6 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
7 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of  
8 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
9 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)  
10 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,  
11 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,  
12 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,  
13 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,  
14 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
15 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections  
16 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.  
17 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding  
18 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it  
19 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.  
20 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.  
21 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
22 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same  
23 time as for federal purposes. Amendments to the federal Internal Revenue Code  
24 enacted after December 31, 2005, do not apply to this paragraph with respect to  
25 taxable years beginning after December 31, 2005, and before January 1, 2007,

1 except that changes to the Internal Revenue Code made by P.L. 109-222, excluding  
2 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.  
3 109-280, excluding sections 811 and 844 of P.L. 109-280, and changes that indirectly  
4 affect the provisions applicable to this subchapter made by P.L. 109-222, excluding  
5 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.  
6 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin  
7 purposes at the same time as for federal purposes.

8 \*~~4077/3.7~~\* SECTION 43. 71.22 (4) (t) of the statutes, as created by 2007  
9 Wisconsin Act 20, is amended to read:

10 71.22 (4) (t) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34  
11 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
12 December 31, 2006, means the federal Internal Revenue Code as amended to  
13 December 31, 2006, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
14 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),  
15 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L.  
16 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L.  
17 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L.  
18 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L.  
19 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
20 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,  
21 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L.  
22 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),  
23 (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L.  
24 109-222, sections 811 and 844 of P.L. 109-280, and P.L. 109-432, and as indirectly  
25 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,

1 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
2 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.  
3 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
4 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
5 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
6 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
7 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
8 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
9 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of  
10 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
11 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)  
12 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,  
13 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,  
14 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,  
15 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,  
16 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
17 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections  
18 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.  
19 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding  
20 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it  
21 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.  
22 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.  
23 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
24 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same  
25 time as for federal purposes. Amendments to the federal Internal Revenue Code

1 enacted after December 31, 2006, do not apply to this paragraph with respect to  
2 taxable years beginning after December 31, 2006.

3 **\*-4077/3.8\* SECTION 44.** 71.22 (9a) of the statutes is created to read:

4 71.22 (9a) "Qualified real estate investment trust" means a real estate  
5 investment trust, except a real estate investment trust of which more than 50  
6 percent of the voting power or value of the beneficial interests or shares are owned  
7 or controlled, directly or indirectly, by a single entity that is subject to sections 301  
8 to 385 of the Internal Revenue Code, that is not exempt under s. 71.26 (1), and that  
9 is not a real estate investment trust or a qualified real estate trust subsidiary under  
10 section 856 (i) of the Internal Revenue Code.

11 **\*-4077/3.9\* SECTION 45.** 71.22 (9c) of the statutes is created to read:

12 71.22 (9c) "Real estate investment trust" means a real estate investment trust  
13 under section 856 of the Internal Revenue Code.

14 **\*-4077/3.10\* SECTION 46.** 71.22 (9d) of the statutes is created to read:

15 71.22 (9d) "Real estate mortgage investment conduit" means a real estate  
16 mortgage investment conduit under section 860D of the Internal Revenue Code.

17 **\*-4077/3.11\* SECTION 47.** 71.22 (9e) of the statutes is created to read:

18 71.22 (9e) "Regulated investment company" means a regulated investment  
19 company under section 851 of the Internal Revenue Code.

20 **\*-4077/3.12\* SECTION 48.** 71.26 (2) (b) of the statutes is repealed and recreated  
21 to read:

22 71.26 (2) (b) *Regulated investment companies, real estate investment trusts,*  
23 *and real estate mortgage investment conduits.* 1. In this paragraph, except as  
24 provided in subs. 2. to 4., "net income" means one of the following:

1           a. That part of the federal regulated investment company income that is subject  
2 to federal tax as provided in sections 851 and 852 of the Internal Revenue Code,  
3 including federal undistributed net capital gain.

4           b. That part of the federal real estate investment trust income that is subject  
5 to federal tax as provided in sections 856 and 857 of the Internal Revenue Code,  
6 including federal undistributed net capital gain, federal net income from foreclosure  
7 property, and federal net income derived from prohibited transactions. The  
8 treatment of certain wholly owned subsidiaries under section 856 (i) of the Internal  
9 Revenue Code shall apply in computing the net income of a real estate investment  
10 trust.

