

**1999 DRAFTING REQUEST**

**Bill**

Received: 02/24/2000

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Revenue

By/Representing: Sherrie

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact: Tom Ourada

Alt. Drafters: isagerro

Subject: Tax - miscellaneous  
Gambling - lottery

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Internal Revenue Code update and lottery prize assignment

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 02/25/2000	csicilia 02/25/2000		_____			State Tax
/1			jfrantze 02/25/2000	_____	lrb_docadmin 02/25/2000	lrb_docadmin 02/25/2000 lrb_docadmin 02/25/2000	

FE Sent For:

<END>

→ for senate  
sent to sen.  
by MRG per.  
T. Ourada

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JACKET = CALL SHERRIE  
OR TOM OURADA SO DOR  
CAN PICK-UP

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1?	jkreye	1 ys 2/25 00	2/25	2/25			

FE Sent For:

<END>

4631/1

1999 BILL

m 2-25-2000

SOON

gen

1 AN ACT *to repeal* 71.01 (6) (f), 71.22 (4) (f), 71.22 (4m) (d), 71.26 (2) (b) 6., 71.34  
2 (1g) (f) and 71.42 (2) (e); *to amend* 71.01 (6) (L), 71.01 (6) (m), 71.01 (6) (n), 71.01  
3 (7r), 71.22 (4) (L), 71.22 (4) (m), 71.22 (4) (n), 71.22 (4m) (j), 71.22 (4m) (k), 71.22  
4 (4m) (L), 71.26 (2) (b) 12., 71.26 (2) (b) 13., 71.26 (2) (b) 14., 71.26 (3) (y), 71.34  
5 (1g) (L), 71.34 (1g) (m), 71.34 (1g) (n), 71.365 (1m), 71.42 (2) (k), 71.42 (2) (L),  
6 71.42 (2) (m) and 71.45 (2) (a) 13.; and *to create* 71.01 (6) (o), 71.22 (4) (o), 71.22  
7 (4m) (m), 71.26 (2) (b) 15., 71.34 (1g) (o) and 71.42 (2) (n) of the statutes;  
8 **relating to:** references to the Internal Revenue Code for income tax and  
9 franchise tax purposes.

INSERT A

TAXATION SUB-SUB

**Analysis by the Legislative Reference Bureau**

This bill adopts, for income tax and franchise tax purposes, the changes to the federal Internal Revenue Code made by Public Laws 106-36 and 106-170. The changes are adopted for all taxable years for which the changes apply for federal income tax purposes.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

INSERT B

**BILL**

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 71.01 (6) (f) of the statutes, as affected by 1999 Wisconsin Act 9, is  
2 repealed.

3           **SECTION 2.** 71.01 (6) (L) of the statutes, as affected by 1999 Wisconsin Act 9,  
4 is amended to read:

5           71.01 (6) (L) For taxable years that begin after December 31, 1996, and before  
6 January 1, 1998, for natural persons and fiduciaries, except fiduciaries of nuclear  
7 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
8 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,  
9 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
10 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
11 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L.  
12 105-277 and P.L. 106-36, and as indirectly affected by P.L. 99-514, P.L. 100-203,  
13 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280,  
14 P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
15 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
16 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
17 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections 1123 (b), 1202  
18 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
19 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36. The Internal  
20 Revenue Code applies for Wisconsin purposes at the same time as for federal  
21 purposes. Amendments to the federal Internal Revenue Code enacted after

**BILL**

1 December 31, 1996, do not apply to this paragraph with respect to taxable years  
2 beginning after December 31, 1996, and before January 1, 1998, except that  
3 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
4 105-206 and, P.L. 105-277 and P.L. 106-36 and changes that indirectly affect the  
5 provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34, P.L.  
6 105-206 and, P.L. 105-277 and P.L. 106-36 apply for Wisconsin purposes at the same  
7 time as for federal purposes.

8 **SECTION 3.** 71.01 (6) (m) of the statutes, as affected by 1999 Wisconsin Act 9,  
9 is amended to read:

10 71.01 (6) (m) For taxable years that begin after December 31, 1997, and before  
11 January 1, 1999, for natural persons and fiduciaries, except fiduciaries of nuclear  
12 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
13 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
14 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
15 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
16 104-188, and as amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L.  
17 106-36 and P.L. 106-170, and as indirectly affected by P.L. 99-514, P.L. 100-203,  
18 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280,  
19 P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
20 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
21 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
22 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections 1123 (b), 1202  
23 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
24 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and  
25 P.L. 106-170. The Internal Revenue Code applies for Wisconsin purposes at the

**BILL****SECTION 3**

1 same time as for federal purposes. Amendments to the federal Internal Revenue  
2 Code enacted after December 31, 1997, do not apply to this paragraph with respect  
3 to taxable years beginning after December 31, 1997, and before January 1, 1999,  
4 except that changes to the Internal Revenue Code made by P.L. 105-178, P.L.  
5 105-206 ~~and~~, P.L. 105-277, P.L. 106-36 and P.L. 106-170 and changes that  
6 indirectly affect the provisions applicable to this subchapter made by P.L. 105-178,  
7 P.L. 105-206 ~~and~~, P.L. 105-277, P.L. 106-36 and P.L. 106-170 apply for Wisconsin  
8 purposes at the same time as for federal purposes.

