

ASSEMBLY BILL 40

SECTION 1235



ret

1 51.44 (1m) The department is the lead agency in this state for the development
 2 and implementation of a statewide system of coordinated, comprehensive
 3 multidisciplinary programs to provide appropriate early intervention services under
 4 the requirements of 20 USC ~~1476~~ 1431 to 1444.

5 **SECTION 1236.** 51.44 (5) (c) of the statutes is amended to read:

6 51.44 (5) (c) Annually, submit to the chief clerk of each house of the legislature
 7 for distribution to the legislature under s. ~~13.172~~ (2) a report on the department's
 8 progress toward full implementation of the program under this section, including the
 9 progress of counties in implementing goals for participation in 5th-year
 10 requirements under 20 USC ~~1476~~ 1431 to 1444.

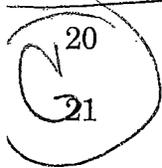
11 **SECTION 1237.** 54.15 (8) (a) 3. of the statutes is amended to read:

12 54.15 (8) (a) 3. Any license, certificate, permit, or registration of the proposed
 13 guardian that is required under chs. 202 or 440 to 480 or by the laws of another state
 14 for the practice of a profession or occupation has been suspended or revoked.

15 **SECTION 1238.** 55.043 (4) (b) 5g. of the statutes is created to read:

16 55.043 (4) (b) 5g. Refer the case to the department of financial institutions if
 17 the financial exploitation, neglect, self-neglect, or abuse involves an individual who
 18 is required to be registered under s. 202.13 or 202.14.

19 **SECTION 1239.** 59.26 (1) (c) of the statutes is repealed.



ret

20 **SECTION 1240.** 59.43 (1) (w) of the statutes is created to read:

21 59.43 (1) (w) Record and index the documents specified in s. 49.848 (2).

22 **SECTION 1241.** 59.43 (2) (ag) 1. of the statutes is amended to read:

23 59.43 (2) (ag) 1. Subject to s. 59.72 (5) and ~~except as provided in par. (L)~~, for
 24 recording any instrument entitled to be recorded in the office of the register of deeds,

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1 \$25 ~~\$30~~, except that no fee may be collected for recording a change of address that
2 is exempt from a filing fee under s. 185.83 (1) (b) or 193.111 (1) (b).

3 SECTION 1242. 59.43 (2) (e) of the statutes is amended to read:

4 59.43 (2) (e) Subject to s. 59.72 (5) and except as provided in par. (L), for filing
5 any instrument which is entitled to be filed in the office of register of deeds and for
6 which no other specific fee is specified, \$25 ~~\$30~~.

↓
Insert
623-7 →

~~SECTION 1243. 59.43 (2) (L) (intro.) of the statutes is amended to read:
59.43 (2) (L) (intro.) For recording any instrument under par. (ag), filing any
instrument under par. (e), and recording certificates and preparing and mailing
documents under par. (i), \$30 if the county uses \$5 of each \$30 fee received under this
paragraph to make social security numbers from electronic format records not
viewable or accessible on the Internet under sub. (4) (c) and s. 59.72 (6), until the
earliest of the following:~~

↓
Insert
6214-13 →

SECTION 1244. 59.605 (6) of the statutes is amended to read:

15 59.605 (6) ~~TEMPORARY SUSPENSION~~ SUNSET OF THE LIMIT. This section does not
16 apply to a county's levy that is imposed in December 2011 or ~~December 2012~~ any year
17 thereafter.

18 SECTION 1245. 59.69 (4c) of the statutes is amended to read:

19 59.69 (4c) CONSTRUCTION SITE ORDINANCE LIMITS. Except as provided in s.
20 101.1206 (5m), an ordinance that is enacted under sub. (4) may only include
21 provisions that are related to construction site erosion control if those provisions are
22 limited to sites ~~where the construction activities do not include the construction of~~
23 a building described in s. 281.33 (3) (a) 1. a. and b.

24 SECTION 1246. 59.693 (2) of the statutes is amended to read:

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SECTION 1246

1 59.693 (2) AUTHORITY TO ENACT ORDINANCE. To effect the purposes of s. 281.33
2 and to promote the public health, safety and general welfare, a county may enact a
3 zoning ordinance, that is applicable to all of its unincorporated area, except as
4 provided in s. 60.627 (2) (b), for construction site erosion control at sites where the
5 ~~construction activities do not include the construction of a building described in s.~~
6 281.33 (3) (a) 1. a. and b. and for storm water management. This ordinance may be
7 enacted separately from ordinances enacted under s. 59.693. *Insert 624-7 ✓*

8 **SECTION 1247.** 59.693 (7) of the statutes is amended to read:

9 59.693 (7) APPLICABILITY OF LOCAL SUBDIVISION REGULATION. All powers granted
10 to a county under s. 236.45 may be exercised by the county with respect to
11 construction site erosion control at sites where the ~~construction activities do not~~
12 ~~include the construction of a building described in s. 281.33 (3) (a) 1. a. and b.~~ or with
13 respect to storm water management regulation, if the county has or provides a
14 county planning agency as defined in s. 236.02 (1) (3). *Insert 624-14*

15 **SECTION 1248.** 59.72 (5) (a) of the statutes is amended to read:

16 59.72 (5) (a) Before the 16th day of each month a register of deeds shall submit
17 to the department of administration \$10 \$15 from the fee for recording or filing each
18 instrument that is recorded or filed under s. 59.43 (2) (ag) 1. or (e), less any amount
19 retained by the county under ^{plain text} ~~par.~~ pars. (b) and (c).

20 **SECTION 1249.** 59.72 (5) (b) (intro.) of the statutes is amended to read:

21 59.72 (5) (b) (intro.) Except as provided in s. 16.967 (7m), a county may retain
22 \$8 of the \$10 portion of each fee submitted to the department of administration under
23 par. (a) from the fee for recording or filing each instrument that is recorded or filed
24 under s. 59.43 (2) (ag) 1. or (e) if all of the following conditions are met:

25 **SECTION 1250.** ~~59.72 (5) (c) of the statutes is created to read:~~

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SECTION 1250

1 59.72 (5) (c) Before January 1, 2015, a county may retain \$5 of the portion of
 2 each fee submitted to the department of administration under par. (a) from the fee
 3 for recording or filing each instrument that is recorded or filed under s. 59.43 (2) (ag)
 4 1. or (e) if all of the following apply:
 5 1. The money is used to make social security numbers from electronic format
 6 records not viewable or accessible on the Internet under sub. (6) and s. 59.43 (4) (c).
 7 2. The register of deeds is authorized to collect fees under s. 59.43 (2) (L) under
 8 an extension granted by the department of administration under s. 59.43 (2) (L) 2.

SECTION 1251. 60.37 (1) of the statutes is amended to read:

10 60.37 (1) GENERAL. The town board may employ on a temporary or permanent
 11 basis persons necessary to carry out the functions of town government including,
 12 subject to sub. (4), any elected officer of the town. The board may establish the
 13 qualifications and terms of employment, which may not include the residency of the
 14 employee. ^{Insert 625-14} The board may delegate the authority to hire town employees to any town
 15 official or employee.

SECTION 1252. 60.627 (2) (a) of the statutes is amended to read:

17 60.627 (2) (a) To effect the purposes of s. 281.33 and to promote the public
 18 health, safety and general welfare, if a town board may enact zoning ordinances
 19 under s. 60.62, the town board may enact a zoning ordinance, that is applicable to
 20 all of its area, for construction site erosion control at sites where the construction
 21 activities do not include the construction of a building described in s. 281.33 (3) (a)
 22 1. a. and b. and for storm water management. This ordinance may be enacted
 23 separately from ordinances enacted under s. 60.62. ^{Insert 625-23}

SECTION 1253. 60.627 (4) (c) of the statutes is amended to read:

ASSEMBLY BILL 40**SECTION 1253**

1 60.627 (4) (c) An ordinance enacted under this section supersedes all provisions
2 of an ordinance enacted under s. 60.62 that relate to construction site erosion control
3 at sites ~~where the construction activities do not include the construction of a building~~
4 described in s. 281.33 (3) (a) 1. a. and b. or to storm water management regulation.

5 **SECTION 1254.** 60.627 (6) of the statutes is amended to read:

6 60.627 (6) APPLICABILITY OF LOCAL SUBDIVISION REGULATION. All powers granted
7 to a town under s. 236.45 may be exercised by it with respect to construction site
8 erosion control at sites ~~where the construction activities do not include the~~
9 ~~construction of a building~~ described in s. 281.33 (3) (a) 1. a. and b. or with respect to
10 storm water management regulation, if the town has or provides a planning
11 commission or agency.

12 **SECTION 1255.** 61.354 (2) of the statutes is amended to read:

13 61.354 (2) AUTHORITY TO ENACT ORDINANCE. To effect the purposes of s. 281.33
14 and to promote the public health, safety and general welfare, a village may enact a
15 zoning ordinance, that is applicable to all of its incorporated area, for construction
16 site erosion control at sites ~~where the construction activities do not include the~~
17 ~~construction of a building~~ described in s. 281.33 (3) (a) 1. a. and b. and for storm water
18 management. This ordinance may be enacted separately from ordinances enacted
19 under s. 61.35. *Insert 626-19*

20 **SECTION 1256.** 61.354 (4) (c) of the statutes is amended to read:

21 61.354 (4) (c) An ordinance enacted under this section supersedes all provisions
22 of an ordinance enacted under s. 61.35 that relate to construction site erosion control
23 at sites ~~where the construction activities do not include the construction of a building~~
24 described in s. 281.33 (3) (a) 1. a. and b. or to storm water management regulation.

25 **SECTION 1257.** 61.354 (6) of the statutes is amended to read:

ASSEMBLY BILL 40**SECTION 1257**

1 61.354 (6) APPLICABILITY OF LOCAL SUBDIVISION REGULATION. All powers granted
2 to a village under s. 236.45 may be exercised by it with respect to construction site
3 erosion control at sites ~~where the construction activities do not include the~~
4 ~~construction of a building~~ described in s. 281.33 (3) (a) 1. a. and b. or with respect to
5 storm water management regulation, if the village has or provides a planning
6 commission or agency.