11           c. That part of the federal real estate mortgage investment conduit income that  
12 is subject to federal tax, including federal net income derived from prohibited  
13 transactions under section 860F of the Internal Revenue Code and federal net  
14 income from foreclosure property under section 860G of the Internal Revenue Code.

15           2. 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.

19           3. With regard to federal regulated investment company income, federal real  
20 estate investment trust income, and federal real estate mortgage investment conduit  
21 income, the appropriate amount shall be added or subtracted to reflect differences  
22 between the depreciation or adjusted basis for federal income tax purposes and the  
23 depreciation or adjusted basis under this chapter of any property disposed of during  
24 the taxable year.

1           4. The dividend paid deduction otherwise allowed by federal law in computing  
2 net income of a real estate investment trust that is subject to federal income tax shall  
3 be added back in computing the tax imposed under this chapter unless the real estate  
4 investment trust is a qualified real estate investment trust.

5           **\*-4168/2.5\* SECTION 49.** 84.013 (2) of the statutes is amended to read:

6           84.013 (2) (a) Subject to ss. 84.555 and 86.255, major highway projects shall  
7 be funded from the appropriations under ss. 20.395 (3) (bq) to (bx) and (4) (jq) and  
8 20.866 (2) (ur) to (uum) and (uut).

9           (b) Except as provided in ss. 84.014, 84.03 (3), and 84.555, and subject to s.  
10 86.255, reconditioning, reconstruction and resurfacing of highways shall be funded  
11 from the appropriations under ss. 20.395 (3) (cq) to (cx) and 20.866 (2) (uur) and (uut).

12           **\*-4168/2.6\* SECTION 50.** 84.014 (2) of the statutes is amended to read:

13           84.014 (2) Subject to ss. 84.555 and 86.255, any southeast Wisconsin freeway  
14 rehabilitation projects, including the Marquette interchange reconstruction project  
15 and projects that involve adding one or more lanes 5 miles or more in length to the  
16 existing freeway, may be funded only from the appropriations under ss. 20.395 (3)  
17 (cr), (ct), (cw), and (cy) and 20.866 (2) (uum) and, (uup), and (uut).

18           **\*-4168/2.7\* SECTION 51.** 84.557 of the statutes is created to read:

19           **84.557 Additional funding of major highway projects and southeast**  
20 **Wisconsin freeway and state highway rehabilitation projects.**  
21 Notwithstanding ss. 84.51, 84.555, 84.59, and 84.95, major highway projects, as  
22 defined under s. 84.013 (1) (a), for the purposes of ss. 84.06 and 84.09, southeast  
23 Wisconsin freeway rehabilitation projects under s. 84.014, and state highway  
24 rehabilitation projects for the purposes specified in s. 20.395 (3) (cq), may be funded  
25 with the proceeds of general obligation bonds issued under s. 20.866 (2) (uut).

1           \*-4081/4.32\* SECTION 52. 146.99 of the statutes is repealed.

2           **SECTION 9101. Nonstatutory provisions; Administration.**

3           \*-4187/2.9101\* (1) DISBURSEMENTS. Notwithstanding section 16.50 (5) of the  
4 statutes, during the 2007-09 fiscal biennium, in the event that the secretary of  
5 administration determines that previously authorized expenditures will exceed  
6 revenues in the current or forthcoming fiscal year by more than 2 percent of the  
7 estimated general purpose revenue appropriations for that fiscal year, he or she may  
8 not decline to approve an estimate or to draw a warrant under this section 16.50 (5)  
9 of the statutes, but shall instead proceed under subsection (2).

10           (2) REVENUE SHORTFALL.

11           (a) Notwithstanding section 16.50 (7) (a) of the statutes, during the 2007-09  
12 fiscal biennium, if the secretary of administration determines that previously  
13 authorized expenditures will exceed revenues in the current or forthcoming fiscal  
14 year by more than 2 percent of the estimated general purpose revenue  
15 appropriations for that fiscal year, he or she may not take any action under section  
16 16.50 (2) of the statutes and shall immediately notify the governor, the presiding  
17 officers of each house of the legislature, and the joint committee on finance.

