

Assembly Bill 1088

Published  
August 9, 1966.

Chapter 642

AN ACT to create 71.045 of the statutes, relating to income or franchise tax deductions of corporations.

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

71.045 of the statutes is created to read:

71.045 ALLOWABILITY OF CERTAIN DEDUCTIONS. No deduction shall be allowable at any time to the employer corporation, or to a parent or subsidiary corporation of such corporation, or a corporation issuing or assuming a stock option in a transaction to which section 425 (a) of the internal revenue code applies, if the stock option was exercised on or after June 30, 1965, by an individual in a transfer in respect of which the requirements of section 422 (a), 423 (a) or 424 (a) of the internal revenue code were met; and no amount other than the price paid under the option shall be considered as received by any of such corporations for the share so transferred. If the transfer of a share of stock to an individual pursuant to his exercise of an option would otherwise meet the requirements of section 422 (a), 423 (a) or 424 (a) of the internal revenue code except that there is a failure to meet any of the holding period requirements of section 422 (a) (1), 423 (a) (1) or 424 (a) (1), then any deduction from the income of the employer corporation for the taxable year in which such exercise occurred attributable to such disposition, shall be treated as a deduction from income of the taxable year of such employer corporation in which such disposition occurred.

Approved July 4, 1966.