7 **SECTION 1258.** 62.13 (4) (d) of the statutes is amended to read:

8 62.13 (4) (d) The examination shall be free for all U.S. citizens over 18 and
9 under 55 years of age, with proper limitations as to ~~residence~~, health and, subject to
10 ss. 111.321, 111.322, and 111.335, arrest and conviction record. The examination,
11 including minimum training and experience requirements, shall be job-related in
12 compliance with appropriate validation standards and shall be subject to the
13 approval of the board and may include tests of manual skill and physical strength.
14 All relevant experience, whether paid or unpaid, shall satisfy experience
15 requirements. The board shall control examinations and may designate and change
16 examiners, who may or may not be otherwise in the official service of the city, and
17 whose compensation shall be fixed by the board and paid by the city. Veterans and
18 their spouses shall be given preference points in accordance with s. 230.16 (7).

19 **SECTION 1259.** 62.234 (2) of the statutes is amended to read:

20 62.234 (2) **AUTHORITY TO ENACT ORDINANCE.** To effect the purposes of s. 281.33
21 and to promote the public health, safety and general welfare, a city may enact a
22 zoning ordinance, that is applicable to all of its incorporated area, for construction
23 site erosion control at sites ~~where the construction activities do not include the~~
24 ~~construction of a building~~ described in s. 281.33 (3) (a) 1. a. and b. and for storm water

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SECTION 1259

1 management. This ordinance may be enacted separately from ordinances enacted
2 under s. 62.23. *Insert 628-2*

3 **SECTION 1260.** 62.234 (4) (c) of the statutes is amended to read:

4 62.234 (4) (c) An ordinance enacted under this section supersedes all provisions
5 of an ordinance enacted under s. 62.23 that relate to construction site erosion control
6 at sites ~~where the construction activities do not include the construction of a building~~
7 described in s. 281.33 (3) (a) 1. a. and b. or to storm water management regulation.

8 **SECTION 1261.** 62.234 (6) of the statutes is amended to read:

9 62.234 (6) APPLICABILITY OF LOCAL SUBDIVISION REGULATION. All powers granted
10 to a city under s. 236.45 may be exercised by it with respect to construction site
11 erosion control at sites ~~where the construction activities do not include the~~
12 ~~construction of a building~~ described in s. 281.33 (3) (a) 1. a. and b. or with respect to
13 storm water management regulation, if the city has or provides a planning
14 commission or agency.

15 **SECTION 1262.** 62.50 (5) of the statutes is amended to read:

16 62.50 (5) EXAMINATIONS. The examinations which the rules and regulations
17 provide for shall be public and free to all U.S. citizens with proper limitations as to
18 residence, age, health and, subject to ss. 111.321, 111.322 and 111.335, arrest and
19 conviction record. The examinations shall be practical in their character and shall
20 relate to those matters which fairly test the relative capacity of the candidates to
21 discharge the duties of the positions in which they seek employment or to which they
22 seek to be appointed and may include tests of manual skill and physical strength.
23 The board shall control all examinations and may designate suitable persons, either
24 in the official service of the city or not, to conduct such examinations and may change
25 such examiners at any time, as seems best.

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SECTION 1263

1 **SECTION 1263.** 62.53 of the statutes is repealed.

2 **SECTION 1264.** 63.08 (1) (a) of the statutes is amended to read:

3 63.08 (1) (a) Any applicant for an examination under s. 63.05, other than an
4 applicant for a deputy sheriff position under s. 59.26 (8) (a), shall be a resident of this
5 state before applying for an examination, but the commission may not require any
6 period of residency in the county for entrance to an examination or employment in
7 the county. The commission may require an applicant to file a written application
8 form which bears upon the applicant’s fitness for a vacant position and which the
9 commission deems necessary. For a position offering a skilled, technical, or
10 professional service, upon a finding that a suitable number of qualified applicants
11 cannot be obtained from within the state, the commission may open the examination
12 to residents of other states. Residency in this state may be waived for an applicant
13 for an examination for a position which requires a license in a health care field. No
14 question pertaining to political affiliation or religious faith may be asked of any
15 applicant for an examination.

16 **SECTION 1265.** 63.25 (1) (a) of the statutes is amended to read:

17 63.25 (1) (a) For open, competitive examinations and for other examinations
18 by which to test applicants for office or for employment as to their practical fitness
19 to discharge the duties of the positions which they desire to fill, which examinations
20 shall be public and free to all persons with proper limitations as to residence, age,
21 health, and, subject to ss. 111.321, 111.322, and 111.335, arrest and conviction record.

✓
Insert
529-2/ →

22 **SECTION 1266.** 66.0304 (1) (b) of the statutes is amended to read:

23 66.0304 (1) (b) “Bond” means any bond, note, or other obligation of a
24 ~~commission~~ issued, acquired, or entered into by a commission under this section,

ASSEMBLY BILL 40**SECTION 1266**

1 including any refunding bond or certificate of participation or lease-purchase,
2 installment sale, or other financing agreement.

3 **SECTION 1267.** 66.0304 (4) (p) of the statutes is amended to read:

4 66.0304 (4) (p) Purchase bonds issued by or on behalf of, or held by, any
5 participant, ~~the~~ any state or a department, authority, or agency of the state, or any
6 political subdivision. Bonds purchased under this paragraph may be held by the
7 commission or sold, in whole or in part, separately or together with other bonds
8 issued by the commission.

9 **SECTION 1268.** 66.0304 (11) (bm) of the statutes is created to read:

10 66.0304 (11) (bm) A project may be located outside of the United States or
11 outside a territory of the United States if the borrower, including a co-borrower, of
12 proceeds of bonds issued to finance or refinance the project in whole or in part is
13 incorporated and has its principal place of business in the United States or a territory
14 of the United States. To the extent that this paragraph applies to a borrower, it also
15 applies to a participant if the participant is a nongovernmental entity.

16 **SECTION 1269.** 66.0304 (11) (e) of the statutes is repealed.

17 **SECTION 1270.** 66.0502 of the statutes is created to read:

18 **66.0502 Employee residency requirements prohibited.** (1) The
19 legislature finds that public employee residency requirements are a matter of
20 statewide concern.

21 (2) In this section, “local governmental unit” means any city, village, town,
22 county, or school district.

23 (3) (a) Except as provided in sub. (4), no local governmental unit may require,
24 as a condition of employment, that any employee or prospective employee reside
25 within any jurisdictional limit.

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SECTION 1270

1 (b) If a local governmental unit has a residency requirement that is in effect on
 2 the effective date of this paragraph [LRB inserts date], the residency requirement
 3 does not apply and may not be enforced.

4 **(4)** This section does not affect any statute that requires residency within the
 5 jurisdictional limits of any local governmental unit or any provision of law that
 6 requires residency in this state.

7 **SECTION 1271.** ~~66.0602 (2m) of the statutes is amended to read:~~

8 **66.0602 (2m) NEGATIVE ADJUSTMENT.** If a political subdivision's levy for the
 9 payment of any general obligation debt service, including debt service on debt issued
 10 or reissued to fund or refund outstanding obligations of the political subdivision and
 11 interest on outstanding obligations of the political subdivision, on debt originally
 12 issued before July 1, 2005, is less in the current year than it was in the previous year,
 13 the political subdivision shall reduce its levy limit in the current year by an amount
 14 equal to the amount that its levy was reduced as described in this subsection. ~~This~~
 15 ~~subsection does not apply to any political subdivision that does not increase its levy~~
 16 ~~increase limit as allowed under sub. (3) (f) 1.~~

17 **SECTION 1272.** 66.0602 (3) (f) 1. of the statutes is amended to read:

18 66.0602 (3) (f) 1. Subject to subd. 3., if a political subdivision's allowable levy
 19 under this section in 2010 the prior year was greater than its actual levy in 2010 that
 20 year, the levy increase limit otherwise applicable under this section to the political
 21 subdivision in 2011 the next succeeding year is increased by the difference between
 22 these 2 amounts the prior year's allowable levy and the prior year's actual levy, as
 23 determined by the department of revenue, up to a maximum increase of $0.5 \frac{1.5}{\text{percent}}$
 24 of the actual levy in 2010 that prior year.

25 **SECTION 1273.** 66.0602 (3) (f) 2. of the statutes is repealed.

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SECTION 1274

1 SECTION 1274. 66.0602 (3) (f) 3. (intro.) of the statutes is amended to read:

2 66.0602 (3) (f) 3. (intro.) The adjustment described in ~~subds. subd. 1. and 2.~~ may
3 occur only if the political subdivision's governing body approves of the adjustment
4 by one of the following methods:

↓ Inset
632-4 →
5 SECTION 1275. 66.0602 (3) (f) 4. of the statutes is repealed.

↓ Inset
632-5 →
6 SECTION 1276. 66.0615 (1m) (a) of the statutes is amended to read:

7 66.0615 (1m) (a) The governing body of a municipality may enact an ordinance,
8 and a district, under par. (e), may adopt a resolution, imposing a tax on the privilege
9 of furnishing, at retail, except sales for resale, rooms or lodging to transients by
10 hotelkeepers, motel operators and other persons furnishing accommodations that
11 are available to the public, irrespective of whether membership is required for use
12 of the accommodations. A tax imposed under this paragraph is ~~not subject to the~~
13 ~~selective sales tax imposed by s. 77.52 (2) (a) 1. and may be collected from the~~
14 consumer or user, but may not be imposed on sales to the federal government and
15 persons listed under s. 77.54 (9a). A tax imposed under this paragraph by a
16 municipality shall be paid to the municipality and may be forwarded to a commission
17 if one is created under par. (c), as provided in par. (d). Except as provided in par. (am),
18 a tax imposed under this paragraph by a municipality may not exceed 8%. Except
19 as provided in par. (am), if a tax greater than 8% under this paragraph is in effect
20 on May 13, 1994, the municipality imposing the tax shall reduce the tax to 8%,
21 effective on June 1, 1994.

