

SECTION 1. Subdivision (c) of subsection (6) of section 29.18 of the statutes is amended to read:

29.18 (6) Muskrat: (c) In the counties of Manitowoc, <i>Dodge</i> , Sheboygan and Calumet.....	* * * <i>Feb. 1</i> to <i>April 1.</i>	No limit
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SECTION 2. This act shall take effect upon passage and publication.

Approved March 24, 1921.

No. 8, S.]

[Published March 26, 1921.

CHAPTER 65.

AN ACT to renumber chapter 64f of the statutes to be chapter 71 and to amend, repeal, revise and renumber the sections and subsections thereof of said chapter, all relating to income tax. *The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:*

SECTION 1. Chapter 64f of the statutes is renumbered to be chapter 71.

SECTION 2. Section 1087m—1 of the statutes is renumbered to be section 71.01 and is revised to read:

71.01 PERSONS AND SUBJECTS TAXABLE. There shall be assessed, levied, collected and paid a tax on all income received in each calendar year beginning with the year 1920, by every person residing within the state and by every nonresident of the state upon such income as is derived from property located or business transacted within the state, except as hereinafter exempted; provided, that all persons whose fiscal year ends on some other date than December 31, may be assessed on the income of such fiscal year in lieu of the income of the calendar year, at the discretion of the tax commission. This section shall not be construed to prevent or affect the correction of errors or omissions in the assessment of income of former years as authorized by subsection (1) of section 71.10 and section 71.11.

SECTION 3. Section 1087m—2 of the statutes is renumbered to be section 71.02 DEFINITION OF TERMS; WHAT IN-

COME TAXABLE. Subsection 3 of said section is revised to read:

(71.02) (3) Persons who customarily estimate their incomes or profits on a basis other than cash receipts and disbursements may, with the consent and approval of the tax commission, return for assessment and taxation the income or profits earned during the income year, in accordance with the method of accounting regularly employed in keeping their books, except as hereinafter provided; but if no such method of accounting has been employed, or if the method used does not clearly reflect the taxable income, the computation shall be made upon such basis and in such manner as in the opinion of the tax commission will clearly reflect such income. The terms "paid" or "actually paid," as used in this chapter, are to be construed in each instance in the light of the method used in computing taxable income whether on the accrual or receipt basis; provided that the deduction for federal income and excess profits taxes shall be confined to cash payments made within the year covered by the income tax return, and that reserves for contingent losses or liabilities shall not be deducted. Income from mercantile or manufacturing business, rentals, royalties or the operation of any farm, mine or quarry, or from the sale of real or personal property for the purposes of taxation shall follow the situs of the property or business from which derived, and all other income including that derived from personal service, professions and vocations and from land contracts, mortgages, stocks, bonds and securities shall follow the residence of the recipient. Persons engaged in business within and without the state shall be taxed only upon such income as is derived from business transacted and property located within the state, which may be determined by an allocation and separate accounting for such income when made in the form and manner prescribed by the tax commission, but otherwise shall be determined in the manner specified in paragraph (e) of subsection 7 of section 1770b as far as applicable.

SECTION 4. Section 1087m-3 of the statutes is renumbered to be section 71.03 DEDUCTIONS FROM GROSS INCOME OF CORPORATIONS. Subsections (a), (b), (c), (d), (e), (h), and (i) of said section are renumbered respectively to be subsections (1), (2), (3), (4), (5), (6), and (7). And subsection (d) renumbered to be subsection (4) is revised to read:

(71.03) (4) Taxes other than special improvement taxes

paid during the year upon the business or property from which the income taxed is derived, including therein taxes imposed by the state of Wisconsin and the government of the United States as income, excess or war profits and capital stock taxes:

SECTION 5. Section 1087m—4 of the statutes is renumbered to be section 71.04 DEDUCTIONS FROM INCOMES OF PERSONS OTHER THAN CORPORATIONS. Subsections (a), (aa), (b), (c), (d), (h), (L) are renumbered respectively to be subsections (1), (2), (3), (4), (5), (6) and (7). Subsection (d) renumbered to be subsection (5) of new section 71.04 is amended to read:

(71.04) (5) * * * Interest paid within the year on existing indebtedness; provided, the debtor reports the amount so paid, the form of the indebtedness, together with the name and address of the creditor. *But no interest shall be allowed as a deduction if paid on an indebtedness created for the purchase, maintenance or improvement of property, or for the conduct of a business, unless the income from such property or business would be taxable under this chapter.*

Subsection (h) renumbered to be subsection (6) of section 71.04 is amended to read:

(71.04) (6) * * * Taxes *other than inheritance and special improvement taxes* upon the property or business from which the income hereby taxed is derived paid by such persons during the year, * * * including therein taxes imposed by *the state of Wisconsin or the United States government as income taxes.*
* * *

SECTION 6. Subsection 1 of section 1087m—5, subsection (g) of section 1087m—3 and subsections (g), (i), (j) and (k) of section 1087m—4 of the statutes are consolidated and renumbered to be subsection (1) of section 71.05 and amended to read:

71.05 EXEMPTION. * * * (1) There shall be exempt from taxation under this * * * *chapter* income as follows, to wit:

(a) To an individual, income up to and including eight hundred dollars;

(b) To husband and wife, twelve hundred dollars;

(c) For each child under the age of eighteen years, two hundred dollars;

(d) For each additional person, who is actually supported by and entirely dependent upon the taxpayer for his support, two

hundred dollars. * * * In computing said exemptions and the amounts of taxes payable by persons residing together as members of a family, the income of the wife and the income of each child under eighteen years of age shall be added to that of the husband or father, or if he be not living, to that of the head of the family and assessed to him. The taxes levied thereon shall be payable by such husband or head of the family, but if not paid by him may be enforced against any person whose income is included in the assessment;

(*c*) * * * Dividends received from state banks, national banks, mutual savings banks and trust companies subject to taxation by this state; * * *

(*f*) * * * Pensions received from the United States;

(*g*) * * * All inheritances, devises, bequests and gifts received during the year;

(*h*) * * * All insurance received by any person or persons in payment of a death claim by any insurance company, fraternal benefit society or other insurer. But endowment or other insurance paid to the insured in his lifetime shall be taxable upon the excess received over the amount paid for the insurance.

SECTION 7. Subsections 2, 3 and 4 of section 1087m—5 of the statutes are renumbered respectively to be subsections (2), (3) and (4) of section 71.05.

SECTION 8. Section 1087m—6 of the statutes is renumbered to be section 71.06 RATES OF TAXATION.

SECTION 9. Section 1087m—8 of the statutes is renumbered to be section 71.07 ASSESSMENT DISTRICTS; ASSESSORS; DEPUTIES. And subsection (2) of said section is amended to read:

(71.07) * * * (2) Not less than thirty days prior to the first of March, 1912, there shall be selected and appointed by the state tax commission an assessor of incomes for each assessment district in the state. * * * Such assessor shall be a citizen and an elector of this state, but need not be a resident of the district in which he is appointed to serve; provided, however, that so far as practicable, preference shall be given in making such appointments to residents of the districts.

SECTION 10. Subsection 1 of section 1087m—9 of the statutes is renumbered to be subsection (1) of section 71.08 SALARIES OF ASSESSORS, EXPENSES AND SUPPLIES and is

amended by adding at the end thereof the following words "except as hereinafter provided."

SECTION 11. Subsection 2 of section 1087m—9 of the statutes is renumbered to be subsection (2) of section 71.08 and is revised to read:

(71.08) (2) The county board of each county in which the assessor of incomes has an office shall provide at the expense of the county a suitable room or rooms in the courthouse or other convenient building at the county seat for the use of such assessor, together with all furniture, fixtures and other equipment necessary to properly conduct the duties of his office. If any county shall fail or refuse to furnish such quarters and equipment for the use of the assessor of incomes as herein provided, the tax commission may procure the same at the expense of the county responsible therefor. The rent of such office and the cost of such office equipment, if procured by the tax commission shall, in the first instance, be paid out of the state treasury as other claims against the state are audited and paid, and shall be included in the next apportionment and certification of state taxes and charges and collected from such county as other special charges are certified and collected.

