

2009 DRAFTING REQUEST

Bill

Received: **09/23/2008**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Lillethun**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Business - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Lillethun, BB0097 -

Topic:

Late fees and penalties for failure to provide schedules

Instructions:

See attached

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	jkreye 09/24/2008	jdyer 09/29/2008	pherry 09/29/2008	_____	sbasford 09/29/2008		State
/P2	jkreye 01/30/2009	nmatzke 01/30/2009	mduchek 01/30/2009	_____	sbasford 01/30/2009		State

FE Sent For:

<END>

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/P1	jkreye 09/24/2008	jdyer 09/29/2008 <i>/P2 hwn 1/30</i>	phenry 09/29/2008	_____	sbasford 09/29/2008		State

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W
<END>
1/30

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/P1	jkreye	P1 9/29 jld	9/29 ph	11/29 ph 9/29			

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Late Filing Fees and Penalties for Failure to Provide Schedules
- Tracking Code: 880097
- SBO team: Tax, Transportation and Budget Development Team
- SBO analyst: Chad Lillethun
 - Phone: 266-7597
 - Email: Chad.Lillethun@wisconsin.gov
- Agency acronym: DOR
- Agency number: 566
- Priority (Low, Medium, High): Medium

Intent:

Modify current statutory language to: 1) amend the late filing fee for an individual and fiduciary to eliminate the varied dollar amounts of the fee and increase the fee to a fixed \$50 amount, 2) increase the late filing fee for a withholding report to \$50 and 3) impose penalties for failure by a partnership, tax option (S) corporation or fiduciary to furnish information on returns to shareholders, partners and beneficiaries. (See attached description and drafting instructions.)

**2009-2011 Legislative Proposal
Wisconsin Department of Revenue
IS&E Division**

Date: September 15, 2008

PROPOSAL 4: Late Filing Fees for Tax Returns and Penalties for Failure to Provide Schedules

DESCRIPTION OF CURRENT LAW AND PROBLEM

Under current law, a corporation required to file an income or franchise tax return and a person required to file a withholding report may be subject to a late filing fee of \$30. Depending on the amount of tax liability reported and the date a late filed return is submitted, an individual or fiduciary required to file an income tax return may be subject to a late filing fee of \$2, \$3, \$5, or \$30. Varying amounts for a late filing fee make the fee more difficult to administer, and a fee of \$30 or less does not provide a significant incentive to file a timely return or report.

A partnership required to file a partnership return is currently subject to the same late filing fee provisions as individuals and fiduciaries. As a partnership does not incur an income tax liability, a late filing fee of \$30 may be imposed only when a partnership return is filed 60 or more days late. This gives a partnership no incentive to file a timely return.

Additionally, it is not clear whether a partnership return is subject to the same extension provisions that apply to individual and fiduciary income tax returns or those that apply to corporate franchise and income tax returns. This makes administration of a late filing fee for partnership returns difficult for the department and confusing for taxpayers.

Lastly, there is currently no penalty for failing to provide Schedule 2K-1, 3K-1, or 5K-1 to a beneficiary, partner, or shareholder. Without these schedules, a beneficiary, partner, or shareholder may not properly report their proportionate share of income, loss, and expenses to Wisconsin. This results in lost revenue for Wisconsin.

RECOMMENDATION FOR ACTION

- Increase and standardize the late filing fee for income and franchise tax returns, partnership returns, and withholding reports. Provide a standard \$50 late filing fee.
- Clarify the extension period allowed for filing a partnership return by specifying that it is the same as the federal extension period. The federal extension period varies from two to six months depending on the type of partnership.
- Create provisions requiring Schedules 2K-1, 3K-1, and 5K-1 to be provided to beneficiaries, partners, and shareholders and providing a penalty of \$50 for noncompliance.
 - 2K-1: Beneficiary's Share of Income, Deductions, etc.
 - 3K-1: Partner's Share of Income, Deductions, etc.
 - 5K-1: Tax Option (S) Corporation Shareholder's Share of Income, Deductions, Credits, etc.

ADMINISTRATIVE IMPACT

The provisions in this proposal would make the income and franchise tax, partnership, and withholding filing and reporting requirements easier to administer.

FAIRNESS /TAX EQUITY

The provisions in this proposal may increase compliance with the income and franchise tax, partnership, and withholding filing and reporting requirements, making the tax system more equitable for all taxpayers.