22 SECTION 1277. 66.0615 (1m) (f) 2. of the statutes is amended to read:

23 66.0615 (1m) (f) 2. Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (3),
24 (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60,

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SECTION 1277

1 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and (19m), and 77.62, as they apply to
2 the taxes under subch. III of ch. 77, apply to the tax described under subd. 1.

1 Inset
633-2

3 SECTION 1278. 69.20 (3) (g) of the statutes is created to read:

4 69.20 (3) (g) The state or local registrar, upon request of the department of
5 revenue, may disclose information on vital records, including a social security
6 number, to the department of revenue only for the following purposes related to
7 administering state taxes and collection of debts referred to the department of
8 revenue:

9 1. Locating persons, or the assets of persons, who have failed to file tax returns,
10 have underreported their taxable income, or are delinquent debtors.

11 2. Identifying fraudulent tax returns and credit claims.

12 3. Providing information for tax-related prosecutions.

1 Inset
33-12

13 SECTION 1279. 70.111 (18) of the statutes is amended to read:

14 ~~70.111 (18) SOLAR AND WIND ENERGY ENERGY SYSTEMS. Solar Biogas energy~~
15 ~~systems, solar energy systems, and wind energy systems. In this subsection, "biogas~~
16 ~~energy system" means equipment which directly converts biomass, as defined under~~
17 ~~section 45K (c) (3) of the Internal Revenue Code, into biogas, equipment which~~
18 ~~generates electricity, heat, or compressed natural gas exclusively from biogas,~~
19 ~~equipment which is used exclusively for the direct transfer or storage of biomass or~~
20 ~~biogas, and any structure used exclusively to shelter or operate such equipment, if~~
21 ~~all such equipment, and any such structure, is located at the same site, but does not~~
22 ~~include equipment or components that would be present as part of a conventional~~
23 ~~energy system. In this subsection, "solar energy system" means equipment which~~

Inset
633-
14

24 directly converts and then transfers or stores solar energy into usable forms of
25 thermal or electrical energy, but does not include equipment or components that

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SECTION 1279

1 would be present as part of a conventional energy system or a system that operates
 2 without mechanical means. In this subsection, “wind energy system” means
 3 equipment which converts and then transfers or stores energy from the wind into
 4 usable forms of energy, but does not include equipment or components that would be
 5 present as part of a conventional energy system.

6 *Insert*
 7 *634-56* → **SECTION 1280.** 70.114 (1) (f) of the statutes is amended to read:

8 70.114 (1) (f) “Taxing jurisdiction” means any entity, not including the state,
 9 authorized by law to levy taxes on general property, as defined in s. 70.02, that are
 10 measured by the property’s value.

11 **SECTION 1281.** 70.114 (3) of the statutes is amended to read:

12 70.114 (3) ASCERTAINING RATE. Each year, the department shall ascertain ~~from~~
 13 ~~the clerks of the taxation district~~ the aggregate net general property tax rate for
 14 taxation districts to which aids are paid under this section.

15 **SECTION 1282.** 70.114 (4) (a) of the statutes is amended to read:

16 70.114 (4) (a) ~~On~~ Except as provided under par. (c), on or before January 31,
 17 the department shall pay to each treasurer of a taxation district, with respect to each
 18 parcel of land acquired by the department within the taxation district on or before
 19 January 1 of the preceding year, an amount determined by multiplying each parcel’s
 20 estimated value equated to the average level of assessment in the taxation district
 21 by the aggregate net general property tax rate that would apply to the parcel of land
 22 if it were taxable, as shown on property tax bills prepared for that year under s. 74.09.

23 **SECTION 1283.** 70.114 (4) (c) of the statutes is created to read:

24 70.114 (4) (c) The department shall withhold from the payment amount
 25 *Insert 634-24*
 26 determined under par. (a) an amount equal to the amount determined under par. (a)

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SECTION 1283

1 multiplied by the rate of the forestation state tax under s. 70.58 and shall deposit that
2 amount into the conservation fund.

3 ~~SECTION 1284.~~ 70.119 (4) of the statutes is amended to read:

4 70.119 (4) The department shall be responsible for negotiating with
5 municipalities on payments for municipal services and may delegate certain
6 responsibilities of negotiation to other state agencies or to the University of
7 Wisconsin Hospitals and Clinics Authority. ~~Prior to negotiating with municipalities~~
8 ~~the department shall submit guidelines for negotiation to the committee for~~
9 ~~approval.~~

10 SECTION 1285. 70.119 (5) of the statutes is amended to read:

11 70.119 (5) ~~Upon approval of guidelines by the committee, the department shall~~
12 ~~proceed with negotiations.~~ In no case may a municipality withhold services to the
13 state or to the University of Wisconsin Hospitals and Clinics Authority during
14 negotiations.

15 SECTION 1286. 70.119 (6) (a) of the statutes is renumbered 70.119 (6).

16 SECTION 1287. 70.119 (6) (b) of the statutes is repealed.

17 SECTION 1288. 71.01 (6) (i) of the statutes is created to read:

18 71.01 (6) (i) For taxable years that begin after December 31, 2012, for natural
19 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or
20 reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code
21 as amended to December 31, 2010, excluding sections 103, 104, and 110 of P.L.
22 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
23 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,
24 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, section 431 of P.L.
25 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L.

Insert
635-1817

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1 108–27, section 1201 of P.L. 108–173, sections 306, 308, 316, 401, and 403 (a) of P.L.
2 108–311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
3 108–357, P.L. 109–1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
4 1329, 1348, and 1351 of P.L. 109–58, section 11146 of P.L. 109–59, section 301 of P.L.
5 109–73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
6 (j), and (q), and 405 of P.L. 109–135, sections 101, 207, 503, and 513 of P.L. 109–222,
7 P.L. 109–432, except sections 117, 406, 409, 410, 412, 417, 418, 424, and 425 of
8 division A and section 403 of division C of P.L. 109–432, P.L. 110–28, except sections
9 8215, 8231, 8232, 8234, and 8236 of P.L. 110–28, P.L. 110–140, sections 2, 3, and 5
10 of P.L. 110–142, P.L. 110–166, sections 3 (b) and 11 (b), (e), and (g) of P.L. 110–172,
11 P.L. 110–185, P.L. 110–234, section 301 of P.L. 110–245, P.L. 110–246, except sections
12 4, 15312, 15313, 15314, 15316, and 15342 of P.L. 110–246, sections 3071, 3081, and
13 3082 of P.L. 110–289, section 9 (e) of P.L. 110–317, P.L. 110–343, except sections 116,
14 208, 211, and 301 of division B and sections 313 and 504 of division C of P.L. 110–343,
15 P.L. 111–5, except sections 1261, 1262, 1401, 1402, 1521, 1522, 1531, and 1541 of
16 division B of P.L. 111–5, section 201 of P.L. 111–147, P.L. 111–148, except sections
17 1322, 1515, 9003, 9004, 9005, 9012, 9013, 9014, 9016, 9021, 9022, 10108, 10902,
18 10908, and 10909 of P.L. 111–148, P.L. 111–152, except sections 1403 and 1407 of P.L.
19 111–152, P.L. 111–203, except section 1601 of P.L. 111–203, P.L. 111–226, except
20 sections 215 and 217 of P.L. 111–226, P.L. 111–240, except sections 2014, 2043, 2111,
21 2112, and 2113 of P.L. 111–240, and P.L. 111–312, and as amendeded by section 1858
22 of P.L. 112–10, section 1108 of P.L. 112–95, sections 40211, 40241, 40242, and 100121
23 of P.L. 112–141, and sections 101 and 902 of P.L. 112–240, and as indirectly affected
24 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
25 P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding

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1 sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66,
2 excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
3 P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188,
4 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
5 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
6 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
7 162 and 165 of P.L. 106-554, P.L. 106-573, P.L. 107-15, P.L. 107-16, excluding
8 section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147,
9 excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L.
10 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L.
11 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
12 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403
13 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336,
14 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,
15 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
16 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L.
17 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding
18 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
19 (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,
20 503, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, sections 117, 406, 409, 410,
21 412, 417, 418, 424, and 425 of division A and section 403 of division C of P.L. 109-432,
22 sections 8215, 8231, 8232, 8234, and 8236 of P.L. 110-28, P.L. 110-141, P.L. 110-142,
23 excluding sections 2, 3, and 5 of P.L. 110-142, P.L. 110-172, excluding sections 3 (b)
24 and 11 (b), (e), and (g) of P.L. 110-172, P.L. 110-245, excluding section 301 of P.L.
25 110-245, sections 4, 15312, 15313, 15314, 15316, and 15342 of P.L. 110-246, P.L.

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1 110–289, excluding sections 3071, 3081, and 3082 of P.L. 110–289, P.L. 110–317,
2 excluding section 9 (e) of P.L. 110–317, sections 116, 208, 211, and 301 of division B
3 and sections 313 and 504 of division C of P.L. 110–343, P.L. 110–351, P.L. 110–458,
4 sections 1261, 1262, 1401, 1402, 1521, 1522, 1531, and 1541 of division B of P.L.
5 111–5, P.L. 111–92, P.L. 111–147, excluding section 201 of P.L. 111–147, sections
6 1322, 1515, 9003, 9004, 9005, 9012, 9013, 9014, 9016, 9021, 9022, 10108, 10902,
7 10908, and 10909 of P.L. 111–148, sections 1403 and 1407 of P.L. 111–152, P.L.
8 111–192, section 1601 of P.L. 111–203, sections 215 and 217 of P.L. 111–226, sections
9 2014, 2043, 2111, 2112, and 2113 of P.L. 111–240, P.L. 111–325, section 1858 of P.L.
10 112–10, section 1108 of P.L. 112–95, and sections 40211, 40241, 40242, 100121 of P.L.
11 112–141, and sections 101 and 902 of P.L. 112–240. The Internal Revenue Code
12 applies for Wisconsin purposes at the same time as for federal purposes, except that
13 changes made by P.L. 106–573, sections 9004, 9005, 9012, 9013, 9014, 9016, and
14 10902 of P.L. 111–148, sections 1403 and 1407 of P.L. 111–152, section 1858 of P.L.
15 112–10, section 1108 of P.L. 112–95, and sections 40211, 40241, 40242, and 100121
16 of P.L. 112–141 do not apply for taxable years beginning before January 1, 2013.
17 Amendments to the federal Internal Revenue Code enacted after December 31, 2010,
18 do not apply to this paragraph with respect to taxable years beginning after
19 December 31, 2010, except that changes to the Internal Revenue Code made by
20 section 1858 of P.L. 112–10, section 1108 of P.L. 112–95, and sections 40211, 40241,
21 40242, and 100121 of P.L. 112–141, and changes that indirectly affect the provisions
22 applicable to this subchapter made by section 1858 of P.L. 112–10, section 1108 of P.L.
23 112–95, and sections 40211, 40241, 40242, and 100121 of P.L. 112–141, do not apply
24 for taxable years beginning before January 1, 2013, and changes to the Internal
25 Revenue Code made by sections 101 and 902 of P.L. 112–240, and changes that

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1 indirectly affect the provisions applicable to this subchapter made by sections 101
2 and 902 of P.L. 112–240, apply for Wisconsin purposes at the same time as for federal
3 purposes.