18           (b) Notwithstanding section 16.50 (7) (b) of the statutes, during the 2007-09  
19 fiscal biennium, following the notification under paragraph (a), the governor shall  
20 submit a bill containing his or her recommendations for correcting the imbalance  
21 between projected revenues and authorized expenditures, including a  
22 recommendation as to whether moneys should be transferred from the budget  
23 stabilization fund to the general fund. If the legislature is not in a floorperiod at the  
24 time of the secretary's notification, the governor shall call a special session of the

1 legislature to take up the matter of the projected revenue shortfall and the governor  
2 shall submit his or her bill for consideration at that session.

3 **\*-4188/2.9101\*** (3) TEMPORARY REALLOCATIONS TO THE GENERAL FUND.  
4 Notwithstanding section 20.002 (11) (b) 2. of the statutes, except as provided in  
5 section 20.002 (11) (b) 3. of the statutes, the secretary of administration, during the  
6 2007-09 fiscal biennium, shall limit the total amount of any temporary reallocations  
7 to the general fund at any one time during a fiscal year to an amount equal to 10  
8 percent of the total amounts shown in the schedule under section 20.005 (3) of the  
9 statutes, as affected by 2007 Wisconsin Act 20, of appropriations of general purpose  
10 revenues, calculated by the secretary as of that time and for that fiscal year.

11 **\*-4267/2.9130\* SECTION 9130. Nonstatutory provisions; legislature.**

12 (1) REQUIRED GENERAL FUND STRUCTURAL BALANCE. Notwithstanding section  
13 20.003 (4m) of the statutes, no bill may be adopted by the legislature if the bill would  
14 cause in any fiscal year the amount of moneys designated as "Total Expenditures"  
15 in the summary under section 20.005 (1) of the statutes, as affected by the acts of  
16 2007, for that fiscal year, less any amounts transferred to the budget stabilization  
17 fund in that fiscal year, to exceed the sum of the amounts of moneys designated as  
18 "Taxes" and "Departmental Revenues" in the summary under section 20.005 (1) of  
19 the statutes, as affected by the acts of 2007, for that fiscal year plus the balance of  
20 the budget stabilization fund.

21 **SECTION 9148. Nonstatutory provisions; Transportation.**

22 **\*-4072/3.9148\*** (1) JOINT FINANCE COMMITTEE SUPPLEMENTAL FUNDING RELATED  
23 TO REAL ID ACT IMPLEMENTATION. Notwithstanding section 13.101 (1), (3), and (5)  
24 of the statutes, the joint committee on finance may not, for purposes relating to  
25 implementation of the federal REAL ID Act of 2005, supplement in fiscal year

during the 2007-09 fiscal biennium

1 2007-08, from the appropriation account under section 20.865 (4) (u) of the statutes,  
2 any appropriation of the department of transportation unless after the supplement  
3 there remains unexpended in fiscal year 2007-08 at least \$5,000,000 of the amount  
4 estimated in the schedule under section 20.005 (3) of the statutes, as created by 2007  
5 Wisconsin Act 20, for the appropriation account under section 20.865 (4) (u) of the  
6 statutes, for expenditures of the department of transportation in fiscal year 2007-08  
7 relating to implementation of the federal REAL ID Act of 2005.

8 **\*-4242/4.9148\*** (2) ESTIMATES FOR CERTAIN DEPARTMENT OF TRANSPORTATION  
9 APPROPRIATIONS. The secretary of administration and department of transportation  
10 shall estimate the following additional revenues, for the following appropriations,  
11 which additional revenues are not reflected in the schedule under section 20.005 (3)  
12 of the statutes, as created by 2007 Wisconsin Act 20:

13 (a) Additional revenues of \$48,032,500 in fiscal year 2007-08, and additional  
14 revenues of \$18,967,500 in fiscal year 2008-09, for the appropriation account under  
15 section 20.395 (3) (br) of the statutes.

16 (b) Additional revenues of \$10,967,500 in fiscal year 2007-08 for the  
17 appropriation account under section 20.395 (3) (bx) of the statutes.

18 (c) Additional revenues of \$58,000,000 in fiscal year 2007-08 for the  
19 appropriation account under section 20.395 (3) (cx) of the statutes.