IMPACT ON ECONOMIC DEVELOPMENT

The provisions in this proposal would increase the efficiency of the department by reducing staff time necessary to administer the income and franchise tax, partnership, and withholding filing and reporting requirements.

FISCAL EFFECT

Minimal GPR revenue increase. Increasing the amount of existing late filing fees and creating a new penalty will increase GPR revenue.

DRAFTING INSTRUCTIONS

See page 3.

EFFECTIVE DATE AND/OR INITIAL APPLICABILITY

Income and franchise tax returns, partnership returns, and withholding reports required to be filed and Schedules 2K-1, 3K-1, and 5K-1 required to be provided to beneficiaries, partners, and shareholders on or after January 1, 2010.

INTERESTED/AFFECTED PARTIES

Individuals, fiduciaries, partnerships, corporations, and other persons required to file income and franchise tax returns, partnership returns, withholding reports, and Schedules 2K-1, 3K-1, and 5K-1, as well as persons who prepare such returns, reports, and schedules

DOR CONTACT PERSON

Diane Hardt, Division Administrator
(608) 266-6798

PREPARED BY

Dale Kleven

DRAFTING INSTRUCTIONS

Renumber sec. 71.83(3) to 71.83(3)(a), Wis. Stats., and amend as renumbered as follows:

71.83(3)(a), Wis. Stats. If any person required under this chapter to file an income or franchise tax return fails to file a return within the time prescribed by law, or as extended under s. 71.03 (7), 71.24 (7) or 71.44 (3), unless the return is filed under such an extension but the person fails to file a copy of the extension that is granted by or requested of the internal revenue service, the department shall add to the tax of the person ~~\$30~~ 50 ~~in the case of corporations and in the case of persons other than corporations \$2 when the total normal income tax of the person is less than \$10, \$3 when the tax is \$10 or more but less than \$20, \$5 when the tax is \$20 or more, except that \$30 shall be added to the tax if the return is 60 or more days late.~~ If no tax is assessed against any such person the amount of this fee shall be collected as income or franchise taxes are collected. If any person who is required under s. 71.65 (3) to file a withholding report and deposit withheld taxes fails timely to do so; unless the person so required dies or the failure is due to a reasonable cause and not due to neglect; the department of revenue shall add ~~\$30~~ 50 to the amount due.

Create secs. 71.13(1m), 71.20(1m), 71.20(3), 71.36(4), 71.83(1)(a)9, and 71.83(3)(b), Wis. Stats., as follows:

71.13(1m), Wis. Stats. FIDUCIARY MUST PROVIDE SCHEDULE TO BENEFICIARY. Every fiduciary required to file a return under sub. (1) shall, on or before the due date of such return, including extensions, furnish a schedule to each beneficiary whose share of income, deductions, credits, or other items of the fiduciary may affect such beneficiary's liability for tax under this chapter. The schedule required under this subsection shall separately state the beneficiary's share of each item.

71.20(1m), Wis. Stats. Every partnership required to file a return under sub. (1) shall, on or before the due date of such return, including extensions, furnish a schedule to each partner whose share of income, deductions, credits, or other items of the partnership may affect such partner's liability for tax under this chapter. The schedule required under this subsection shall separately state the partner's share of each item.

71.20(3), Wis. Stats. Any extension of time granted by law or by the internal revenue service for the filing of the corresponding federal return extends the time for filing under this section.

71.36(4), Wis. Stats. Every tax-option corporation required to file a return under s. 71.24(1) shall, on or before the due date of such return, including extensions, furnish a schedule to each shareholder whose share of income, deductions, credits, or other items of the tax-option corporation may affect such shareholder's liability for tax under this chapter. The schedule required under this subsection shall separately state the shareholder's share of each item.

71.83(1)(a)9, Wis. Stats. 'Failure to furnish schedule to a beneficiary, partner, or shareholder.' If a person fails to furnish a schedule required under s. 71.13(1m), 71.20(1m), or 71.36(4), by the prescribed due date, including any extension, or furnishes an incorrect or incomplete schedule, that person may be subject to a penalty of \$50 for each violation. A penalty shall be waived if the person shows that a violation is due to reasonable cause and not due to willful neglect.