4 **SECTION 1289.** 71.01 (6) (o) of the statutes is repealed.

5 **SECTION 1290.** 71.01 (6) (p) of the statutes is renumbered 71.01 (6) (a).

6 **SECTION 1291.** 71.01 (6) (q) of the statutes is renumbered 71.01 (6) (b).

7 **SECTION 1292.** 71.01 (6) (r) of the statutes is renumbered 71.01 (6) (c).

8 **SECTION 1293.** 71.01 (6) (s) of the statutes is renumbered 71.01 (6) (d).

9 **SECTION 1294.** 71.01 (6) (t) of the statutes is renumbered 71.01 (6) (e).

10 **SECTION 1295.** 71.01 (6) (u) of the statutes is renumbered 71.01 (6) (f).

11 **SECTION 1296.** 71.01 (6) (um) of the statutes is renumbered 71.01 (6) (g).

12 **SECTION 1297.** 71.01 (6) (un) of the statutes is renumbered 71.01 (6) (h) and
13 amended to read:

14 71.01 (6) (h) For taxable years that begin after December 31, 2010, and before
15 January 1, 2013, for natural persons and fiduciaries, except fiduciaries of nuclear
16 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
17 Internal Revenue Code as amended to December 31, 2010, excluding sections 103,
18 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
19 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
20 104–188, sections 1, 3, 4, and 5 of P.L. 106–519, sections 162 and 165 of P.L. 106–554,
21 P.L. 106–573, section 431 of P.L. 107–16, sections 101 and 301 (a) of P.L. 107–147,
22 sections 106, 201, and 202 of P.L. 108–27, section 1201 of P.L. 108–173, sections 306,
23 308, 316, 401, and 403 (a) of P.L. 108–311, sections 101, 102, 201, 211, 242, 244, 336,
24 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 109–1, sections 1305, 1308, 1309,
25 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, section

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1 11146 of P.L. 109–59, section 301 of P.L. 109–73, sections 101, 105, 201 (a) as it relates
2 to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109–135, sections 101,
3 207, 503, and 513 of P.L. 109–222, P.L. 109–432, except sections 117, 406, 409, 410,
4 412, 417, 418, 424, and 425 of division A and section 403 of division C of P.L. 109–432,
5 P.L. 110–28, except sections 8215, 8231, 8232, 8234, and 8236 of P.L. 110–28, P.L.
6 110–140, sections 2, 3, and 5 of P.L. 110–142, P.L. 110–166, sections 3 (b) and 11 (b),
7 (e), and (g) of P.L. 110–172, P.L. 110–185, P.L. 110–234, section 301 of P.L. 110–245,
8 P.L. 110–246, except sections 4, 15312, 15313, 15314, 15316, and 15342 of P.L.
9 110–246, sections 3071, 3081, and 3082 of P.L. 110–289, section 9 (e) of P.L. 110–317,
10 P.L. 110–343, except sections 116, 208, 211, and 301 of division B and sections 313
11 and 504 of division C of P.L. 110–343, P.L. 111–5, except sections 1261, 1262, 1401,
12 1402, 1521, 1522, 1531, and 1541 of division B of P.L. 111–5, section 201 of P.L.
13 111–147, P.L. 111–148, except sections 1322, 1515, 9003, 9021, 9022, 10108, 10908,
14 and 10909 of P.L. 111–148, P.L. 111–152, except section 1407 of P.L. 111–152, P.L.
15 111–203, except section 1601 of P.L. 111–203, P.L. 111–226, except sections 215 and
16 217 of P.L. 111–226, P.L. 111–240, except sections 2014, 2043, 2111, 2112, and 2113
17 of P.L. 111–240, and P.L. 111–312, and as amended by section 902 of P.L. 112–240,
18 and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73,
19 P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90,
20 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
21 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
22 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
23 104–117, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
24 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
25 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L.

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1 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16,
2 excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L.
3 107–147, excluding sections 101 and 301 (a) of P.L. 107–147, P.L. 107–181, P.L.
4 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27, excluding sections 106, 201, and
5 202 of P.L. 108–27, P.L. 108–121, P.L. 108–173, excluding section 1201 of P.L.
6 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306, 308, 316,
7 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 102, 201, 211,
8 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108–357, P.L. 108–375, P.L. 108–476,
9 P.L. 109–7, P.L. 109–58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325,
10 1326, 1328, 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–59, excluding section 11146
11 of P.L. 109–59, P.L. 109–73, excluding section 301 of P.L. 109–73, P.L. 109–135,
12 excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
13 (j), and (q), and 405 of P.L. 109–135, P.L. 109–151, P.L. 109–222, excluding sections
14 101, 207, 503, and 513 of P.L. 109–222, P.L. 109–227, P.L. 109–280, sections 117, 406,
15 409, 410, 412, 417, 418, 424, and 425 of division A and section 403 of division C of P.L.
16 109–432, sections 8215, 8231, 8232, 8234, and 8236 of P.L. 110–28, P.L. 110–141, P.L.
17 110–142, excluding sections 2, 3, and 5 of P.L. 110–142, P.L. 110–172, excluding
18 sections 3 (b) and 11 (b), (e), and (g) of P.L. 110–172, P.L. 110–245, excluding section
19 301 of P.L. 110–245, sections 4, 15312, 15313, 15314, 15316, and 15342 of P.L.
20 110–246, P.L. 110–289, excluding sections 3071, 3081, and 3082 of P.L. 110–289, P.L.
21 110–317, excluding section 9 (e) of P.L. 110–317, sections 116, 208, 211, and 301 of
22 division B and sections 313 and 504 of division C of P.L. 110–343, P.L. 110–351, P.L.
23 110–458, sections 1261, 1262, 1401, 1402, 1521, 1522, 1531, and 1541 of division B
24 of P.L. 111–5, P.L. 111–92, P.L. 111–147, excluding section 201 of P.L. 111–147,
25 sections 1322, 1515, 9003, 9021, 9022, 10108, 10908, and 10909 of P.L. 111–148,

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1 section 1407 of P.L. 111-152, P.L. 111-192, section 1601 of P.L. 111-203, sections 215
2 and 217 of P.L. 111-226, sections 2014, 2043, 2111, 2112, and 2113 of P.L. 111-240,
3 and P.L. 111-325, and section 902 of P.L. 112-240. The Internal Revenue Code
4 applies for Wisconsin purposes at the same time as for federal purposes, except that
5 changes made by section 209 of P.L. 109-222, sections 117, 406, 409, 410, 412, 417,
6 418, 424, and 425 of division A and section 403 of division C of P.L. 109-432, sections
7 8215, 8231, 8232, 8234, and 8236 of P.L. 110-28, P.L. 110-141, P.L. 110-142,
8 excluding sections 2, 3, and 5 of P.L. 110-142, P.L. 110-172, excluding sections 3 (b)
9 and 11 (b), (e), and (g) of P.L. 110-172, sections 110 and 113 of P.L. 110-245, sections
10 15312, 15313, 15314, and 15342 of P.L. 110-246, sections 3031, 3032, 3033, 3041,
11 3051, 3052, 3061, and 3092 of P.L. 110-289, P.L. 110-317, excluding section 9 (e) of
12 P.L. 110-317, sections 116, 208, and 211 of division B and section 504 of division C
13 of P.L. 110-343, section 14 of P.L. 111-92, sections 531, 532, and 533 of P.L. 111-147,
14 sections 10908 and 10909 of P.L. 111-148, and section 2043 of P.L. 111-240 do not
15 apply for taxable years beginning before January 1, 2011. Amendments to the
16 federal Internal Revenue Code enacted after December 31, 2010, do not apply to this
17 paragraph with respect to taxable years beginning after December 31, 2010, and
18 before January 1, 2013, except that changes to the Internal Revenue Code made by
19 section 902 of P.L. 112-240, and changes that indirectly affect the provisions
20 applicable to this subchapter made by section 902 of P.L. 112-240, apply for
21 Wisconsin purposes at the same time as for federal purposes.

22 **SECTION 1298.** 71.05 (1) (c) 11. of the statutes is created to read:

23 71.05 (1) (c) 11. The Wisconsin Health and Educational Facilities Authority
24 under s. 231.03 (6), if the bonds or notes are issued for the benefit of a person who
25 is eligible to receive the proceeds of bonds or notes from another entity for the same

Insert
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ASSEMBLY BILL 40

SECTION 1298

1 purpose for which the bonds or notes are issued under s. 231.03 (6) and the interest
 2 income received from the other bonds or notes is exempt from taxation under this
 3 subchapter.