9 **SECTION 4.** 71.01 (6) (n) of the statutes, as created by 1999 Wisconsin Act 9, is  
10 amended to read:

11 71.01 (6) (n) For taxable years that begin after December 31, 1998, and before  
12 January 1, 2000, for natural persons and fiduciaries, except fiduciaries of nuclear  
13 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
14 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,  
15 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
16 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
17 104-188, and as amended by P.L. 106-36 and P.L. 106-170, and as indirectly affected  
18 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,  
19 P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding  
20 sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66,  
21 excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66,  
22 P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188,  
23 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L.  
24 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 ~~and~~,  
25 P.L. 105-277, P.L. 106-36 and P.L. 106-170. The Internal Revenue Code applies for

**BILL**

1 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
2 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this  
3 paragraph with respect to taxable years beginning after December 31, 1998, and  
4 before January 1, 2000, except that changes to the Internal Revenue Code made by  
5 P.L. 106-36 and P.L. 106-170 and changes that indirectly affect the provisions  
6 applicable to this subchapter made by P.L. 106-36 and P.L. 106-170 apply for  
7 Wisconsin purposes at the same time as for federal purposes.

8 SECTION 5. 71.01 (6) (o) of the statutes is created to read:

9 71.01 (6) (o) For taxable years that begin after December 31, 1999, for natural  
10 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or  
11 reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code  
12 as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.  
13 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and  
14 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
15 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
16 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L.  
17 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.  
18 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
19 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.  
20 104-117, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
21 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
22 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170. The Internal  
23 Revenue Code applies for Wisconsin purposes at the same time as for federal  
24 purposes. Amendments to the federal Internal Revenue Code enacted after

**BILL****SECTION 5**

1 December 31, 1999, do not apply to this paragraph with respect to taxable years  
2 beginning after December 31, 1999.

3 **SECTION 6.** 71.01 (7r) of the statutes, as affected by 1999 Wisconsin Act 9, is  
4 amended to read:

5 71.01 (7r) Notwithstanding sub. (6), for purposes of computing amortization  
6 or depreciation, "Internal Revenue Code" means either the federal Internal Revenue  
7 Code as amended to December 31, ~~1998~~ 1999, or the federal Internal Revenue Code  
8 in effect for the taxable year for which the return is filed, except that property that,  
9 under s. 71.02 (2) (d) 12., 1985 stats., is required to be depreciated for taxable year  
10 1986 under the Internal Revenue Code as amended to December 31, 1980, shall  
11 continue to be depreciated under the Internal Revenue Code as amended to  
12 December 31, 1980.

13 **SECTION 7.** 71.22 (4) (f) of the statutes, as affected by 1999 Wisconsin Act 9, is  
14 repealed.

15 **SECTION 8.** 71.22 (4) (L) of the statutes, as affected by 1999 Wisconsin Act 9,  
16 is amended to read:

17 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
18 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
19 December 31, 1996, and before January 1, 1998, means the federal Internal  
20 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and  
21 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
22 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188,  
23 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L.  
24 106-36, and as indirectly affected in the provisions applicable to this subchapter by  
25 P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2),



**BILL**

1 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.  
2 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
3 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.  
4 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
5 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.  
6 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
7 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and,  
8 P.L. 105-277 and P.L. 106-36. The Internal Revenue Code applies for Wisconsin  
9 purposes at the same time as for federal purposes. Amendments to the federal  
10 Internal Revenue Code enacted after December 31, 1996, do not apply to this  
11 paragraph with respect to taxable years beginning after December 31, 1996, and  
12 before January 1, 1998, except that changes to the Internal Revenue Code made by  
13 P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36 and  
14 changes that indirectly affect the provisions applicable to this subchapter made by  
15 P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36 apply for  
16 Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 9.** 71.22 (4) (m) of the statutes, as affected by 1999 Wisconsin Act 9,  
18 is amended to read:

19 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
20 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
21 December 31, 1997, and before January 1, 1999, means the federal Internal  
22 Revenue Code as amended to December 31, 1997, excluding sections 103, 104 and  
23 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
24 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188,  
25 and as amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and

**BILL****SECTION 9**

1 P.L. 106-170, and as indirectly affected in the provisions applicable to this  
2 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2)  
3 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008  
4 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
5 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
6 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
7 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
8 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
9 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178,  
10 P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170. The Internal Revenue  
11 Code applies for Wisconsin purposes at the same time as for federal purposes.  
12 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,  
13 do not apply to this paragraph with respect to taxable years beginning after  
14 December 31, 1997, and before January 1, 1999, except that changes to the Internal  
15 Revenue Code made by P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36  
16 and P.L. 106-170 and changes that indirectly affect the provisions applicable to this  
17 subchapter made by P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and  
18 P.L. 106-170 apply for Wisconsin purposes at the same time as for federal purposes.

19 **SECTION 10.** 71.22 (4) (n) of the statutes, as created by 1999 Wisconsin Act 9,  
20 is amended to read:

21 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
22 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
23 December 31, 1998, and before January 1, 2000, means the federal Internal Revenue  
24 Code as amended to December 31, 1998, excluding sections 103, 104 and 110 of P.L.  
25 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and

**BILL**

1 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
2 amended by P.L. 106-36 and P.L. 106-170, and as indirectly affected in the  
3 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647  
4 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of  
5 P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
6 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and  
7 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
8 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
9 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
10 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
11 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and  
12 P.L. 106-170. The Internal Revenue Code applies for Wisconsin purposes at the  
13 same time as for federal purposes. Amendments to the federal Internal Revenue  
14 Code enacted after December 31, 1998, do not apply to this paragraph with respect  
15 to taxable years beginning after December 31, 1998, and before January 1, 2000,  
16 except that changes to the Internal Revenue Code made by P.L. 106-36 and P.L.  
17 106-170 and changes that indirectly affect the provisions applicable to this  
18 subchapter made by P.L. 106-36 and P.L. 106-170 apply for Wisconsin purposes at  
19 the same time as for federal purposes.