71.83(3)(b), Wis. Stats. If a partnership fails to file a statement required under s. 71.20(1) by the prescribed due date, including any extension, that partnership shall be subject to a fee of \$50.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0383/P1

LPS - Fix request sheet
please

JK:.....
jld

DOA:.....Lillethun, BB0097 - late fees and penalties for failure to provide schedules

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

in 9-24-08

4

donotgen

1

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, if a corporation does not file its income or franchise tax return by the due date, the corporation is subject to a \$30 penalty. If any other taxpayer fails to file an income or franchise tax return by its due date, the taxpayer is subject to the following penalties:

1. Two dollars, if the taxpayer's income tax is less than \$10.
2. Three dollars, if the taxpayer's income tax is \$10 or more, but less than \$20.
3. Five dollars, if the taxpayer's income tax is \$20 or more.

Under current law, however, a taxpayer that is not a corporation is subject to a \$30 penalty for a return that is at least 60 days late, regardless of the amount of the taxpayer's income tax.

Under this bill, if any taxpayer does not file an income or franchise tax return by the due date, the taxpayer is subject to a \$50 penalty. The bill also provides that fiduciaries, partnerships, and tax-option corporations must provide schedules to their beneficiaries, partners, and shareholders that specify the income, deductions, credits, and other items related to the tax liability of the beneficiary, partner, or shareholder. Any fiduciary, partnership, or tax-option corporation that fails to provide the schedule is subject to a \$50 penalty.

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

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

1 **SECTION 1.** 71.13 (1m) of the statutes is created to read:

2 71.13 (1m) SCHEDULES TO BENEFICIARIES. Every fiduciary who is required to file
3 a return under sub. (1) shall, on or before the due date of the return, including
4 extensions, provide a schedule to each beneficiary whose share of income,
5 deductions, credits, or other items of the fiduciary may affect the beneficiary's tax
6 liability under this chapter. The schedule shall separately indicate the beneficiary's
7 share of each item.

8 **SECTION 2.** 71.20 (1m) of the statutes is created to read:

9 71.20 (1m) Every partnership that is required to file a return under sub. (1)
10 shall, on or before the due date of the return, including extensions, provide a schedule
11 to each partner whose share of income, deductions, credits, or other items of the
12 partnership may affect the partner's tax liability under this chapter. The schedule
13 shall separately indicate the partner's share of each item.

14 **SECTION 3.** 71.20 (3) of the statutes is created to read:

15 71.20 (3) Any extension granted by law or by the Internal Revenue Service for
16 the filing of the federal return that corresponds to the return required under sub. (1)
17 extends the time for filing under this section.

18 **SECTION 4.** 71.36 (4) of the statutes is created to read:

19 71.36 (4) Every tax-option corporation that is required to file a return under
20 s. 71.24 (1) shall, on or before the due date of the return, including extensions, provide
21 a schedule to each shareholder whose share of income, deductions, credits, or other

1 items of the tax-option corporation[✓] may affect the shareholder's[✓] tax liability under
2 this chapter. The schedule shall separately indicate the shareholder's share of each
3 item.

4 **SECTION 5.** 71.83 (1) (a) 9. of the statutes is created to read:

5 71.83 (1) (a) 9. ^{Fix} Failure to provide schedules.' If a person who is required to
6 provide a schedule under s. 71.13 (1m),[✓] 71.20 (1m),[✓] or 71.36 (4)[✓] fails to provide the
7 schedule by the due date, including any extension, or provides an incorrect or
8 incomplete schedule, the person is subject to a \$50[✓] penalty for each violation, except
9 that the[✓] department shall waive the penalty if the person shows the[✓] department that
10 a violation resulted from a reasonable cause and not from willful[✓] neglect.