Insert
643-A → SECTION 1299. 71.05 (6) (b) 19. a. of the statutes is amended to read:

5 71.05 (6) (b) 19. a. One hundred percent of the amount paid by the person for
 6 medical care insurance, not including any amount that is paid with a premium
 7 assistance credit amount under 26 USC 36B. In this subdivision, “medical care
 8 insurance” means a medical care insurance policy that covers the person, his or her
 9 spouse and the person’s dependents and provides surgical, medical, hospital, major
 10 medical or other health service coverage, and includes payments made for medical
 11 care benefits under a self-insured plan, but “medical care insurance” does not
 12 include hospital indemnity policies or policies with ancillary benefits such as
 13 accident benefits or benefits for loss of income resulting from a total or partial
 14 inability to work because of illness, sickness or injury.

15 ~~SECTION 1300. 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:~~

16 ~~71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses and~~
 17 ~~mandatory student fees for a student who is the claimant or who is the claimant’s~~
 18 ~~child and the claimant’s dependent who is claimed under section 151 (c) of the~~
 19 ~~Internal Revenue Code, to attend any university, college, technical college or a school~~
 20 ~~approved under s. ~~38.50~~ 440.55, that is located in Wisconsin or to attend a public~~
 21 ~~vocational school or public institution of higher education in Minnesota under the~~
 22 ~~Minnesota-Wisconsin reciprocity agreement under s. 39.47, calculated as follows:~~

23 SECTION 1301. 71.05 (6) (b) 28. i. of the statutes is created to read:

24 71.05 (6) (b) 28. i. For taxable years beginning after December 31, 2012, the
 25 dollar amounts in subd. 28. b., c., d., and g. shall be increased each year by a

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1 percentage equal to the percentage change between the U.S. consumer price index
2 for all urban consumers, U.S. city average, for the month of August of the previous
3 year and the U.S. consumer price index for all urban consumers, U.S. city average,
4 for the month of August 2011, as determined by the federal department of labor,
5 except that the adjustment may occur only if the resulting amount is greater than
6 the corresponding amount that was calculated for the previous year. Each amount
7 that is revised under this subd. 28. i. shall be rounded to the nearest multiple of \$10
8 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple
9 of \$5, such an amount shall be increased to the next higher multiple of \$10. The
10 department of revenue shall annually adjust the changes in dollar amounts required
11 under this subd. 28. i. and incorporate the changes into the income tax forms and
12 instructions.

13 **SECTION 1302.** 71.05 (6) (b) 35. a. of the statutes is amended to read:

14 71.05 (6) (b) 35. a. One hundred percent of the amount paid by the individual
15 for medical care insurance, not including any amount that is paid with a premium
16 assistance credit amount under 26 USC 36B. In this subdivision, “medical care
17 insurance” means a medical care insurance policy that covers the individual, his or
18 her spouse, and the individual’s dependents and provides surgical, medical, hospital,
19 major medical, or other health service coverage, and includes payments made for
20 medical care benefits under a self-insured plan, but “medical care insurance” does
21 not include hospital indemnity policies or policies with ancillary benefits such as
22 accident benefits or benefits for loss of income resulting from a total or partial
23 inability to work because of illness, sickness, or injury.

24 **SECTION 1303.** 71.05 (6) (b) 38. a. of the statutes is amended to read:

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SECTION 1303

1 71.05 (6) (b) 38. a. One hundred percent of the amount paid by the individual
2 for medical care insurance, not including any amount that is paid with a premium
3 assistance credit amount under 26 USC 36B. In this subdivision, “medical care
4 insurance” means a medical care insurance policy that covers the individual, his or
5 her spouse, and the individual’s dependents and provides surgical, medical, hospital,
6 major medical, or other health service coverage, and includes payments made for
7 medical care benefits under a self-insured plan, but “medical care insurance” does
8 not include hospital indemnity policies or policies with ancillary benefits such as
9 accident benefits or benefits for loss of income resulting from a total or partial
10 inability to work because of illness, sickness, or injury.

11 **SECTION 1304.** 71.05 (6) (b) 42. a. of the statutes is amended to read:

12 71.05 (6) (b) 42. a. One hundred percent of the amount paid by the individual
13 for medical care insurance, not including any amount that is paid with a premium
14 assistance credit amount under 26 USC 36B. In this subdivision, “medical care
15 insurance” means a medical care insurance policy that covers the individual, his or
16 her spouse, and the individual’s dependents and provides surgical, medical, hospital,
17 major medical, or other health service coverage, and includes payments made for
18 medical care benefits under a self-insured plan, but “medical care insurance” does
19 not include hospital indemnity policies or policies with ancillary benefits such as
20 accident benefits or benefits for loss of income resulting from a total or partial
21 inability to work because of illness, sickness, or injury.

22 **SECTION 1305.** 71.05 (24) (a) 4. of the statutes is amended to read:

23 71.05 (24) (a) 4. “Qualified new business venture” means a business certified
24 under s. 238.20, 2011 stats., or s. 560.2085, 2009 stats.

25 **SECTION 1306.** 71.05 (24) (b) (intro.) of the statutes is amended to read:

↓
Inset
645-21 →

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SECTION 1306

1 71.05 (24) (b) (intro.) For taxable years beginning after December 31, 2010, and
2 before January 1, 2014, a claimant may subtract from federal adjusted gross income
3 any amount, up to \$10,000,000, of a long-term capital gain if the claimant does all
4 of the following:

5 **SECTION 1307.** 71.05 (25) (title) of the statutes is amended to read:

6 71.05 (25) (title) CAPITAL GAINS EXCLUSION; ~~WISCONSIN-SOURCE ASSETS QUALIFIED~~
7 WISCONSIN BUSINESS.

8 **SECTION 1308.** 71.05 (25) (a) 2. of the statutes is amended to read:

9 71.05 (25) (a) 2. “Qualifying gain” means ~~the~~ a long-term capital gain under
10 the Internal Revenue Code realized from the sale of any asset which is a Wisconsin
11 capital asset in the year it is purchased by the claimant and for at least 2 of the
12 subsequent 4 years; that is purchased an investment made after December 31, 2010;
13 that is, and held for at least 5 uninterrupted years; and that is treated as a long-term
14 gain under the Internal Revenue Code in a business that for the year of investment
15 and at least 2 of the 4 subsequent years was a qualified Wisconsin business; except
16 that a qualifying gain may not include any amount for which the claimant claimed
17 a subtraction under sub. (24) (b) or any gain described under sub. (26) (b) 1.

18 **SECTION 1309.** 71.05 (25) (a) 3. of the statutes is renumbered 71.05 (25) (a) 1s.
19 and amended to read:

20 71.05 (25) (a) 1s. “Qualified Wisconsin business” means a business certified by
21 the Wisconsin Economic Development Corporation under s. 238.145, 2011 stats., or
22 registered with the department under s. 73.03 (69).

23 **SECTION 1310.** 71.05 (25) (a) 4. of the statutes is repealed.

24 **SECTION 1311.** 71.05 (25) (b) (intro.) of the statutes is renumbered 71.05 (25)
25 (b) and amended to read:

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SECTION 1311

1 71.05 (25) (b) For taxable years beginning after December 31, 2015, for a
2 ~~Wisconsin capital asset that is purchased~~ an investment in a qualified Wisconsin
3 ~~business made~~ after December 31, 2010, and held for at least 5 uninterrupted years,
4 a claimant may subtract from federal adjusted gross income the ~~lesser of one of the~~
5 ~~following amounts~~ amount of the claimant's qualifying gain in the year to which the
6 claim relates, to the extent that it is not subtracted under sub. (6) (b) 9. or 9m.:

7 **SECTION 1312.** 71.05 (25) (b) 1. of the statutes is repealed.

8 **SECTION 1313.** 71.05 (25) (b) 2. of the statutes is repealed.

9 **SECTION 1314.** 71.05 (26) (title) of the statutes is amended to read:

10 71.05 (26) (title) INCOME TAX DEFERRAL; ~~LONG-TERM WISCONSIN CAPITAL ASSETS~~
11 QUALIFIED WISCONSIN BUSINESS.

12 **SECTION 1315.** 71.05 (26) (a) 4. of the statutes is amended to read:

13 71.05 (26) (a) 4. “Qualified Wisconsin business” means a business certified by
14 the Wisconsin Economic Development Corporation under s. 238.146, 2011 stats., or
15 registered with the department under s. 73.03 (69).

16 **SECTION 1316.** 71.05 (26) (b) (intro.) of the statutes is amended to read:

17 71.05 (26) (b) (intro.) For taxable years beginning after December 31, 2010, and
18 before January 1, 2014, a claimant may subtract from federal adjusted gross income
19 any amount of a long-term capital gain if the claimant does all of the following:

20 **SECTION 1317.** 71.05 (26) (bm) of the statutes is created to read:

21 71.05 (26) (bm) For taxable years beginning after December 31, 2013, a
22 claimant may subtract from federal adjusted gross income any amount of a
23 long-term capital gain if the claimant does all of the following:

24 1. Within 180 days after the sale of the asset that generated the gain, invests
25 all of the gain in a qualified Wisconsin business.

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SECTION 1317

1 2. After making the investment as described under subd. 1., notifies the
2 department, on a form prepared by the department, that the claimant will not
3 declare the gain on the claimant's income tax return because the claimant has
4 reinvested the capital gain as described under subd. 1. The form shall be sent to the
5 department along with the claimant's income tax return for the year to which the
6 claim relates.

7 **SECTION 1318.** 71.05 (26) (c) of the statutes is amended to read:

8 71.05 (26) (c) The basis of the investment described in par. (b) 2. shall be
9 calculated by subtracting the gain described in par. (b) 1. from the amount of the
10 investment described in par. (b) 2. The basis of the investment described in par. (bm)
11 1. shall be calculated by subtracting the gain described in par. (bm) 1. from the
12 amount of the investment described in par. (bm) 1.

13 **SECTION 1319.** 71.05 (26) (d) of the statutes is amended to read:

14 71.05 (26) (d) If a claimant defers the payment of income taxes on a capital gain
15 under this subsection, the claimant may not use the gain described under ~~par. (b) 1.~~
16 to net capital gains and losses, as described under sub. (10) (c).