20 **SECTION 11.** 71.22 (4) (o) of the statutes is created to read:

21 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
22 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
23 December 31, 1999, means the federal Internal Revenue Code as amended to  
24 December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102-227, sections  
25 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and sections 1123 (b),

**BILL****SECTION 11**

1 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as indirectly affected in the  
2 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647  
3 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of  
4 P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
5 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and  
6 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
7 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
8 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
9 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
10 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L.  
11 106-170. The Internal Revenue Code applies for Wisconsin purposes at the same  
12 time as for federal purposes. Amendments to the federal Internal Revenue Code  
13 enacted after December 31, 1999, do not apply to this paragraph with respect to  
14 taxable years beginning after December 31, 1999.

15 **SECTION 12.** 71.22 (4m) (d) of the statutes, as affected by 1999 Wisconsin Act  
16 9, is repealed.

17 **SECTION 13.** 71.22 (4m) (j) of the statutes, as affected by 1999 Wisconsin Act  
18 9, is amended to read:

19 **71.22 (4m) (j)** For taxable years that begin after December 31, 1996, and before  
20 January 1, 1998, "Internal Revenue Code", for corporations that are subject to a tax  
21 on unrelated business income under s. 71.26 (1) (a), means the federal Internal  
22 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and  
23 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
24 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188  
25 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L.

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1 106-36, and as indirectly affected in the provisions applicable to this subchapter by  
2 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,  
3 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
4 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
5 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
6 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
7 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
8 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36. The Internal Revenue Code  
9 applies for Wisconsin purposes at the same time as for federal purposes.  
10 Amendments to the Internal Revenue Code enacted after December 31, 1996, do not  
11 apply to this paragraph with respect to taxable years beginning after  
12 December 31, 1996, and before January 1, 1998, except that changes to the Internal  
13 Revenue Code made by P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and  
14 P.L. 106-36 and changes that indirectly affect provisions applicable to this  
15 subchapter made by P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and  
16 P.L. 106-36, apply for Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 14.** 71.22 (4m) (k) of the statutes, as affected by 1999 Wisconsin Act  
18 9, is amended to read:

19 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and  
20 before January 1, 1999, "Internal Revenue Code", for corporations that are subject  
21 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
22 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
23 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
24 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
25 104-188, and as amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L.

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1 106-36 and P.L. 106-170, and as indirectly affected in the provisions applicable to  
2 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
3 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
4 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
5 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.  
6 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
7 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
8 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 and, P.L. 105-277,  
9 P.L. 106-36 and P.L. 106-170. The Internal Revenue Code applies for Wisconsin  
10 purposes at the same time as for federal purposes. Amendments to the Internal  
11 Revenue Code enacted after December 31, 1997, do not apply to this paragraph with  
12 respect to taxable years beginning after December 31, 1997, and before  
13 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.  
14 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170 and changes  
15 that indirectly affect the provisions applicable to this subchapter made by P.L.  
16 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170 apply for  
17 Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 15.** 71.22 (4m) (L) of the statutes, as created by 1999 Wisconsin Act  
19 9, is amended to read:

20 71.22 (4m) (L) For taxable years that begin after December 31, 1998, and  
21 before January 1, 2000, "Internal Revenue Code", for corporations that are subject  
22 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
23 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,  
24 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
25 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.

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1 104-188, and as amended by P.L. 106-36 and P.L. 106-170, and as indirectly affected  
2 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
3 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
4 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.  
5 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
6 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.  
7 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
8 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
9 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170. The Internal Revenue  
10 Code applies for Wisconsin purposes at the same time as for federal purposes.  
11 Amendments to the Internal Revenue Code enacted after December 31, 1998, do not  
12 apply to this paragraph with respect to taxable years beginning after  
13 December 31, 1998, and before January 1, 2000, except that changes to the Internal  
14 Revenue Code made by P.L. 106-36 and P.L. 106-170 and changes that indirectly  
15 affect the provisions applicable to this subchapter made by P.L. 106-36 and P.L.  
16 106-170 apply for Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 16.** 71.22 (4m) (m) of the statutes is created to read:

18 71.22 (4m) (m) For taxable years that begin after December 31, 1999, "Internal  
19 Revenue Code", for corporations that are subject to a tax on unrelated business  
20 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended  
21 to December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102-227, sections  
22 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and sections 1123  
23 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as indirectly affected  
24 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
25 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.

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1 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.  
2 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
3 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.  
4 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
5 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
6 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170. The Internal Revenue Code  
7 applies for Wisconsin purposes at the same time as for federal purposes.  
8 Amendments to the Internal Revenue Code enacted after December 31, 1999, do not  
9 apply to this paragraph with respect to taxable years beginning after  
10 December 31, 1999.

11 **SECTION 17.** 71.26 (2) (b) 6. of the statutes, as affected by 1999 Wisconsin Act  
12 9, is repealed.