SECTION 12. Subsection 1 of section 1087m—10 of the statutes is renumbered to be subsection (1) of section 71.09 and is amended to read:

71.09 ASSESSMENT OF INCOMES. * * * (1) The state tax commission and the assessors of incomes shall annually on the first day of January, or as soon thereafter as practicable, proceed to assess as hereinafter provided, every income received during the preceding calendar year liable to taxation under the provisions of this * * * chapter. Liability to taxation for income which follows the residence of the recipient in the case of persons, *other than corporations, joint stock companies and associations*, moving into or out of the state shall be determined by the residence of such person on the thirty-first day of December of the income year. * * * The assessment of corporations, joint stock companies and associations shall be made by the state tax commission, and the assessment of persons other than corporations, joint stock companies and associations shall be by the county assessor of incomes.

SECTION 13. Subsection 2 of section 1087m—10 of the statutes is renumbered to be subsection (2) of section 71.09.

SECTION 14. Subsection 3 of section 1087m—10 of the statutes is renumbered to be subsection (3) of section 71.09 and is amended to read:

(71.09) * * * (3) Every corporation, joint stock company or association, whether taxable under this * * * *chapter* or not, shall furnish to the tax commission a true and accurate statement, * * * *on or before February fifteenth of each year, except that returns for fiscal years ending on some other date than December thirty-first, shall be furnished within thirty days after the last day of such year* in such manner and form and setting forth such facts as said commission shall deem necessary to enforce the provisions of this * * * *chapter*. Such statement shall be made upon the oath or affirmation of the president, vice president or other principal officer and the treasurer of said corporation, joint stock company or association.

SECTION 15. Subsection 4 of section 1087m—10 of the statutes is renumbered to be subsection (4) of section 71.09 and is amended to read:

(71.09) * * * (4) Whenever in the judgment of the assessor of incomes any person * * * other than a corporation, joint stock company or association shall be subject to * * * income tax *in his district* under the provisions of this * * * *chapter*, he shall * * * *notify* such person to make report * * * *to him on or before March first of each year* in such manner and form as the tax commission * * * *shall* prescribe, specifying * * * *in detail* the amounts of income received * * * *by him from all sources, together with* the amount of income received by his wife and each child under eighteen years of age residing together with him as members of the family, and such other information as the commission shall deem necessary to enforce the provisions of this * * * *chapter*. *In case any person shall fail, neglect or refuse to make return when notified by the assessor of incomes so to do, such assessor shall estimate and assess his taxable income according to his best judgment and give notice thereof by mail. Any person who receives a taxable income during the year must report the same in the manner and form herein provided to the assessor of incomes, whether notified to do so or not, and shall be subject to the same penalties for failure to report as those who receive notice.*

SECTION 16. Subsections 5, 5a, 5b and 5c of section 1087m

—10 of the statutes are renumbered respectively to be subsections (5), (6), (7) and (8) of section 71.09. Said subsection (5) is amended by striking therefrom the figures and words "1044a of the statutes" and by inserting in place thereof the figures "70.19".

SECTION 17. Subsection 6 of section 1087m—10 of the statutes is repealed.

SECTION 18. Subsection 1 of section 1087m—11 of the statutes is renumbered to be subsection (1) of section 71.10 and is revised to read:

71.10 INCORRECT RETURNS BY CORPORATIONS; PENALTY FOR FRAUD AND REFUSAL TO MAKE RETURNS. (1) Whenever it shall appear probable that a corporation has been over or underassessed, or that no assessment has been made when one should have been made in any one or more of the next previous three years, the tax commission may require such corporation to furnish such information with reference to its capital, surplus and business transacted as it may deem necessary to enable it to ascertain the amount of taxable income such corporation received during the year or years in question. Upon such information and such other information as it may be able to discover the commission shall determine the true amount of taxable income received during the year or years under investigation. If all or any part of the amount so ascertained shall not previously have been assessed, the same shall be assessed and entered upon the assessment rolls in the year discovered, and the normal tax thereon may be computed at twice the original rate. If it shall be found that the assessment was in excess of the actual taxable income received in any one or more of the previous three years, the tax commission may make allowance as far as possible for such excess in the assessment of the year when such error in assessment shall be discovered. No additional assessment shall be made under this section without giving at least ten days' notice in writing of the proposed assessment to the corporation to be subjected thereto. Such notice shall be served in the same manner as a circuit court summons is served, or by registered mail.