11 **SECTION 6.** 71.83 (3)^x of the statutes is renumbered 71.83 (3) (a) and amended
12 to read:

13 71.83 (3) (a) LATE FILING FEES. If any person required under this chapter to file
14 an income or franchise tax return fails to file a return within the time prescribed by
15 law, or as extended under s. 71.03 (7), 71.24 (7) or 71.44 (3), unless the return is filed
16 under such an extension but the person fails to file a copy of the extension that is
17 granted by or requested of the internal revenue service, the department shall add[✓] to
18 the tax of the person \$30 in the case of corporations and in the case of persons other
19 than corporations \$2 when the total normal income tax of the person is less than \$10,
20 \$3 when the tax is \$10 or more but less than \$20, \$5 when the tax is \$20 or more,
21 except that \$30 shall be added to the tax if the return is 60 or more days late \$50 to
22 the person's tax.[✓] If no tax is assessed against any such person the amount of this fee
23 shall be collected as income or franchise taxes are collected. If any person who is
24 required under s. 71.65 (3) to file a withholding report and deposit withheld taxes
25 fails timely to do so; unless the person so required dies or the failure is due to a

1 reasonable cause and not due to neglect; the department of revenue shall add \$30[✓]~~\$50~~
2 to the amount due.

3 History: 1987 a. 312; 1989 a. 31, 90; 1991 a. 39, 190, 269, 315; 1993 a. 16, 112, 213; 1995 a. 428, 453; 1997 a. 27, 237, 283, 323; 1999 a. 32; 2001 a. 109; 2007 a. 20.

3 SECTION 7. 71.83 (3) (b) of the statutes is created to read:

4 71.83 (3) (b) A partnership that fails to file a statement under s. 71.20 (1) by
5 the due date, including any extension, is subject to a \$50[✓] fee.

6 SECTION 9343. Initial applicability; Revenue.[✓]

7 (1) RETURNS AND SCHEDULES.[✓] The treatment of sections 71.13 (1m),[✓] 71.20 (1m)
8 and (3),[✓] 71.36 (4), and 71.83 (1) (a) 9. and (3) a and b of the statutes first applies
9 to taxable years beginning on January 1, 2010.[✓]

10 (END)

of the statutes, the renumbering and apply

amendment of section 71.83(3) of the statutes, and the creation of section 71.83 ^{NO \$}



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0383/PI
JK:jld:ph

P2
RMR

DOA:.....Lillethun, BB0097 - Late fees and penalties for failure to provide schedules

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1-30-09

D-N

1 AN ACT ^{don't gen} ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, if a corporation does not file its income or franchise tax return by the due date, the corporation is subject to a \$30 penalty. If any other taxpayer fails to file an income or franchise tax return by its due date, the taxpayer is subject to the following penalties:

1. Two dollars, if the taxpayer's income tax is less than \$10.
2. Three dollars, if the taxpayer's income tax is \$10 or more, but less than \$20.
3. Five dollars, if the taxpayer's income tax is \$20 or more.

Under current law, however, a taxpayer that is not a corporation is subject to a \$30 penalty for a return that is at least 60 days late, regardless of the amount of the taxpayer's income tax.

Under this bill, if any taxpayer does not file an income or franchise tax return by the due date, the taxpayer is subject to a \$50 penalty. The bill also provides that fiduciaries, partnerships, and tax-option corporations must provide schedules to their beneficiaries, partners, and shareholders that specify the income, deductions, credits, and other items related to the tax liability of the beneficiary, partner, or shareholder. Any fiduciary, partnership, or tax-option corporation that fails to provide the schedule is subject to a \$50 penalty.

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

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

1 **SECTION 1.** 71.13 (1m) of the statutes is created to read:

2 **71.13 (1m) SCHEDULES TO BENEFICIARIES.** Every fiduciary who is required to file
3 a return under sub. (1) shall, on or before the due date of the return, including
4 extensions, provide a schedule to each beneficiary whose share of income,
5 deductions, credits, or other items of the fiduciary may affect the beneficiary's tax
6 liability under this chapter. The schedule shall separately indicate the beneficiary's
7 share of each item.

8 **SECTION 2.** 71.20 (1m) of the statutes is created to read:

9 **71.20 (1m)** Every partnership that is required to file a return under sub. (1)
10 shall, on or before the due date of the return, including extensions, provide a schedule
11 to each partner whose share of income, deductions, credits, or other items of the
12 partnership may affect the partner's tax liability under this chapter. The schedule
13 shall separately indicate the partner's share of each item.

14 **SECTION 3.** 71.20 (3) of the statutes is created to read:

15 **71.20 (3)** Any extension granted by law or by the Internal Revenue Service for
16 the filing of the federal return that corresponds to the return required under sub. (1)
17 extends the time for filing under this section.

