

# State of Wisconsin



1997 Assembly Bill 633

Date of enactment: **April 1, 1998**  
Date of publication\*: **April 3, 1998**

## 1997 WISCONSIN ACT 63

AN ACT to renumber 71.78 (4) (h); and to create 20.566 (3) (go), 20.855 (4) (cm), 20.855 (4) (cn), 20.855 (4) (co), 71.10 (7e) and 71.78 (4) (h) 2. of the statutes; relating to: nonresident individual income tax reciprocity with the state of Illinois and making appropriations.

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

**SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

				1997-98	1998-99
<b>20.566</b>	<b>Revenue, department of</b>				
(3)	ADMINISTRATIVE SERVICES AND SPACE RENTAL				
(go)	Reciprocity agreement, Illinois	PR	A	-0-	305,500
<b>20.855</b>	<b>Miscellaneous appropriations</b>				
(4)	TAX, ASSISTANCE AND TRANSFER PAYMENTS				
(cn)	Illinois income tax reciprocity bench mark	GPR	A	-0-	76,600
(co)	Illinois income tax reciprocity, 1998 and 1999	GPR	A	-0-	5,500,000

**SECTION 2.** 20.566 (3) (go) of the statutes is created to read:

20.566 (3) (go) *Reciprocity agreement, Illinois.* The amounts in the schedule to provide services for the Illinois income tax reciprocity agreement under s. 71.10 (7e). All moneys received by the department of revenue in return for the provision of these services shall be credited to this appropriation.

**SECTION 3.** 20.855 (4) (cm) of the statutes is created to read:

20.855 (4) (cm) *Illinois income tax reciprocity.* For taxable years beginning after December 31, 1999, a sum sufficient to pay to the state of Illinois any losses of income taxes occurring because of income tax reciprocity between this state and Illinois and any interest payments due under s. 71.10 (7e).

**SECTION 4.** 20.855 (4) (cn) of the statutes is created to read:

20.855 (4) (cn) *Illinois income tax reciprocity bench mark.* The amounts in the schedule to fund this state's

\* Section 991.11, WISCONSIN STATUTES 1995-96: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

portion of a bench mark study by the department of revenue of the revenue loss under s. 71.10 (7e) (b).

**SECTION 5.** 20.855 (4) (co) of the statutes is created to read:

20.855 (4) (co) *Illinois income tax reciprocity, 1998 and 1999.* The amounts in the schedule to pay to the state of Illinois any losses of income taxes occurring because of income tax reciprocity between this state and Illinois, as determined under s. 71.10 (7e), for taxable years beginning after December 31, 1997, and before January 1, 2000.

**SECTION 6.** 71.10 (7e) of the statutes is created to read:

71.10 (7e) **ILLINOIS INCOME TAX RECIPROCITY.** (a) For purposes of income tax reciprocity reached with the state of Illinois under s. 71.05 (2), whenever the income taxes on residents of one state which would have been paid to the 2nd state without reciprocity exceed the income taxes on residents of the 2nd state which would have been paid to the first state without reciprocity, the state with the net revenue loss shall receive from the other state the amount of the loss. Interest shall be payable on all delinquent balances relating to taxable years beginning after December 31, 1999. The secretary of revenue may enter into agreements with the state of Illinois specifying the reciprocity payment due date, conditions constituting delinquency, interest rates and the method of computing interest due on any delinquent amounts.

(b) The data used for computing the loss to either state shall be determined by the respective departments of revenue of both states on or before December 1 of the year following the close of the previous calendar year. If an agreement cannot be reached as to the amount of the loss, the secretary of revenue of this state and the director of taxation of the state of Illinois shall each appoint a member of a board of arbitration and these members shall appoint a 3rd member of the board. The board shall select one of its members as chairperson. The board may administer oaths, take testimony, subpoena witnesses and require their attendance, require the production of books,

papers and documents and hold hearings at such places as it considers necessary. The board shall then make a determination as to the amount to be paid the other state which shall be conclusive. This state shall pay no more than 50% of the cost of such arbitration.

(c) 1. The payments under this subsection may be made only if the secretary of revenue of this state and the director of taxation of the state of Illinois enter into a written agreement relating to income tax reciprocity that applies to taxable years beginning after December 31, 1997.

2. Subject to subd. 1., for taxable years beginning after December 31, 1997, and before January 1, 1999, the maximum amount that may be paid to Illinois under this subsection is \$5,500,000, and for taxable years beginning after December 31, 1998, and before January 1, 2000, the maximum amount that may be paid to Illinois under this subsection is \$8,250,000.

**SECTION 7.** 71.78 (4) (h) of the statutes is renumbered 71.78 (4) (h) 1.

**SECTION 8.** 71.78 (4) (h) 2. of the statutes is created to read:

71.78 (4) (h) 2. A member of the board of arbitration established under s. 71.10 (7e) or a consultant under joint contract with the states of Illinois and Wisconsin for the purpose of determining the reciprocity loss to which either state is entitled.

**SECTION 8t. Appropriation changes.**

(1) In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of revenue under section 20.566 (1) (a) of the statutes, as affected by the acts of 1997, the dollar amount is increased by \$19,300 for fiscal year 1997–98 and the dollar amount is increased by \$9,500 for fiscal year 1998–99 to increase funding for the administration of income tax laws relating to the Illinois income tax reciprocity bench mark study.

**SECTION 9. Initial applicability.**

(1) This act first applies to taxable years beginning on January 1, 1998.