13 **SECTION 18.** 71.26 (2) (b) 12. of the statutes, as affected by 1999 Wisconsin Act  
14 9, is amended to read:

15 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and  
16 before January 1, 1998, for a corporation, conduit or common law trust which  
17 qualifies as a regulated investment company, real estate mortgage investment  
18 conduit, real estate investment trust or financial asset securitization investment  
19 trust under the Internal Revenue Code as amended to December 31, 1996, excluding  
20 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
21 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
22 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and,  
23 P.L. 105-277 and P.L. 106-36, and as indirectly affected in the provisions applicable  
24 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
25 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections



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1 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
2 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.  
3 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
4 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
5 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36,  
6 “net income” means the federal regulated investment company taxable income,  
7 federal real estate mortgage investment conduit taxable income, federal real estate  
8 investment trust or financial asset securitization investment trust taxable income  
9 of the corporation, conduit or trust as determined under the Internal Revenue Code  
10 as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.  
11 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and  
12 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188 and as amended  
13 by P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36, and as  
14 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
15 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
16 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
17 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
18 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
19 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
20 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206  
21 and, P.L. 105-277 and P.L. 106-36, except that property that, under s. 71.02 (1) (c)  
22 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
23 under the Internal Revenue Code as amended to December 31, 1980, shall continue  
24 to be depreciated under the Internal Revenue Code as amended to  
25 December 31, 1980, and except that the appropriate amount shall be added or

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1 subtracted to reflect differences between the depreciation or adjusted basis for  
2 federal income tax purposes and the depreciation or adjusted basis under this  
3 chapter of any property disposed of during the taxable year. The Internal Revenue  
4 Code as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.  
5 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66,  
6 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
7 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L.  
8 106-36, and as indirectly affected in the provisions applicable to this subchapter by  
9 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,  
10 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
11 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
12 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
13 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
14 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
15 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36, applies for Wisconsin  
16 purposes at the same time as for federal purposes. Amendments to the Internal  
17 Revenue Code enacted after December 31, 1996, do not apply to this subdivision with  
18 respect to taxable years that begin after December 31, 1996, and before  
19 January 1, 1998, except that changes to the Internal Revenue Code made by P.L.  
20 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36 and changes  
21 that indirectly affect the provisions applicable to this subchapter made by P.L.  
22 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36 apply for  
23 Wisconsin purposes at the same time as for federal purposes.

24 **SECTION 19.** 71.26 (2) (b) 13. of the statutes, as affected by 1999 Wisconsin Act  
25 9, is amended to read:

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1           71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and  
2 before January 1, 1999, for a corporation, conduit or common law trust which  
3 qualifies as a regulated investment company, real estate mortgage investment  
4 conduit, real estate investment trust or financial asset securitization investment  
5 trust under the Internal Revenue Code as amended to December 31, 1997, excluding  
6 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
7 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
8 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277,  
9 P.L. 106-36 and P.L. 106-170, and as indirectly affected in the provisions applicable  
10 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
11 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
12 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
13 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.  
14 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
15 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
16 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 and, P.L. 105-277,  
17 P.L. 106-36 and P.L. 106-170, “net income” means the federal regulated investment  
18 company taxable income, federal real estate mortgage investment conduit taxable  
19 income, federal real estate investment trust or financial asset securitization  
20 investment trust taxable income of the corporation, conduit or trust as determined  
21 under the Internal Revenue Code as amended to December 31, 1997, excluding  
22 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
23 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
24 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277,  
25 P.L. 106-36 and P.L. 106-170, and as indirectly affected in the provisions applicable

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1 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
2 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
3 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
4 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.  
5 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
6 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
7 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 and, P.L. 105-277,  
8 P.L. 106-36 and P.L. 106-170, except that property that, under s. 71.02 (1) (c) 8. to  
9 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under  
10 the Internal Revenue Code as amended to December 31, 1980, shall continue to be  
11 depreciated under the Internal Revenue Code as amended to December 31, 1980,  
12 and except that the appropriate amount shall be added or subtracted to reflect  
13 differences between the depreciation or adjusted basis for federal income tax  
14 purposes and the depreciation or adjusted basis under this chapter of any property  
15 disposed of during the taxable year. The Internal Revenue Code as amended to  
16 December 31, 1997, excluding sections 103, 104 and 110 of P.L. 102-227, sections  
17 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and sections 1123  
18 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as amended by P.L.  
19 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170, and as  
20 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
21 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
22 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
23 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
24 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
25 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)

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1 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,  
2 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, applies for Wisconsin  
3 purposes at the same time as for federal purposes. Amendments to the Internal  
4 Revenue Code enacted after December 31, 1997, do not apply to this subdivision with  
5 respect to taxable years that begin after December 31, 1997, and before  
6 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.  
7 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 and changes  
8 that indirectly affect the provisions applicable to this subchapter made by P.L.  
9 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170 apply for  
10 Wisconsin purposes at the same time as for federal purposes.

11 **SECTION 20.** 71.26 (2) (b) 14. of the statutes, as created by 1999 Wisconsin Act  
12 9, is amended to read:

13 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and  
14 before January 1, 2000, for a corporation, conduit or common law trust which  
15 qualifies as a regulated investment company, real estate mortgage investment  
16 conduit, real estate investment trust or financial asset securitization investment  
17 trust under the Internal Revenue Code as amended to December 31, 1998, excluding  
18 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174  
19 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
20 (d) of P.L. 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as  
21 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.  
22 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.  
23 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.  
24 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),  
25 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.