18 **SECTION 4.** 71.36 (4) of the statutes is created to read:

19 **71.36 (4)** Every tax-option corporation that is required to file a return under
20 s. 71.24 (1) shall, on or before the due date of the return, including extensions, provide
21 a schedule to each shareholder whose share of income, deductions, credits, or other

1 items of the tax-option corporation may affect the shareholder's tax liability under
2 this chapter. The schedule shall separately indicate the shareholder's share of each
3 item.

4 **SECTION 5.** 71.83 (1) (a) ²/₉ of the statutes is created to read:

5 71.83 (1) (a) ²/₉ 'Failure to provide schedules.' If a person who is required to
6 provide a schedule under s. 71.13 (1m), 71.20 (1m), or 71.36 (4) fails to provide the
7 schedule by the due date, including any extension, or provides an incorrect or
8 incomplete schedule, the person is subject to a \$50 penalty for each violation, except
9 that the department shall waive the penalty if the person shows the department that
10 a violation resulted from a reasonable cause and not from willful neglect.

(INVEST)
3-10

11 **SECTION 6.** 71.83 (3) of the statutes is renumbered 71.83 (3) (a) and amended
12 to read:

13 71.83 (3) (a) If any person required under this chapter to file an income or
14 franchise tax return fails to file a return within the time prescribed by law, or as
15 extended under s. 71.03 (7), 71.24 (7) or 71.44 (3), unless the return is filed under such
16 an extension but the person fails to file a copy of the extension that is granted by or
17 requested of the internal revenue service, the department shall add to the tax of the
18 person ~~\$30 in the case of corporations and in the case of persons other than~~
19 ~~corporations \$2 when the total normal income tax of the person is less than \$10, \$3~~
20 ~~when the tax is \$10 or more but less than \$20, \$5 when the tax is \$20 or more, except~~
21 ~~that \$30 shall be added to the tax if the return is 60 or more days late~~ \$50 to the
22 person's tax. If no tax is assessed against any such person the amount of this fee shall
23 be collected as income or franchise taxes are collected. If any person who is required
24 under s. 71.65 (3) to file a withholding report and deposit withheld taxes fails timely
25 to do so; unless the person so required dies or the failure is due to a reasonable cause

1 and not due to neglect; the department of revenue shall add \$30 \$50 to the amount
2 due.

3 **SECTION 7.** 71.83 (3) (b) of the statutes is created to read:

4 71.83 (3) (b) A partnership that fails to file a statement under s. 71.20 (1) by
5 the due date, including any extension, is subject to a \$50 fee.

6 **SECTION 9343. Initial applicability; Revenue.**

7 (1) RETURNS AND SCHEDULES. The treatment of sections 71.13 (1m), 71.20 (1m)
8 and (3), 71.36 (4), and 71.83 (1) (a) ¹⁰~~9~~ of the statutes, the renumbering and
9 amendment of section 71.83 (3) of the statutes, and the creation of section 71.83 (3)
10 (b) of the statutes first apply to taxable years beginning on January 1, 2010.

11 (END)

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0383/P2ins
JK:jld:ph

Insert 3 - 10

> ****NOTE: This is reconciled s. 71.83 (1) (a) 10. This SECTION has been affected by drafts with the following LRB numbers: 0381 and 0383.

-0381/P3

-0383/P1

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0383/P2dn

JK:jd:ph

nwn

Date

This draft reconciles LRB-0381/P3 and LRB-0383/P2. All of these drafts should continue to appear in the compiled bill.

PI

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0383/P2dn
JK:nwn:md

January 30, 2009

This draft reconciles LRB-0381/P3 and LRB-0383/P1. All of these drafts should continue to appear in the compiled bill.

Joseph T. Kreye
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DOA:.....Lillethun, BB0097 - Late fees and penalties for failure to provide schedules

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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Under this bill, if any taxpayer does not file an income or franchise tax return by the due date, the taxpayer is subject to a \$50 penalty. The bill also provides that fiduciaries, partnerships, and tax-option corporations must provide schedules to their beneficiaries, partners, and shareholders that specify the income, deductions, credits, and other items related to the tax liability of the beneficiary, partner, or shareholder. Any fiduciary, partnership, or tax-option corporation that fails to provide the schedule is subject to a \$50 penalty.

