

1977 Assembly Bill 1146

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CHAPTER 380, Laws of 1977

AN ACT to amend 71.05 (1) (g) of the statutes, relating to the income taxation of gains or losses on the disposition of property acquired from a decedent.

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

SECTION 1. 71.05 (1) (g) of the statutes is amended to read:

71.05 (1) (g) Add or subtract from federal adjusted gross income, as appropriate, on sale, exchange, abandonment or other disposition in a transaction in which gain or loss is recognized to the owner of property acquired from a decedent, as described in ~~sec. section~~ 1014 of the internal revenue code in effect on December 31, 1975, by inheritance, exclusive of property constituting income under ~~sec. section~~ 102 (b) of the internal revenue code, the difference between the federal basis and the Wisconsin basis. The Wisconsin basis of property acquired from a decedent by inheritance shall be determined under the internal revenue code in effect on December 31, 1975, but the value of property properly includible for Wisconsin inheritance tax purposes shall be used in lieu of the value of property includible for federal estate tax purposes. In this paragraph, the exemption under s. 72.12 (6) (b) shall not be deemed property properly includible for inheritance tax purposes.

NOTE: This section limits the application of section 1014 of the federal internal revenue code, relating to the basis of property acquired from a decedent, which Wisconsin statutes incorporate by reference, to those provisions in effect on December 31, 1975. Federal amendments to section 1014 after December 31, 1975, such as those which provide a "carryover basis" or "fresh start basis", will not affect the determination under Wisconsin tax law of the gain or loss upon the disposition of property acquired from a decedent.

SECTION 2. **Effective date.** This act applies to any sales, exchanges, abandonments or other dispositions if such transactions occurred on or after the first day of the 1977 calendar year or corresponding fiscal year.