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1 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
2 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,  
3 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, “net income” means  
4 the federal regulated investment company taxable income, federal real estate  
5 mortgage investment conduit taxable income, federal real estate investment trust  
6 or financial asset securitization investment trust taxable income of the corporation,  
7 conduit or trust as determined under the Internal Revenue Code as amended to  
8 December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102–227, sections  
9 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),  
10 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36  
11 and P.L. 106–170, and as indirectly affected in the provisions applicable to this  
12 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,  
13 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104  
14 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections  
15 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.  
16 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202  
17 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
18 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and  
19 P.L. 106–170, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,  
20 is required to be depreciated for taxable years 1983 to 1986 under the Internal  
21 Revenue Code as amended to December 31, 1980, shall continue to be depreciated  
22 under the Internal Revenue Code as amended to December 31, 1980, and except that  
23 the appropriate amount shall be added or subtracted to reflect differences between  
24 the depreciation or adjusted basis for federal income tax purposes and the  
25 depreciation or adjusted basis under this chapter of any property disposed of during

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1 the taxable year. The Internal Revenue Code as amended to December 31, 1998,  
2 excluding sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171  
3 (d), 13174 and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311  
4 and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36 and P.L. 106-170, and  
5 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,  
6 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
7 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
8 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
9 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
10 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
11 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178,  
12 P.L. 105-206 and P.L. 105-277, P.L. 106-36 and P.L. 106-170, applies for Wisconsin  
13 purposes at the same time as for federal purposes. Amendments to the Internal  
14 Revenue Code enacted after December 31, 1998, do not apply to this subdivision with  
15 respect to taxable years that begin after December 31, 1998, and before January 1,  
16 2000, except that changes to the Internal Revenue Code made by P.L. 106-36 and P.L.  
17 106-170 and changes that indirectly affect the provisions applicable to this  
18 subchapter made by P.L. 106-36 and P.L. 106-170 apply for Wisconsin purposes at  
19 the same time as for federal purposes.

20 **SECTION 21.** 71.26 (2) (b) 15. of the statutes is created to read:

21 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, for a  
22 corporation, conduit or common law trust which qualifies as a regulated investment  
23 company, real estate mortgage investment conduit, real estate investment trust or  
24 financial asset securitization investment trust under the Internal Revenue Code as  
25 amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102-227,

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1 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections  
2 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly  
3 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
4 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,  
5 P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.  
6 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
7 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.  
8 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
9 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
10 105–206, P.L. 105–277, P.L. 106–36 and P.L. 106–170, “net income” means the  
11 federal regulated investment company taxable income, federal real estate mortgage  
12 investment conduit taxable income, federal real estate investment trust or financial  
13 asset securitization investment trust taxable income of the corporation, conduit or  
14 trust as determined under the Internal Revenue Code as amended to December 31,  
15 1999, excluding sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d),  
16 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204  
17 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected in the provisions  
18 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.  
19 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,  
20 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.  
21 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
22 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
23 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.  
24 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.  
25 105–277, P.L. 106–36 and P.L. 106–170, except that property that, under s. 71.02 (1)



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1 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
2 under the Internal Revenue Code as amended to December 31, 1980, shall continue  
3 to be depreciated under the Internal Revenue Code as amended to  
4 December 31, 1980, and except that the appropriate amount shall be added or  
5 subtracted to reflect differences between the depreciation or adjusted basis for  
6 federal income tax purposes and the depreciation or adjusted basis under this  
7 chapter of any property disposed of during the taxable year. The Internal Revenue  
8 Code as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.  
9 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66,  
10 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
11 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
12 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
13 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
14 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
15 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
16 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
17 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178,  
18 P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170, applies for Wisconsin  
19 purposes at the same time as for federal purposes. Amendments to the Internal  
20 Revenue Code enacted after December 31, 1999, do not apply to this subdivision with  
21 respect to taxable years that begin after December 31, 1999.

22 **SECTION 22.** 71.26 (3) (y) of the statutes, as affected by 1999 Wisconsin Act 9,  
23 is amended to read:

24 71.26 (3) (y) A corporation may compute amortization and depreciation under  
25 either the federal Internal Revenue Code as amended to December 31, ~~1998~~ 1999,

**BILL****SECTION 22**

1 or the federal Internal Revenue Code in effect for the taxable year for which the  
2 return is filed, except that property first placed in service by the taxpayer on or after  
3 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),  
4 1985 stats., is required to be depreciated under the Internal Revenue Code as  
5 amended to December 31, 1980, and property first placed in service in taxable year  
6 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985  
7 stats., is required to be depreciated under the Internal Revenue Code as amended  
8 to December 31, 1980, shall continue to be depreciated under the Internal Revenue  
9 Code as amended to December 31, 1980.

10 **SECTION 23.** 71.34 (1g) (f) of the statutes, as affected by 1999 Wisconsin Act 9,  
11 is repealed.

12 **SECTION 24.** 71.34 (1g) (L) of the statutes, as affected by 1999 Wisconsin Act  
13 9, is amended to read:

14 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable  
15 years that begin after December 31, 1996, and before January 1, 1998, means the  
16 federal Internal Revenue Code as amended to December 31, 1996, excluding  
17 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
18 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
19 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206 and,  
20 P.L. 105-277 and P.L. 106-36, and as indirectly affected in the provisions applicable  
21 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
22 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section  
23 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
24 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
25 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),

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1 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
2 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
3 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206  
4 and, P.L. 105-277 and P.L. 106-36, except that section 1366 (f) (relating to  
5 pass-through of items to shareholders) is modified by substituting the tax under s.  
6 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies  
7 for Wisconsin purposes at the same time as for federal purposes. Amendments to the  
8 federal Internal Revenue Code enacted after December 31, 1996, do not apply to this  
9 paragraph with respect to taxable years beginning after December 31, 1996, and  
10 before January 1, 1998, except that changes to the Internal Revenue Code made by  
11 P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36 and  
12 changes that indirectly affect the provisions applicable to this subchapter made by  
13 P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277 and P.L. 106-36, apply for  
14 Wisconsin purposes at the same time as for federal purposes.