20 (d) Additional revenues of \$8,000,000 in fiscal year 2007-08 for the  
21 appropriation account under section 20.395 (3) (cy) of the statutes.

22 (3) ESTIMATES FOR CERTAIN DEPARTMENT OF TRANSPORTATION BOND PROCEEDS. The  
23 secretary of administration and department of transportation shall estimate  
24 additional revenues derived from general obligation bonding as follows:

1 (a) Additional revenues of \$67,500,000 in fiscal year 2007-08, and additional  
2 revenues of \$80,000,000 in fiscal year 2008-09, from proceeds of general obligation  
3 bonds issued under s. 20.866 (2) (uur), to fund state highway rehabilitation projects.

4 (b) Additional revenues of \$22,500,000 in fiscal year 2007-08, and additional  
5 revenues of \$20,000,000 in fiscal year 2008-09, from proceeds of general obligation  
6 bonds issued under s. 20.866 (2) (uup), to fund the Marquette interchange  
7 reconstruction project and the reconstruction of the I 94 north-south corridor.

8 (4) DEPARTMENT OF TRANSPORTATION REQUESTS FOR 2009-11 BIENNIAL BUDGET BILL.  
9 Notwithstanding section 16.42 (1) (e) of the statutes, in submitting information  
10 under section 16.42 of the statutes for purposes of the 2009-11 biennial budget bill,  
11 the department of transportation shall submit dollar amounts reflecting the  
12 following modifications, for the following appropriations, before submitting any  
13 information relating to any increase or decrease in the dollar amounts for these  
14 appropriations for the 2009-11 fiscal biennium:

15 (a) For the appropriation under section 20.395 (3) (bq) of the statutes, a dollar  
16 amount that is \$18,967,500 more than the total amount appropriated under section  
17 20.395 (3) (bq) of the statutes for the 2008-09 fiscal year.

18 (b) For the appropriation under section 20.395 (3) (cq) of the statutes, a dollar  
19 amount that is \$80,000,000 more than the total amount appropriated under section  
20 20.395 (3) (cq) of the statutes for the 2008-09 fiscal year.

21 (c) For the appropriation under section 20.395 (3) (cr) of the statutes, a dollar  
22 amount that is \$20,000,000 more than the total amount appropriated under section  
23 20.395 (3) (cr) of the statutes for the 2008-09 fiscal year.

24 **SECTION 9201. Fiscal changes; Administration.**

1           \***-4082/5.9201**\* (1) TRANSFERS FROM THE BUDGET STABILIZATION FUND TO THE  
2 GENERAL FUND.

3           (a) If the secretary of administration determines that the projected general  
4 fund balance on June 30, 2008, will be less than the amount required under section  
5 20.003 (4) (ft) of the statutes, the secretary may transfer during the 2007-08 fiscal  
6 year any amount of moneys from the budget stabilization fund to the general fund.

7           (b) If the secretary of administration determines that the projected general  
8 fund balance on June 30, 2009, will be less than the amount required under section  
9 20.003 (4) (fv) of the statutes, the secretary may transfer during the 2008-09 fiscal  
10 year any amount of moneys from the budget stabilization fund to the general fund.

11           \***-4215/3.9201**\* (2) LAPSE OR TRANSFER OF ANY UNENCUMBERED MONEYS IN  
12 APPROPRIATION ACCOUNTS AND FUNDS.

13           (a) Notwithstanding sections 20.001 (3) (a) to (c) and 25.40 (3) of the statutes,  
14 but subject to paragraphs (b) and (c), the secretary of administration shall lapse to  
15 the general fund or transfer to the general fund from the unencumbered balances of  
16 appropriations to executive branch state agencies, other than sum sufficient  
17 appropriations and appropriations of federal revenues, an amount equal to  
18 \$330,400,000 during the 2007-09 fiscal biennium and \$330,400,000 during the  
19 2009-11 fiscal biennium. The amounts lapsed or transferred under this paragraph  
20 shall be in addition to the amounts lapsed or transferred under 2007 Wisconsin Act  
21 20, section 9201 (1c) (a) to (c).