17 **SECTION 1320.** 71.05 (26) (f) of the statutes is amended to read:

18 71.05 (26) (f) If a claimant claims ~~the a subtraction for a capital gain under this~~
19 ~~subsection par. (b) or (bm), the gain described under par. (b) 1.~~ may not be used as
20 a qualifying gain under sub. (25).

21 **SECTION 1321.** 71.06 (1p) (intro.) of the statutes is amended to read:

22 71.06 (1p) FIDUCIARIES, SINGLE INDIVIDUALS AND HEADS OF HOUSEHOLDS; ~~AFTER 2000~~
23 ~~2001 TO 2012.~~ (intro.) The tax to be assessed, levied and collected upon the taxable
24 incomes of all fiduciaries, except fiduciaries of nuclear decommissioning trust or
25 reserve funds, and single individuals and heads of households shall be computed at

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SECTION 1321

1 the following rates for taxable years beginning after December 31, 2000, and before
2 January 1, 2013:

3 SECTION 1322. 71.06 (1q) of the statutes is created to read:

4 71.06 (1q) FIDUCIARIES, SINGLE INDIVIDUALS, AND HEADS OF HOUSEHOLDS; AFTER
5 2012. (intro.) The tax to be assessed, levied, and collected upon the taxable incomes
6 of all fiduciaries, except fiduciaries of nuclear decommissioning trust or reserve
7 funds, and single individuals and heads of households shall be computed at the
8 following rates for taxable years beginning after December 31, 2012:

9 (a) On all taxable income from \$0 to \$7,500, ~~4.5~~ ^{4.40} percent.

5.84

10 (b) On all taxable income exceeding \$7,500 but not exceeding \$15,000, ~~5.94~~ ^{5.94}

11 percent.

\$225,000, 6.27

12 (c) On all taxable income exceeding \$15,000 but not exceeding ~~\$112,500~~ ^{\$112,500}, 6.36

13 percent.

14 (d) On all taxable income exceeding \$112,500 but not exceeding \$225,000, 6.75

15 percent.

16 (e) On all taxable income exceeding \$225,000, 7.75 percent.

17 SECTION 1323. 71.06 (2) (g) (intro.) of the statutes is amended to read:

18 71.06 (2) (g) (intro.) For joint returns, for taxable years beginning after
19 December 31, 2000, and before January 1, 2013:

20 SECTION 1324. 71.06 (2) (h) (intro.) of the statutes is amended to read:

21 71.06 (2) (h) (intro.) For married persons filing separately, for taxable years
22 beginning after December 31, 2000, and before January 1, 2013:

23 SECTION 1325. 71.06 (2) (i) of the statutes is created to read:

24 71.06 (2) (i) For joint returns, for taxable years beginning after
25 December 31, 2012:

↓ Insert
649-14 →

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SECTION 1325

- 1. On all taxable income from \$0 to \$10,000, ^{4.40}4.5 percent. 5.84
- 2. On all taxable income exceeding \$10,000 but not exceeding \$20,000, ^{5.94}5.94 percent. \$300,000, ~~6.27~~ 6.27
- 3. On all taxable income exceeding \$20,000 but not exceeding \$150,000, ^{6.36}6.36 percent.

5/ Inset
650-8

- 4. On all taxable income exceeding \$150,000 but not exceeding \$300,000, 6.75 percent.
- 5. On all taxable income exceeding \$300,000, 7.75 percent.

SECTION 1326. 71.06 (2) (j) of the statutes is created to read:

71.06 (2) (j) For married persons filing separately, for taxable years beginning after December 31, 2012:

- 1. On all taxable income from \$0 to \$5,000, ^{4.40}4.5 percent. 5.84
- 2. On all taxable income exceeding \$5,000 but not exceeding \$10,000, ^{5.94}5.94 percent. \$150,000, 6.27
- 3. On all taxable income exceeding \$10,000 but not exceeding \$75,000, ^{6.36}6.36 percent.

16 Inset
550-17

- 4. On all taxable income exceeding \$75,000 but not exceeding \$150,000, 6.75 percent.
- 5. On all taxable income exceeding \$150,000, 7.75 percent.

SECTION 1327. 71.06 (2e) (a) of the statutes is amended to read:

71.06 (2e) (a) For taxable years beginning after December 31, 1998, and before January 1, 2000, the maximum dollar amount in each tax bracket, and the corresponding minimum dollar amount in the next bracket, under subs. (1m) and (2) (c) and (d), and for taxable years beginning after December 31, 1999, the maximum dollar amount in each tax bracket, and the corresponding minimum dollar amount

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SECTION 1327

✓ 1 in the next bracket, under subs. (1n), (1p) (a) to (c), ^{and (b)} ~~(1q) (a) to (c)~~, and (2) (e), (f), (g)
 ✓ 2 1. to 3., ^{and 2.} ~~and (h) 1. to 3., (i) 1. to 3., and (j) 1. to 3.~~ ^{and 2.} shall be increased each year by a
 3 percentage equal to the percentage change between the U.S. consumer price index
 4 for all urban consumers, U.S. city average, for the month of August of the previous
 5 year and the U.S. consumer price index for all urban consumers, U.S. city average,
 6 for the month of August 1997, as determined by the federal department of labor,
 7 except that for taxable years beginning after December 31, 2000, and before January
 8 1, 2002, the dollar amount in the top bracket under subs. (1p) (c) and (d), (2) (g) 3.
 9 and 4. and (h) 3. and 4. shall be increased by a percentage equal to the percentage
 10 change between the U.S. consumer price index for all urban consumers, U.S. city
 11 average, for the month of August of the previous year and the U.S. consumer price
 12 index for all urban consumers, U.S. city average, for the month of August 1999, as
 13 determined by the federal department of labor, except that for taxable years
 14 beginning after December 31, 2011, the adjustment may occur only if the resulting
 15 amount is greater than the corresponding amount that was calculated for the
 16 previous year. ~~Each amount that is revised under this paragraph shall be rounded~~
 17 ~~to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the~~
 18 ~~revised amount is a multiple of \$5, such an amount shall be increased to the next~~
 19 ~~higher multiple of \$10. The department of revenue shall annually adjust the changes~~
 20 ~~in dollar amounts required under this paragraph and incorporate the changes into~~
 21 ~~the income tax forms and instructions.~~

22 SECTION 1328. 71.06 (2e) (b) of the statutes is amended to read:

23 71.06 (2e) (b) For taxable years beginning after December 31, 2009, the
 24 maximum dollar amount in each tax bracket, and the corresponding minimum dollar
 ✓ 25 amount in the next bracket, under subs. (1p) (d), ^(c) ~~(1q) (d)~~, and (2) (g) 4. ~~and~~, (h) 4., (i)

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SECTION 1328

^{3.}
~~4.~~ and ^{3.} ~~(j) 4.~~ and the dollar amount in the top bracket under subs. (1p) (e), ^{cd} ~~(1q) (e)~~,
^{4.} and (2) (g) 5. and, (h) 5., ^{4.} ~~(i) 5.~~, and ^{4.} ~~(j) 5.~~, shall be increased each year by a percentage
 equal to the percentage change between the U.S. consumer price index for all urban
 consumers, U.S. city average, for the month of August of the previous year and the
 U.S. consumer price index for all urban consumers, U.S. city average, for the month
 of August 2008, as determined by the federal department of labor, except that for
 taxable years beginning after December 31, 2011, the adjustment may occur only if
 the resulting amount is greater than the corresponding amount that was calculated
 for the previous year. ~~Each amount that is revised under this paragraph shall be~~
~~rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10~~
~~or, if the revised amount is a multiple of \$5, such an amount shall be increased to the~~
~~next higher multiple of \$10. The department of revenue shall annually adjust the~~
~~changes in dollar amounts required under this paragraph and incorporate the~~
~~changes into the income tax forms and instructions.~~

SECTION 1329. 71.06 (2e) (c) of the statutes is created to read:

71.06 **(2e)** (c) Each amount that is revised under this subsection shall be
 rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10
 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the
 next higher multiple of \$10. The department of revenue shall annually adjust the
 changes in dollar amounts required under this subsection and incorporate the
 changes into the income tax forms and instructions.

SECTION 1330. 71.06 (2m) of the statutes is amended to read:

71.06 **(2m)** RATE CHANGES. If a rate under sub. (1), (1m), (1n), (1p), ~~(1q)~~, or (2)
 changes during a taxable year, the taxpayer shall compute the tax for that taxable

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SECTION 1330

1 year by the methods applicable to the federal income tax under section 15 of the
2 ~~internal revenue code~~ Internal Revenue Code.

3 **SECTION 1331.** 71.06 (2s) (d) of the statutes is amended to read:

4 71.06 (2s) (d) For taxable years beginning after December 31, 2000, with
5 respect to nonresident individuals, including individuals changing their domicile
6 into or from this state, the tax brackets under subs. (1p), ~~(1q)~~, and (2) (g) ~~and~~, (h), ~~(i)~~,
7 ~~and~~ (j) shall be multiplied by a fraction, the numerator of which is Wisconsin adjusted
8 gross income and the denominator of which is federal adjusted gross income. In this
9 paragraph, for married persons filing separately “adjusted gross income” means the
10 separate adjusted gross income of each spouse, and for married persons filing jointly
11 “adjusted gross income” means the total adjusted gross income of both spouses. If
12 an individual and that individual’s spouse are not both domiciled in this state during
13 the entire taxable year, the tax brackets under subs. (1p), ~~(1q)~~, and (2) (g) ~~and~~, (h),
14 ~~(i)~~, and (j) on a joint return shall be multiplied by a fraction, the numerator of which
15 is their joint Wisconsin adjusted gross income and the denominator of which is their
16 joint federal adjusted gross income.

↓
6 53-16 Inset →
17 **SECTION 1332.** 71.07 (2dj) (am) 4h. of the statutes is amended to read:

18 71.07 (2dj) (am) 4h. Modify section 51 (a) of the ~~internal revenue code~~ Internal
19 Revenue Code so that the amount of the credit is 25% of the qualified first-year
20 wages if the wages are paid to an applicant for a Wisconsin ~~works~~ Works employment
21 position for service either in an unsubsidized position or in a trial job under s. 49.147
22 (3), ~~2011 stats.~~, and so that the amount of the credit is 20% of the qualified first-year
23 wages if the wages are not paid to such an applicant.