15 **SECTION 25.** 71.34 (1g) (m) of the statutes, as affected by 1999 Wisconsin Act  
16 9, is amended to read:

17 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable  
18 years that begin after December 31, 1997, and before January 1, 1999, means the  
19 federal Internal Revenue Code as amended to December 31, 1997, excluding sections  
20 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and  
21 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
22 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277,  
23 P.L. 106-36 and P.L. 106-170, and as indirectly affected in the provisions applicable  
24 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
25 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section

**BILL****SECTION 25**

1 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
2 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
3 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
4 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
5 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
6 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178,  
7 P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L. 106-170, except that section  
8 1366 (f) (relating to pass-through of items to shareholders) is modified by  
9 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The  
10 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
11 purposes. Amendments to the federal Internal Revenue Code enacted after  
12 December 31, 1997, do not apply to this paragraph with respect to taxable years  
13 beginning after December 31, 1997, and before January 1, 1999, except that  
14 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206 and, P.L.  
15 105-277, P.L. 106-36 and P.L. 106-170 and changes that indirectly affect the  
16 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206 and,  
17 P.L. 105-277, P.L. 106-36 and P.L. 106-170 apply for Wisconsin purposes at the same  
18 time as for federal purposes.

19 **SECTION 26.** 71.34 (1g) (n) of the statutes, as created by 1999 Wisconsin Act 9,  
20 is amended to read:

21 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable  
22 years that begin after December 31, 1998, and before January 1, 2000, means the  
23 federal Internal Revenue Code as amended to December 31, 1998, excluding sections  
24 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and  
25 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)

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1 of P.L. 104–188, and as amended by P.L. 106–36 and P.L. 106–170, and as indirectly  
2 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
3 P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and  
4 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.  
5 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
6 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
7 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.  
8 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
9 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
10 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and, P.L. 105–277,  
11 P.L. 106–36 and P.L. 106–170, except that section 1366 (f) (relating to pass-through  
12 of items to shareholders) is modified by substituting the tax under s. 71.35 for the  
13 taxes under sections 1374 and 1375. The Internal Revenue Code applies for  
14 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
15 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this  
16 paragraph with respect to taxable years beginning after December 31, 1998, and  
17 before January 1, 2000, except that changes to the Internal Revenue Code made by  
18 P.L. 106–36 and P.L. 106–170 and changes that indirectly affect the provisions  
19 applicable to this subchapter made by P.L. 106–36 and P.L. 106–170 apply for  
20 Wisconsin purposes at the same time as for federal purposes.

21 **SECTION 27.** 71.34 (1g) (o) of the statutes is created to read:

22 71.34 (1g) (o) “Internal Revenue Code” for tax-option corporations, for taxable  
23 years that begin after December 31, 1999, means the federal Internal Revenue Code  
24 as amended to December 31, 1999, excluding sections 103, 104 and 110 of P.L.  
25 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and

**BILL****SECTION 27**

1 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
2 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
3 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
4 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.  
5 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
6 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
7 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
8 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
9 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L.  
10 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
11 105-277, P.L. 106-36 and P.L. 106-170, except that section 1366 (f) (relating to  
12 pass-through of items to shareholders) is modified by substituting the tax under s.  
13 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies  
14 for Wisconsin purposes at the same time as for federal purposes. Amendments to the  
15 federal Internal Revenue Code enacted after December 31, 1999, do not apply to this  
16 paragraph with respect to taxable years beginning after December 31, 1999.

17 **SECTION 28.** 71.365 (1m) of the statutes, as affected by 1999 Wisconsin Act 9,  
18 is amended to read:

19 71.365 (1m) TAX-OPTION CORPORATIONS; DEPRECIATION. A tax-option corporation  
20 may compute amortization and depreciation under either the federal Internal  
21 Revenue Code as amended to December 31, ~~1998~~ 1999, or the federal Internal  
22 Revenue Code in effect for the taxable year for which the return is filed, except that  
23 property first placed in service by the taxpayer on or after January 1, 1983, but  
24 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required  
25 to be depreciated under the Internal Revenue Code as amended to

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1 December 31, 1980, and property first placed in service in taxable year 1981 or  
2 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is  
3 required to be depreciated under the Internal Revenue Code as amended to  
4 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
5 Code as amended to December 31, 1980. Any difference between the adjusted basis  
6 for federal income tax purposes and the adjusted basis under this chapter shall be  
7 taken into account in determining net income or loss in the year or years for which  
8 the gain or loss is reportable under this chapter. If that property was placed in  
9 service by the taxpayer during taxable year 1986 and thereafter but before the  
10 property is used in the production of income subject to taxation under this chapter,  
11 the property's adjusted basis and the depreciation or other deduction schedule are  
12 not required to be changed from the amount allowable on the owner's federal income  
13 tax returns for any year because the property is used in the production of income  
14 subject to taxation under this chapter. If that property was acquired in a transaction  
15 in taxable year 1986 or thereafter in which the adjusted basis of the property in the  
16 hands of the transferee is the same as the adjusted basis of the property in the hands  
17 of the transferor, the Wisconsin adjusted basis of that property on the date of transfer  
18 is the adjusted basis allowable under the Internal Revenue Code as defined for  
19 Wisconsin purposes for the property in the hands of the transferor.

20 **SECTION 29.** 71.42 (2) (e) of the statutes, as affected by 1999 Wisconsin Act 9,  
21 is repealed.