SECTION 19. Subsection 2 of section 1087m—11 is repealed and a new subsection (2) of section 71.10 is created:

(71.10) (2) In case of the failure on the part of a corporation to make a report of income within the time and in the manner prescribed by law, the tax commission may enter an assess-

ment against said corporation upon ten days' notice in writing in a sum of not less than five hundred dollars. Such notice may be served by mail. After the tax on such assessment has been certified for collection to the treasurer of the town, city or village where the same is payable, the corporation assessed shall be forever barred from questioning the correctness of the same in any action or proceeding.

SECTION 20. Subsections 3, 4 and 5 of section 1087m—11 of the statutes are renumbered to be respectively subsections (3), (4), (5) of section 71.10.

SECTION 21. Subsection 1 of section 1087m—12 of the statutes is renumbered to be subsection (1) of section 71.11 and is revised to read:

71.11 INCORRECT RETURNS BY INDIVIDUALS; PENALTY FOR FRAUDS AND REFUSAL TO MAKE RETURNS. (1) Whenever it shall appear probable to the assessor of incomes or the county board of review herein provided for, that any person other than a corporation, joint stock company or association has been over or underassessed, or that no assessment had been made when one should have been made in any one or more of the next previous three years, such income tax assessor or county board of review may require such person to furnish such information as may be deemed necessary to enable them to ascertain the amount of taxable income received by such person during the year or years in question. Upon such information and such other information as they may be able to discover, they shall determine the true amount of taxable income received during the year or years under investigation. If all or any part of the amount so ascertained shall not previously have been assessed, the same shall be assessed and entered upon the assessment rolls in the year discovered and the normal tax thereon may be computed at twice the original rate. If it shall be found that the assessment was in excess of the actual amount of income received in any one or more of the three previous years, the income tax assessor or county board of review may make allowance as far as possible for such excess in the assessment of the year when such error in assessment shall be discovered. No additional assessment shall be made under this subsection without giving at least ten days' notice in writing of the proposed assessment to the person to be subjected thereto. Such notice may be served by mail.

SECTION 22. Subsection 2 of section 1087m—12 of the statutes is renumbered to be subsection (2) of section 71.11 and is revised to read:

(71.11) (2) Any person other than a corporation, joint stock company or association, required to make an income tax return, who shall fail, neglect, or refuse to do so in the manner and form and within the time prescribed by this chapter, or shall make a return that does not disclose his entire taxable income, shall be assessed on such income as the assessor of incomes shall determine was received. In the case of wilful neglect to comply with the law in respect to making and filing an income tax return on the part of such person, the tax on such assessment shall be computed at twice the original rate.

SECTION 23. Subsection 3 of section 1087m—12 of the statutes is renumbered to be subsection (3) of section 71.11.

SECTION 24. Section 1087m—13 of the statutes is renumbered to be section 71.12 HEARING OF GRIEVANCES.

SECTION 25. Section 1087m—14 of the statutes is renumbered to be subsection (1) of section 71.13 COUNTY BOARD OF REVIEW.

SECTION 26. Section 1087m—15 of the statutes is renumbered to be subsection (2) of section 71.13 and is amended to read:

(71.13) (2) * * * The county clerk shall be clerk of such board, and shall keep an accurate record of all proceedings thereof, including a correct record of all changes in the assessment rolls made by the board. The county clerk shall take full minutes of all evidence given before the board; provided, however, that the board, with the approval of the assessor of incomes, may in cases where they deem it advisable, employ a stenographic reporter to take such evidence in shorthand, and extend the same in typewritten form. The county clerk shall preserve in his office a record of all such proceedings, minutes and evidence taken, and all documentary evidence offered. * * * *The expense of such stenographic reporter shall be borne by the county, and shall be paid by the county treasurer on the certificate of the assessor of incomes.*

SECTION 27. Subsections 1, 2, 3, 4 and 5 of section 1087m—16 of the statutes are renumbered respectively to be paragraphs (a), (b), (c), (d) and (e) of subsection (3) of section 71.13.