24 **SECTION 1333.** 71.07 (2dx) (a) 4. of the statutes is amended to read:

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SECTION 1333

1 71.07 (2dx) (a) 4. ~~“Full-time job” means a regular, nonseasonal full-time~~
2 ~~position in which an individual, as a condition of employment, is required to work at~~
3 ~~least 2,080 hours per year, including paid leave and holidays, and for which the~~
4 ~~individual receives pay that is equal to at least 150% of the federal minimum wage~~
5 ~~and receives benefits that are not required by federal or state law. “Full-time job”~~
6 ~~does not include initial training before an employment position begins has the~~
7 ~~meaning given in s. 238.30 (2m).~~

8 **SECTION 1334.** 71.07 (2dx) (a) 5. of the statutes is amended to read:

9 71.07 (2dx) (a) 5. “Member of a targeted group” means a person who resides
10 in an area designated by the federal government as an economic revitalization area,
11 a person who is employed in an unsubsidized job but meets the eligibility
12 requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position,
13 a person who is employed in a trial job, as defined in s. 49.141 (1) (n), 2011 stats., or
14 in a ~~real work, real pay project position under s. 49.147 (3m)~~ trial employment match
15 program job, as defined in s. 49.141 (1) (n), a person who is eligible for child care
16 assistance under s. 49.155, a person who is a vocational rehabilitation referral, an
17 economically disadvantaged youth, an economically disadvantaged veteran, a
18 supplemental security income recipient, a general assistance recipient, an
19 economically disadvantaged ex-convict, a qualified summer youth employee, as
20 defined in 26 USC 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or
21 a food stamp recipient, if the person has been certified in the manner under sub. (2dj)
22 (am) 3. by a designated local agency, as defined in sub. (2dj) (am) 2.

23 **SECTION 1335.** 71.07 (2dx) (b) 2. of the statutes is amended to read:

24 71.07 (2dx) (b) 2. The amount determined by multiplying the amount
25 determined under s. 238.385 (1) (b) or s. 560.785 (1) (b), 2009 stats., by the number

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1 of full-time jobs created in a development zone and filled by a member of a targeted
2 group and by then subtracting the subsidies paid under s. 49.147 (3) (a) ~~or the~~
3 ~~subsidies and reimbursements paid under s. 49.147 (3m) (e)~~ for those jobs.

4 **SECTION 1336.** 71.07 (2dx) (b) 3. of the statutes is amended to read:

5 71.07 (2dx) (b) 3. The amount determined by multiplying the amount
6 determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number
7 of full-time jobs created in a development zone and not filled by a member of a
8 targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) ~~or~~
9 ~~the subsidies and reimbursements paid under s. 49.147 (3m) (e)~~ for those jobs.

10 **SECTION 1337.** 71.07 (2dx) (b) 4. of the statutes is amended to read:

11 71.07 (2dx) (b) 4. The amount determined by multiplying the amount
12 determined under s. 238.385 (1) (bm) or s. 560.785 (1) (bm), 2009 stats., by the
13 number of full-time jobs retained, as provided in the rules under s. 238.385 or s.
14 560.785, 2009 stats., excluding jobs for which a credit has been claimed under sub.
15 (2dj), in an enterprise development zone under s. 238.397 or s. 560.797, 2009 stats.,
16 and for which significant capital investment was made and by then subtracting the
17 subsidies paid under s. 49.147 (3) (a) ~~or the subsidies and reimbursements paid~~
18 ~~under s. 49.147 (3m) (e)~~ for those jobs.

19 **SECTION 1338.** 71.07 (2dx) (b) 5. of the statutes is amended to read:

20 71.07 (2dx) (b) 5. The amount determined by multiplying the amount
21 determined under s. 238.385 (1) (c) or s. 560.785 (1) (c), 2009 stats., by the number
22 of full-time jobs retained, as provided in the rules under s. 238.385 or s. 560.785,
23 2009 stats., excluding jobs for which a credit has been claimed under sub. (2dj), in
24 a development zone and not filled by a member of a targeted group and by then

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1 subtracting the subsidies paid under s. 49.147 (3) (a) ~~or the subsidies and~~
2 reimbursements paid under s. 49.147 (3m) (e) for those jobs.

3 **SECTION 1339.** 71.07 (3w) (b) 1. a. of the statutes is amended to read:

4 71.07 (3w) (b) 1. a. The number of full-time employees whose annual wages
5 are greater than \$20,000 the amount determined by multiplying 2,080 by 150
6 percent of the federal minimum wage in a tier I county or municipality or greater
7 than \$30,000 in a tier II county or municipality and who the claimant employed in
8 the enterprise zone in the taxable year, minus the number of full-time employees
9 whose annual wages were greater than \$20,000 the amount determined by
10 multiplying 2,080 by 150 percent of the federal minimum wage in a tier I county or
11 municipality or greater than \$30,000 in a tier II county or municipality and who the
12 claimant employed in the area that comprises the enterprise zone in the base year.

13 **SECTION 1340.** 71.07 (3w) (b) 1. b. of the statutes is amended to read:

14 71.07 (3w) (b) 1. b. The number of full-time employees whose annual wages
15 are greater than \$20,000 the amount determined by multiplying 2,080 by 150
16 percent of the federal minimum wage in a tier I county or municipality or greater
17 than \$30,000 in a tier II county or municipality and who the claimant employed in
18 the state in the taxable year, minus the number of full-time employees whose annual
19 wages were greater than \$20,000 the amount determined by multiplying 2,080 by
20 150 percent of the federal minimum wage in a tier I county or municipality or greater
21 than \$30,000 in a tier II county or municipality and who the claimant employed in
22 the state in the base year.

23 **SECTION 1341.** 71.07 (3w) (b) 2. of the statutes is amended to read:

24 71.07 (3w) (b) 2. Determine the claimant's average zone payroll by dividing
25 total wages for full-time employees whose annual wages are greater than \$20,000

ASSEMBLY BILL 40**SECTION 1341**

1 the amount determined by multiplying 2,080 by 150 percent of the federal minimum
2 wage in a tier I county or municipality or greater than \$30,000 in a tier II county or
3 municipality and who the claimant employed in the enterprise zone in the taxable
4 year by the number of full-time employees whose annual wages are greater than
5 ~~\$20,000~~ the amount determined by multiplying 2,080 by 150 percent of the federal
6 minimum wage in a tier I county or municipality or greater than \$30,000 in a tier II
7 county or municipality and who the claimant employed in the enterprise zone in the
8 taxable year.

9 **SECTION 1342.** 71.07 (3w) (b) 3. of the statutes is amended to read:

10 71.07 (3w) (b) 3. For employees in a tier I county or municipality, subtract
11 ~~\$20,000~~ the amount determined by multiplying 2,080 by 150 percent of the federal
12 minimum wage from the amount determined under subd. 2. and for employees in a
13 tier II county or municipality, subtract \$30,000 from the amount determined under
14 subd. 2.

15 **SECTION 1343.** 71.07 (3w) (bm) 2. of the statutes is amended to read:

16 71.07 (3w) (bm) 2. In addition to the credits under par. (b) and subds. 1., 3., and
17 4., and subject to the limitations provided in this subsection and s. 238.399 or s.
18 560.799, 2009 stats., a claimant may claim as a credit against the tax imposed under
19 s. 71.02 or 71.08 an amount equal to the percentage, as determined under s. 238.399
20 or s. 560.799, 2009 stats., not to exceed 7 percent, of the claimant's zone payroll paid
21 in the taxable year to all of the claimant's full-time employees whose annual wages
22 are greater than ~~\$20,000~~ the amount determined by multiplying 2,080 by 150
23 percent of the federal minimum wage in a tier I county or municipality, not including
24 the wages paid to the employees determined under par. (b) 1., or greater than \$30,000
25 in a tier II county or municipality, not including the wages paid to the employees

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SECTION 1343

1 determined under par. (b) 1., and who the claimant employed in the enterprise zone
2 in the taxable year, if the total number of such employees is equal to or greater than
3 the total number of such employees in the base year. A claimant may claim a credit
4 under this subdivision for no more than 5 consecutive taxable years.

Insert 658-5 →
SECTION 1344. 71.07 (5d) (c) 1. of the statutes is repealed.

Insert 658-5 →
SECTION 1345. 71.07 (5i) (b) of the statutes is amended to read:

7 71.07 (5i) (b) *Filing claims.* Subject to the limitations provided in this
8 subsection, for taxable years beginning after December 31, 2011, and before January
9 1, 2014, a claimant may claim as a credit against the taxes imposed under ss. 71.02
10 and 71.08, up to the amount of those taxes, an amount equal to 50 percent of the
11 amount the claimant paid in the taxable year for information technology hardware
12 or software that is used to maintain medical records in electronic form, if the
13 claimant is a health care provider, as defined in s. 146.81 (1) (a) to (p).

Insert 658-13 →
~~SECTION 1346. 71.07 (5r) (a) 2. of the statutes is amended to read:~~

~~15 71.07 (5r) (a) 2. "Course of instruction" has the meaning given in s. ~~38.50~~ 440.55
16 (1) (c).~~

~~SECTION 1347. 71.07 (5r) (a) 6. b. of the statutes is amended to read:~~

~~18 71.07 (5r) (a) 6. b. A school approved under s. ~~38.50~~ 440.55, if the delivery of
19 education occurs in this state.~~

Insert 658-19 →
SECTION 1348. 71.07 (6e) (a) 2. d. of the statutes is created to read:

21 71.07 (6e) (a) 2. d. An individual who had served on active duty under
22 honorable conditions in the U.S. armed forces or in forces incorporated as part of the
23 U.S. armed forces; who was a resident of this state at the time of entry into that active
24 service or who had been a resident of this state for any consecutive 5-year period
25 after entry into that active duty service; who was a resident of this state at the time

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1 of his or her death; and following the individual's death, his or her spouse began to
 2 receive, and continues to receive, dependency and indemnity compensation, as
 3 defined in 38 USC 101 (14).