22 **SECTION 30.** 71.42 (2) (k) of the statutes, as affected by 1999 Wisconsin Act 9,  
23 is amended to read:

24 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before  
25 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code

**BILL****SECTION 30**

1 as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.  
2 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and  
3 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as  
4 amended by P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L.  
5 106–36, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.  
6 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,  
7 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.  
8 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
9 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
10 excluding sections 1123 (b), 1202 (c) 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L.  
11 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and  
12 P.L. 106–36, except that “Internal Revenue Code” does not include section 847 of the  
13 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin  
14 purposes at the same time as for federal purposes. Amendments to the federal  
15 Internal Revenue Code enacted after December 31, 1996, do not apply to this  
16 paragraph with respect to taxable years beginning after December 31, 1996, and  
17 before January 1, 1998, except that changes to the Internal Revenue Code made by  
18 P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36 and  
19 changes that indirectly affect the provisions applicable to this subchapter made by  
20 P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277 and P.L. 106–36, apply for  
21 Wisconsin purposes at the same time as for federal purposes.

22 **SECTION 31.** 71.42 (2) (L) of the statutes, as affected by 1999 Wisconsin Act 9,  
23 is amended to read:

24 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before  
25 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code



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1 as amended to December 31, 1997, excluding sections 103, 104 and 110 of P.L.  
2 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and  
3 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as  
4 amended by P.L. 105-178, P.L. 105-206 and, P.L. 105-277, P.L. 106-36 and P.L.  
5 106-170, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
6 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
7 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
8 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
9 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
10 excluding sections 1123 (b), 1202 (c) 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L.  
11 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 and,  
12 P.L. 105-277, P.L. 106-36 and P.L. 106-170, except that "Internal Revenue Code"  
13 does not include section 847 of the federal Internal Revenue Code. The Internal  
14 Revenue Code applies for Wisconsin purposes at the same time as for federal  
15 purposes. Amendments to the federal Internal Revenue Code enacted after  
16 December 31, 1997, do not apply to this paragraph with respect to taxable years  
17 beginning after December 31, 1997, and before January 1, 1999, except that  
18 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206 and, P.L.  
19 105-277, P.L. 106-36 and P.L. 106-170 and changes that indirectly affect the  
20 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206 and,  
21 P.L. 105-277, P.L. 106-36 and P.L. 106-170 apply for Wisconsin purposes at the same  
22 time as for federal purposes.

23 SECTION 32. 71.42 (2) (m) of the statutes, as created by 1999 Wisconsin Act 9,  
24 is amended to read:

**BILL****SECTION 32**

1           71.42 (2) (m) For taxable years that begin after December 31, 1998, and before  
2 January 1, 2000, “Internal Revenue Code” means the federal Internal Revenue Code  
3 as amended to December 31, 1998, excluding sections 103, 104 and 110 of P.L.  
4 102–227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and  
5 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as  
6 amended by P.L. 106–36 and P.L. 106–170, and as indirectly affected by P.L. 99–514,  
7 P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,  
8 P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L.  
9 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),  
10 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.  
11 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311 and 1605 (d)  
12 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,  
13 P.L. 105–206 and, P.L. 105–277, P.L. 106–36 and P.L. 106–170, except that “Internal  
14 Revenue Code” does not include section 847 of the federal Internal Revenue Code.  
15 The Internal Revenue Code applies for Wisconsin purposes at the same time as for  
16 federal purposes. Amendments to the federal Internal Revenue Code enacted after  
17 December 31, 1998, do not apply to this paragraph with respect to taxable years  
18 beginning after December 31, 1998, and before January 1, 2000, except that changes  
19 to the Internal Revenue Code made by P.L. 106–36 and P.L. 106–170 and changes  
20 that indirectly affect the provisions applicable to this subchapter made by P.L.  
21 106–36 and P.L. 106–170 apply for Wisconsin purposes at the same time as for federal  
22 purposes.

23           **SECTION 33.** 71.42 (2) (n) of the statutes is created to read:

24           71.42 (2) (n) For taxable years that begin after December 31, 1999, “Internal  
25 Revenue Code” means the federal Internal Revenue Code as amended to

**BILL**

1 December 31, 1999, excluding sections 103, 104 and 110 of P.L. 102-227, sections  
2 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and sections 1123 (b),  
3 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as indirectly affected by P.L.  
4 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
5 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
6 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
7 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
8 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311  
9 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34,  
10 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170, except that  
11 “Internal Revenue Code” does not include section 847 of the federal Internal Revenue  
12 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time  
13 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
14 after December 31, 1999, do not apply to this paragraph with respect to taxable years  
15 beginning after December 31, 1999.

16 **SECTION 34.** 71.45 (2) (a) 13. of the statutes, as affected by 1999 Wisconsin Act  
17 9, is amended to read:

18 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference  
19 between the depreciation deduction under the federal Internal Revenue Code as  
20 amended to December 31, ~~1998~~ 1999 and the depreciation deduction under the  
21 federal Internal Revenue Code in effect for the taxable year for which the return is  
22 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,  
23 except that property first placed in service by the taxpayer on or after  
24 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),  
25 1985 stats., is required to be depreciated under the Internal Revenue Code as

**BILL**

1 amended to December 31, 1980, and property first placed in service in taxable year  
2 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985  
3 stats., is required to be depreciated under the Internal Revenue Code as amended  
4 to December 31, 1980, shall continue to be depreciated under the Internal Revenue  
5 Code as amended to December 31, 1980.