SECTION 28. Subsections 1 and 2 of section 1087m—17 of

the statutes are renumbered respectively to be paragraphs (a) and (b) of subsection (4) of section 71.13.

SECTION 29. Section 1087m—18 of the statutes is renumbered to be section 71.14 EXCLUSIVE ORIGINAL JURISDICTION.

SECTION 30. Section 1087m—19 of the statutes is renumbered to be section 71.15 APPEAL AND REVIEW.

SECTION 31. Section 1087m—20 of the statutes is renumbered to be section 71.16 ASSESSMENT OF CORPORATIONS AND TAX COMPUTATION CERTIFIED TO COUNTY CLERK; REPORT OF TAX COMMISSION.

SECTION 32. Section 1087m—21 of the statutes is renumbered to be section 71.17 COMPUTATION OF TAX ON INDIVIDUALS; CERTIFIED TO CLERKS.

SECTION 33. Section 1087m—22 of the statutes is renumbered to be section 71.18 SITUS OF TAXATION.

SECTION 34. Section 1087m—23 of the statutes is renumbered to be section 71.19 APPORTIONMENT OF REVENUE and is amended by striking out the figures and words “1087m—26 of the statutes” and by inserting in place thereof the figures “71.21”; and is further amended by striking out the figures “1073” and by inserting in place thereof the figures “70.61.”

SECTION 35. Section 1087m—24 of the statutes is renumbered to be section 71.20 PENALTY FOR DIVULGING INFORMATION and subsection (1) is amended by striking out the figures and word “1087m—1 to 1087m—30” and by inserting in place thereof the figures and word “71.01 to 71.24”.

SECTION 36. Section 1087m—26 of the statutes is renumbered to be section 71.21 PERSONAL PROPERTY CREDITED.

SECTION 37. Section 1087m—27 of the statutes is repealed.

SECTION 38. Section 1087m—28 of the statutes is renumbered to be subsection (1) of section 71.22 RULES, REGULATIONS AND EMPLOYES.

SECTION 39. Section 1087m—29 of the statutes is renumbered to be subsection (2) of section 71.22.

SECTION 40. Section 1087m—30 of the statutes is renumbered to be section 71.23 REIMBURSEMENT OF UNLAWFUL INCOME TAX COLLECTIONS and is amended by striking out the figures and words “1164 of the statutes” and by inserting in place thereof the figures “74.73”.

SECTION 41. A new section is added to the statutes to be numbered and to read:

71.24 CORRECTION OF ERRORS. Whenever an error has been made in any income tax assessment that shall be discovered after the income tax roll has been certified to the county clerk, the tax commission, in case of assessments made by it, and the assessor of incomes, in case of assessments made by him, may correct such error at any time before the tax becomes delinquent by certifying the tax properly due, or if no tax is due, by certifying that fact to the treasurer of the town, city or village where the same is payable. Whereupon such treasurer shall enter upon the tax roll the words "reduced to.....dollars," or "increased to.....dollars," or "canceled," "by direction of the assessor of incomes," or "by direction of the tax commission," as the case may be, and shall be required to account in his annual settlement with the county treasurer only for the amount appearing on the roll as corrected. No assessment shall be increased under this section except on five days' notice to the person to be subjected thereto.

SECTION 42. This act shall take effect upon passage and publication.

Approved March 24, 1921.

No. 80, A.]

[Published April 2, 1921.

CHAPTER 66.

AN ACT to amend subdivision (8) of section 4601—4a of the statutes, relating to the definition of butter.

The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:

SECTION 1. Subdivision (8) of section 4601—4a of the statutes is amended to read: (Section 4601—4a) (8) Butter is the clean, nonrancid product made by gathering in any manner the fat or fresh or ripened milk or cream into a mass, which also contains a small portion of the other milk constituents, with or without salt or added coloring matter, and contains not less than eighty-two and five-tenths (82.5) per cent of milk fat *with an allowance or tolerance of not to exceed two and five-tenths (2.5) per cent of said butter or mass so that in no case or event shall the milk fat content of said butter or mass be less than eighty (80.0) per cent.*

Renovated butter, process butter, is the product made by melting butter and reworking, without the addition or use of chemi-