4 **SECTION 1349.** 71.10 (5k) (i) of the statutes is amended to read:

5 71.10 (5k) (i) *Appropriations.* From the moneys received from designations for
 6 the Badger Chapter, an amount equal to the sum of administrative expenses,
 7 including data processing costs, certified under par. (h) 1. shall be deposited in the
 8 general fund and credited to the appropriation account under s. 20.566 (1) (hp), and
 9 the net amount remaining that is certified under par. (h) 3. shall be credited to the
 10 appropriation under s. ~~20.435 (1)~~ 20.855 (4) (gd) and the department shall annually
 11 pay that certified net amount to the Badger Chapter for its Wisconsin Disaster Relief
 12 Fund.

13 **SECTION 1350.** 71.125 (1) of the statutes is amended to read:

14 71.125 (1) Except as provided in sub. (2), the tax imposed by this chapter on
 15 individuals and the rates under s. 71.06 (1), (1m), (1n), (1p), ~~(1q)~~, and (2) shall
 16 apply to the Wisconsin taxable income of estates or trusts, except nuclear
 17 decommissioning trust or reserve funds, and that tax shall be paid by the fiduciary.

18 **SECTION 1351.** 71.125 (2) of the statutes is amended to read:

19 71.125 (2) Each electing small business trust, as defined in section 1361 (e) (1)
 20 of the Internal Revenue Code, is subject to tax at the highest rate under s. 71.06 (1),
 21 (1m), (1n) ~~or~~, (1p), or (1q), whichever taxable year is applicable, on its income as
 22 computed under section 641 of the Internal Revenue Code, as modified by s. 71.05
 23 (6) to (12), (19) and (20).

24 **SECTION 1352.** 71.17 (6) of the statutes is amended to read:

Insert
59-3

Insert
59-12

ASSEMBLY BILL 40

SECTION 1352

1 71.17 (6) FUNERAL TRUSTS. If a qualified funeral trust makes the election under
2 section 685 of the Internal Revenue Code for federal income tax purposes, that
3 election applies for purposes of this chapter and each trust shall compute its own tax
4 and shall apply the rates under s. 71.06 (1), (1m), (1n) ~~or~~, (1p), or (1q).

5 **SECTION 1353.** 71.22 (4) (i) of the statutes is created to read:

6 71.22 (4) (i) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
7 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
8 December 31, 2012, means the federal Internal Revenue Code as amended to
9 December 31, 2010, excluding sections 103, 104, and 110 of P.L. 102-227, sections
10 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
11 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L.
12 106-519, sections 162 and 165 of P.L. 106-554, section 431 of P.L. 107-16, sections
13 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section
14 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections
15 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
16 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
17 and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73,
18 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
19 (q), and 405 of P.L. 109-135, sections 101, 207, 503, and 513 of P.L. 109-222, P.L.
20 109-432, except sections 117, 406, 409, 410, 412, 417, 418, 424, and 425 of division
21 A and section 403 of division C of P.L. 109-432, P.L. 110-28, except sections 8215,
22 8231, 8232, 8234, and 8236 of P.L. 110-28, P.L. 110-140, sections 2, 3, and 5 of P.L.
23 110-142, P.L. 110-166, sections 3 (b) and 11 (b), (e), and (g) of P.L. 110-172, P.L.
24 110-185, P.L. 110-234, section 301 of P.L. 110-245, P.L. 110-246, except sections 4,
25 15312, 15313, 15314, 15316, and 15342 of P.L. 110-246, sections 3071, 3081, and

Insert
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1 3082 of P.L. 110–289, section 9 (e) of P.L. 110–317, P.L. 110–343, except sections 116,
2 208, 211, and 301 of division B and sections 313 and 504 of division C of P.L. 110–343,
3 P.L. 111–5, except sections 1261, 1262, 1401, 1402, 1521, 1522, 1531, and 1541 of
4 division B of P.L. 111–5, section 201 of P.L. 111–147, P.L. 111–148, except sections
5 1322, 1515, 9003, 9004, 9005, 9012, 9013, 9014, 9016, 9021, 9022, 10108, 10902,
6 10908, and 10909 of P.L. 111–148, P.L. 111–152, except sections 1403 and 1407 of P.L.
7 111–152, P.L. 111–203, except section 1601 of P.L. 111–203, P.L. 111–226, except
8 sections 215 and 217 of P.L. 111–226, P.L. 111–240, except sections 2014, 2043, 2111,
9 2112, and 2113 of P.L. 111–240, and P.L. 111–312, and as amendeded by section 1858
10 of P.L. 112–10, section 1108 of P.L. 112–95, sections 40211, 40241, 40242, and 100121
11 of P.L. 112–141, and sections 101 and 902 of P.L. 112–240, indirectly affected in the
12 provisions applicable to this subchapter by P.L. 99–514, excluding sections 803 (d)
13 (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514, P.L. 100–203,
14 P.L. 100–647, excluding section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.
15 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
16 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
17 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
18 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
19 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
20 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
21 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of
22 P.L. 106–554, P.L. 106–573, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L.
23 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections
24 101 and 301 (a) of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L.
25 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L.

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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, 308, 316, 401, and 403 (a) of P.L.
3 108–311, P.L. 108–357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422,
4 847, 909, and 910 of P.L. 108–357, P.L. 108–375, P.L. 108–476, P.L. 109–7, P.L.
5 109–58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
6 1329, 1348, and 1351 of P.L. 109–58, P.L. 109–59, excluding section 11146 of P.L.
7 109–59, P.L. 109–73, excluding section 301 of P.L. 109–73, P.L. 109–135, excluding
8 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
9 (q), and 405 of P.L. 109–135, P.L. 109–151, P.L. 109–222, excluding sections 101, 207,
10 503, and 513 of P.L. 109–222, P.L. 109–227, P.L. 109–280, sections 117, 406, 409, 410,
11 412, 417, 418, 424, and 425 of division A and section 403 of division C of P.L. 109–432,
12 sections 8215, 8231, 8232, 8234, and 8236 of P.L. 110–28, P.L. 110–141, P.L. 110–142,
13 excluding sections 2, 3, and 5 of P.L. 110–142, P.L. 110–172, excluding sections 3 (b)
14 and 11 (b), (e), and (g) of P.L. 110–172, P.L. 110–245, excluding section 301 of P.L.
15 110–245, sections 4, 15312, 15313, 15314, 15316, and 15342 of P.L. 110–246, P.L.
16 110–289, excluding sections 3071, 3081, and 3082 of P.L. 110–289, P.L. 110–317,
17 excluding section 9 (e) of P.L. 110–317, sections 116, 208, 211, and 301 of division B
18 and sections 313 and 504 of division C of P.L. 110–343, P.L. 110–351, P.L. 110–458,
19 sections 1261, 1262, 1401, 1402, 1521, 1522, 1531, and 1541 of division B of P.L.
20 111–5, P.L. 111–92, P.L. 111–147, excluding section 201 of P.L. 111–147, sections
21 1322, 1515, 9003, 9004, 9005, 9012, 9013, 9014, 9016, 9021, 9022, 10108, 10902,
22 10908, and 10909 of P.L. 111–148, sections 1403 and 1407 of P.L. 111–152, P.L.
23 111–192, section 1601 of P.L. 111–203, sections 215 and 217 of P.L. 111–226, sections
24 2014, 2043, 2111, 2112, and 2113 of P.L. 111–240, P.L. 111–325, section 1858 of P.L.
25 112–10, section 1108 of P.L. 112–95, sections 40211, 40241, 40242, and 100121 of P.L.

ASSEMBLY BILL 40**SECTION 1353**

1 112-141, and sections 101 and 902 of P.L. 112-240. The Internal Revenue Code
2 applies for Wisconsin purposes at the same time as for federal purposes, except that
3 changes made by P.L. 106-573, sections 9004, 9005, 9012, 9013, 9014, 9016, and
4 10902 of P.L. 111-148, sections 1403 and 1407 of P.L. 111-152, section 1858 of P.L.
5 112-10, section 1108 of P.L. 112-95, and sections 40211, 40241, 40242, and 100121
6 of P.L. 112-141 do not apply for taxable years beginning before January 1, 2013.
7 Amendments to the federal Internal Revenue Code enacted after December 31, 2010,
8 do not apply to this paragraph with respect to taxable years beginning after
9 December 31, 2010, except that changes to the Internal Revenue Code made by
10 section 1858 of P.L. 112-10, section 1108 of P.L. 112-95, and sections 40211, 40241,
11 40242, and 100121 of P.L. 112-141, and changes that indirectly affect the provisions
12 applicable to this subchapter made by section 1858 of P.L. 112-10, section 1108 of P.L.
13 112-95, and sections 40211, 40241, 40242, and 100121 of P.L. 112-141, do not apply
14 for taxable years beginning before January 1, 2013, and changes to the Internal
15 Revenue Code made by sections 101 and 902 of P.L. 112-240, and changes that
16 indirectly affect the provisions applicable to this subchapter made by sections 101
17 and 902 of P.L. 112-240, apply for Wisconsin purposes at the same time as for federal
18 purposes.

19 **SECTION 1354.** 71.22 (4) (o) of the statutes is repealed.

20 **SECTION 1355.** 71.22 (4) (p) of the statutes is renumbered 71.22 (4) (a).

21 **SECTION 1356.** 71.22 (4) (q) of the statutes is renumbered 71.22 (4) (b).

22 **SECTION 1357.** 71.22 (4) (r) of the statutes is renumbered 71.22 (4) (c).

23 **SECTION 1358.** 71.22 (4) (s) of the statutes is renumbered 71.22 (4) (d).

24 **SECTION 1359.** 71.22 (4) (t) of the statutes is renumbered 71.22 (4) (e).

25 **SECTION 1360.** 71.22 (4) (u) of the statutes is renumbered 71.22 (4) (f).