6 **SECTION 35. Initial applicability.**

7 (1) DEPRECIATION DEDUCTIONS. The treatment of sections 71.01 (7r), 71.26 (3) (y),  
8 71.365 (1m) and 71.45 (2) (a) 13. of the statutes first applies to property placed in  
9 service in taxable years beginning on January 1, 2000.

10

(END)

INSERT C

INSERT D

# 1999 BILL

INSERT A

1 AN ACT to amend 565.30 (5); and to create 71.67 (5m), 565.01 (2m) and 565.30  
 2 (6r) (c) 10. of the statutes; relating to; withholding income taxes from the  
 3 amount paid to purchase the assignment of a lottery prize and requiring the  
 4 lottery administrator to report to the department of revenue the federal income  
 5 tax number of an assignee.

sub sub

GAMBLING

### Analysis by the Legislative Reference Bureau

Under current law, a lottery prizewinner may make a voluntary assignment of all or part of that lottery prize to a person. This person is called the assignee. An assignment is only valid if a court issues an order confirming that certain requirements have been met, including that the assignee has specified in an affidavit that the assignee will pay taxes on the assigned prize. Under current law, an assignee who buys the rights to a lottery prize is not required to withhold income taxes from the amount the assignee pays to the lottery prizewinner to purchase the rights to the prize.

Under this bill, an assignee is required to withhold income taxes from the amount the assignee pays to the lottery prizewinner to purchase the rights to the prize. In addition, this bill requires that before an assignment can be valid the court order must confirm that the assignee has specified in an affidavit that the assignee will withhold income taxes from the amount the assignee pays to the lottery prizewinner.

Also under current law, the department of revenue (DOR) is required to withhold from the payment of a lottery prize to an assignee any delinquent state

INSERT  
B

**BILL**

INSERT B

taxes, court-ordered child support, spousal support, maintenance or family support, court-ordered fines or other debt owed to the state. The lottery administrator is required to report the name, address and social security number of all assignees to DOR so that DOR may, in consultation with the department of workforce development, determine the necessary withholdings, if any. This bill requires the lottery administrator to report the federal income tax number of an assignee, if any, to DOR.

~~For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.~~

INSERT C

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

- 1           **SECTION 1.** 71.67 (5m) of the statutes is created to read:
- 2           71.67 (5m) A person that purchases an assignment of a lottery prize shall
- 3 withhold from the amount of any payment made to purchase the assignment the
- 4 amount that is determined by multiplying the amount of the payment by the highest
- 5 rate applicable to individuals under s. 71.06 (1) (a) to (c), (1m), (1n) or (1p).
- 6 Subsection (5) (b), (c) and (d), as it applies to the amounts withheld under sub. (5) (a),
- 7 applies to the amount withheld under this subsection.
- 8           **SECTION 2.** 565.01 (2m) of the statutes is created to read:
- 9           565.01 (2m) "Federal income tax number" means either a taxpayer
- 10 identification number or a federal employer identification number, as required by
- 11 the internal revenue service.
- 12           **SECTION 3.** 565.30 (5) of the statutes, as affected by 1999 Wisconsin Act 9, is
- 13 amended to read:
- 14           565.30 (5) **WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS**
- 15 **OWED THE STATE.** The administrator shall report the name, address and social security
- 16 number or federal income tax number of each winner of a lottery prize equal to or
- 17 greater than \$1,000 and the name, address and social security number or federal



## BILL

INSERT  
G

1 income tax number of each person to whom a lottery prize equal to or greater than  
2 \$1,000 has been assigned to the department of revenue to determine whether the  
3 payee or assignee of the prize is delinquent in the payment of state taxes under ch.  
4 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child  
5 support or has a debt owing to the state. Upon receipt of a report under this  
6 subsection, the department of revenue shall first ascertain based on certifications by  
7 the department of workforce development or its designee under s. 49.855 (1) whether  
8 any person named in the report is currently delinquent in court-ordered payment  
9 of child support and shall next certify to the administrator whether any person  
10 named in the report is delinquent in court-ordered payment of child support or  
11 payment of state taxes under ch. 71, 72, 76, 77, 78 or 139. Upon this certification by  
12 the department of revenue or upon court order the administrator shall withhold the  
13 certified amount and send it to the department of revenue for remittance to the  
14 appropriate agency or person. At the time of remittance, the department of revenue  
15 shall charge its administrative expenses to the state agency that has received the  
16 remittance. The administrative expenses received by the department of revenue  
17 shall be credited to the appropriation under s. 20.566 (1) (h). In instances in which  
18 the payee or assignee of the prize is delinquent both in payments for state taxes and  
19 in court-ordered payments of child support, or is delinquent in one or both of these  
20 payments and has a debt owing to the state, the amount remitted to the appropriate  
21 agency or person shall be in proportion to the prize amount as is the delinquency or  
22 debt owed by the payee or assignee.

23 **SECTION 4.** 565.30 (6r) (c) 10. of the statutes is created to read:

24 565.30 (6r) (c) 10. The individual or organization to whom part or all of the  
25 lottery prize is assigned specifies in an affidavit that the individual or organization



INSERT C

**BILL**

1 agrees to withhold from any payment made to an assignor for the assignment of a  
2 lottery prize the amount calculated under s. 71.67 (5m) and agrees to deposit that  
3 amount as required under s. 71.67 (5m).

end of INSERT C

4 ~~SECTION 5. Initial applicability.~~

5 ~~(X)~~ The creation of section 565.30 (6r) (c) 10. of the statutes first applies to court  
6 orders issued on the effective date of this subsection.

7 (END)

(CS)

LOTTERY PRIZE ASSIGNMENT.

INSERT D