22           (b) The secretary of administration may not lapse or transfer moneys under  
23 paragraph (a) if the lapse or transfer would violate a condition imposed by the federal  
24 government on the expenditure of the moneys or if the lapse or transfer would violate  
25 the federal or state constitution.

1 (c) Not more than a total of \$293,000,000 may be lapsed or transferred under  
2 paragraph (a) and 2007 Wisconsin Act 20, section 9201 (1c) (a), during the 2007-09  
3 fiscal biennium to the general fund from appropriations to the department of  
4 transportation.

5 **SECTION 9221. Fiscal changes; Health and Family Services.**

6 **\*-4081/4.9221\*** (1) MEDICAL ASSISTANCE GENERAL PURPOSE REVENUE DECREASE.

7 In the schedule under section 20.005 (3) of the statutes for the appropriation to the  
8 department of health and family services under section 20.435 (4) (b) of the statutes,  
9 as affected by the acts of 2007, the dollar amount is decreased by \$60,000,000 for  
10 fiscal year 2007-08 and the dollar amount is decreased by \$62,500,000 for fiscal year  
11 2008-09 for the purposes for which the appropriation is made.

12 (2) HOSPITAL ASSESSMENT FUND TRANSFER. There is transferred from the hospital  
13 assessment fund to the Medical Assistance trust fund \$58,500,000 in fiscal year  
14 2007-08 and \$65,000,000 in fiscal year 2008-09.

15 (3) MEDICAL ASSISTANCE TRUST FUND APPROPRIATION INCREASE. In the schedule  
16 under section 20.005 (3) of the statutes for the appropriation to the department of  
17 health and family services under section 20.435 (4) (w) of the statutes, as affected by  
18 the acts of 2007, the dollar amount is increased by \$58,500,000 for fiscal year  
19 2007-08 and the dollar amount is increased by \$65,000,000 for fiscal year 2008-09  
20 for the purposes for which the appropriation is made.

21 **\*-4240/1.9221\*** (4) MEDICAL ASSISTANCE PROGRAM BENEFITS. In the schedule  
22 under section 20.005 (3) of the statutes for the appropriation to the department of  
23 health and family services under section 20.435 (4) (b) of the statutes, as affected by  
24 the acts of 2007, the dollar amount is decreased by \$15,000,000 for fiscal year

1 2007-08 and the dollar amount is decreased by \$15,000,000 for fiscal year 2008-09  
2 to reduce funding for the purposes for which the appropriation is made.

3 **\*-4059/1.9237\* SECTION 9237. Fiscal changes; Public Instruction.**

4 (1) PUBLIC LIBRARY SYSTEM AID.

5 (a) In the schedule under section 20.005 (3) of the statutes for the appropriation  
6 to the department of public instruction under section 20.255 (3) (e) of the statutes,  
7 as affected by the acts of 2007, the dollar amount is decreased by \$11,297,400 for  
8 fiscal year 2008-09 to decrease funding for the purpose for which the appropriation  
9 is made.

10 (b) In the schedule under section 20.005 (3) of the statutes for the appropriation  
11 to the department of public instruction under section 20.255 (3) (qm) of the statutes,  
12 as affected by the acts of 2007, the dollar amount is increased by \$11,297,400 for  
13 fiscal year 2008-09 to increase funding for the purpose for which the appropriation  
14 is made.

15 **SECTION 9248. Fiscal changes; Transportation.**

16 **\*-4072/3.9248\*** (1) TRANSFER TO GENERAL FUND. Notwithstanding section 25.40  
17 (3) (a) of the statutes, the secretary of administration shall transfer \$5,000,000 from  
18 the transportation fund to the general fund in fiscal year 2007-08.

19 **\*-4242/4.9248\*** (2) APPROPRIATION CHANGES FOR MAJOR HIGHWAY PROJECTS. In the  
20 schedule under section 20.005 (3) of the statutes for the appropriation to the  
21 department of transportation under section 20.395 (3) (bq) of the statutes, as affected  
22 by the acts of 2007, the dollar amount is decreased by \$59,000,000 for fiscal year  
23 2007-08 and the dollar amount is decreased by \$18,967,500 for fiscal year 2008-09  
24 to decrease funding for major development of state trunk and connecting highways.