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

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

1 **SECTION 1.** 71.13 (1m) of the statutes is created to read:

2 **71.13 (1m) SCHEDULES TO BENEFICIARIES.** Every fiduciary who is required to file
3 a return under sub. (1) shall, on or before the due date of the return, including
4 extensions, provide a schedule to each beneficiary whose share of income,
5 deductions, credits, or other items of the fiduciary may affect the beneficiary's tax
6 liability under this chapter. The schedule shall separately indicate the beneficiary's
7 share of each item.

8 **SECTION 2.** 71.20 (1m) of the statutes is created to read:

9 **71.20 (1m)** Every partnership that is required to file a return under sub. (1)
10 shall, on or before the due date of the return, including extensions, provide a schedule
11 to each partner whose share of income, deductions, credits, or other items of the
12 partnership may affect the partner's tax liability under this chapter. The schedule
13 shall separately indicate the partner's share of each item.

14 **SECTION 3.** 71.20 (3) of the statutes is created to read:

15 **71.20 (3)** Any extension granted by law or by the Internal Revenue Service for
16 the filing of the federal return that corresponds to the return required under sub. (1)
17 extends the time for filing under this section.

18 **SECTION 4.** 71.36 (4) of the statutes is created to read:

19 **71.36 (4)** Every tax-option corporation that is required to file a return under
20 s. 71.24 (1) shall, on or before the due date of the return, including extensions, provide
21 a schedule to each shareholder whose share of income, deductions, credits, or other

1 items of the tax-option corporation may affect the shareholder's tax liability under
2 this chapter. The schedule shall separately indicate the shareholder's share of each
3 item.

4 **SECTION 5.** 71.83 (1) (a) 10. of the statutes is created to read:

5 71.83 (1) (a) 10. 'Failure to provide schedules.' If a person who is required to
6 provide a schedule under s. 71.13 (1m), 71.20 (1m), or 71.36 (4) fails to provide the
7 schedule by the due date, including any extension, or provides an incorrect or
8 incomplete schedule, the person is subject to a \$50 penalty for each violation, except
9 that the department shall waive the penalty if the person shows the department that
10 a violation resulted from a reasonable cause and not from willful neglect.

****NOTE: This is reconciled s. 71.83 (1) (a) 10. This SECTION has been affected by
drafts with the following LRB numbers: -0381/P3 and -0383/P1.

11 **SECTION 6.** 71.83 (3) of the statutes is renumbered 71.83 (3) (a) and amended
12 to read:

13 71.83 (3) (a) If any person required under this chapter to file an income or
14 franchise tax return fails to file a return within the time prescribed by law, or as
15 extended under s. 71.03 (7), 71.24 (7) or 71.44 (3), unless the return is filed under such
16 an extension but the person fails to file a copy of the extension that is granted by or
17 requested of the internal revenue service, the department shall add to the tax of the
18 person ~~\$30 in the case of corporations and in the case of persons other than~~
19 ~~corporations \$2 when the total normal income tax of the person is less than \$10, \$3~~
20 ~~when the tax is \$10 or more but less than \$20, \$5 when the tax is \$20 or more, except~~
21 ~~that \$30 shall be added to the tax if the return is 60 or more days late \$50 to the~~
22 person's tax. If no tax is assessed against any such person the amount of this fee shall
23 be collected as income or franchise taxes are collected. If any person who is required

1 under s. 71.65 (3) to file a withholding report and deposit withheld taxes fails timely
2 to do so; unless the person so required dies or the failure is due to a reasonable cause
3 and not due to neglect; the department of revenue shall add ~~\$30~~ \$50 to the amount
4 due.

5 **SECTION 7.** 71.83 (3) (b) of the statutes is created to read:

6 71.83 (3) (b) A partnership that fails to file a statement under s. 71.20 (1) by
7 the due date, including any extension, is subject to a \$50 fee.

8 **SECTION 9343. Initial applicability; Revenue.**

9 (1) RETURNS AND SCHEDULES. The treatment of sections 71.13 (1m), 71.20 (1m)
10 and (3), 71.36 (4), and 71.83 (1) (a) 10. of the statutes, the renumbering and
11 amendment of section 71.83 (3) of the statutes, and the creation of section 71.83 (3)
12 (b) of the statutes first apply to taxable years beginning on January 1, 2010.

13 (END)