

1           **SECTION 1707L.** 71.07 (2di) (g) of the statutes is amended to read:

2           71.07 (2di) (g) If a person who is ~~certified under s. 560.765 (3) for~~ entitled under  
3 s. 560.795 (3) to claim tax benefits ceases business operations in the development  
4 zone during any of the taxable years that that zone exists, that person may not carry  
5 over to any taxable year following the year during which operations cease any  
6 unused credits from the taxable year during which operations cease or from previous  
7 taxable years.

8           **SECTION 1707m.** 71.07 (2di) (i) of the statutes is amended to read:

9           71.07 (2di) (i) No credit may be claimed under this subsection for taxable years  
10 that begin ~~on January 1, 1998, or thereafter~~ after December 31, 1997, and end before  
11 January 1, 2000. Credits under this subsection for taxable years that begin before  
12 January 1, 1998, may be carried forward to taxable years that begin on January 1,  
13 1998, or thereafter.

14           **SECTION 1707t.** 71.07 (2dj) (am) 1. of the statutes is amended to read:

15           71.07 (2dj) (am) 1. Modify “member of a targeted group”, as defined in section  
16 51 (d) of the internal revenue code as amended to December 31, 1995, to include  
17 persons unemployed as a result of a business action subject to s. 109.07 (1m) and  
18 ~~persons specified under 29 USC 1651 (a) dislocated workers, as defined in 29 USC~~  
19 2801 (9), and to require a member of a targeted group to be a resident of this state.

20           **SECTION 1707v.** 71.07 (2dj) (am) 2. of the statutes is amended to read:

21           71.07 (2dj) (am) 2. Modify “designated local agency”, as defined in section 51  
22 (d) (15) of the internal revenue code, to include the ~~job training partnership act~~  
23 ~~organization~~ local workforce development board established under 29 USC 2832 for  
24 the area that includes the development zone in which the employe in respect to whom

1 the credit under this subsection is claimed works, if the department of commerce  
2 approves the criteria used for certification, and the department of commerce.

3 **SECTION 1708.** 71.07 (2dj) (am) 3. of the statutes is amended to read:

4 71.07 (2dj) (am) 3. Modify the rule for certification under section 51 (d) (16) (A)  
5 of the internal revenue code to allow certification within the 90-day period beginning  
6 with the first day of employment of the employe ~~by the claimant.~~

7 **SECTION 1708g.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

8 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject  
9 to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
10 (3) to claim tax benefits or certified under s. 560.765 (3) or 560.797 (4) any person  
11 may claim as a credit against taxes imposed on the person's income from the person's  
12 business activities in a development zone the following amounts:

13 **SECTION 1709.** 71.07 (2dx) (b) 4. of the statutes is amended to read:

14 71.07 (2dx) (b) 4. The amount determined by multiplying the amount  
15 determined under s. 560.785 (1) ~~(b)~~ (bm) by the number of full-time jobs retained,  
16 as provided in the rules under s. 560.785, excluding jobs for which a credit has been  
17 claimed under sub. (2dj), in a an enterprise development zone under s. 560.797 and  
18 filled by a member of a targeted group for which significant capital investment was  
19 made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

20 **SECTION 1709b.** 71.07 (2dx) (c) of the statutes is amended to read:

21 71.07 (2dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
22 under s. 560.765 (3) or 560.797 (4) is revoked, or if the person becomes ineligible for  
23 tax benefits under s. 560.795 (3), that person may not claim credits under this  
24 subsection for the taxable year that includes the day on which the certification is  
25 revoked; the taxable year that includes the day on which the person becomes

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1 ineligible for tax benefits; or succeeding taxable years and that person may not carry  
2 over unused credits from previous years to offset tax under this chapter for the  
3 taxable year that includes the day on which certification is revoked; the taxable year  
4 that includes the day on which the person becomes ineligible for tax benefits; or  
5 succeeding taxable years.

6 **SECTION 1709bb.** 71.07 (2dx) (d) of the statutes is amended to read:

7 71.07 (2dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
8 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) or 560.797 (4) for tax  
9 benefits ceases business operations in the development zone during any of the  
10 taxable years that that zone exists, that person may not carry over to any taxable  
11 year following the year during which operations cease any unused credits from the  
12 taxable year during which operations cease or from previous taxable years.

13 **SECTION 1709c.** 71.07 (2dy) of the statutes is created to read:

14 71.07 (2dy) SUSTAINABLE URBAN DEVELOPMENT ZONE CREDIT. (a) *Definitions.* In  
15 this subsection:

16 1. “Brownfield” has the meaning given in sub. (2dx) (a) 1.

17 2. “Environmental remediation” means removal or containment of  
18 environmental pollution, as defined in s. 299.01 (4), and restoration of soil or  
19 groundwater that is affected by environmental pollution, as defined in s. 299.01 (4),  
20 in a brownfield and investigation unless the investigation determines that  
21 remediation is required but remediation is not undertaken.

22 (b) *Credit.* For any taxable year for which the person is certified under s. 292.77  
23 (5), a person may claim as a credit against taxes imposed under this subchapter 50%  
24 of the amount expended for environmental remediation under the program under s.  
25 292.77.

1 (c) *Administration*. Subsection (2dx) (c), (d) and (e), as it applies to the credit  
2 under sub. (2dx), applies to the credit under this subsection.

3 **SECTION 1710db.** 71.07 (3m) (b) 1. a. of the statutes is amended to read:

4 71.07 (3m) (b) 1. a. Subject to the limitations provided in this subsection and  
5 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income  
6 taxes otherwise due, the amount derived under par. (c). If the allowable amount of  
7 claim exceeds the income taxes otherwise due on the claimant's income or if there are  
8 no Wisconsin income taxes due on the claimant's income, the amount of the claim not  
9 used as an offset against income taxes shall be certified to the department of  
10 administration for payment to the claimant by check, share draft or other draft paid  
11 from the ~~appropriation~~ appropriations under s. 20.835 (2) ~~(e)~~ (dn) and (ka).

12 **SECTION 1710dc.** 71.07 (3m) (b) 1. a. of the statutes, as affected by 1999  
13 Wisconsin Act .... (this act), is repealed and recreated to read:

14 71.07 (3m) (b) 1. a. Subject to the limitations provided in this subsection and  
15 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income  
16 taxes otherwise due, the amount derived under par. (c). If the allowable amount of  
17 claim exceeds the income taxes otherwise due on the claimant's income or if there are  
18 no Wisconsin income taxes due on the claimant's income, the amount of the claim not  
19 used as an offset against income taxes shall be certified to the department of  
20 administration for payment to the claimant by check, share draft or other draft paid  
21 from the appropriations under s. 20.835 (2) (ka) and (q).

22 **SECTION 1710dd.** 71.07 (3m) (c) 3. of the statutes, as created by 1999 Wisconsin  
23 Act 5, is amended to read:

24 71.07 (3m) (c) 3. The department shall annually adjust the percentage that is  
25 used to determine the amount of a claim under subd. 1. based on the estimated

1 number of claims and the amount estimated to be expended from the appropriation  
2 under s. 20.835 (2) ~~(q)~~ (dn), as determined under s. 79.13. The department shall  
3 incorporate the annually adjusted percentage into the income tax forms and  
4 instructions.

5 **SECTION 1710de.** 71.07 (3m)(c) 3. of the statutes, as affected by 1999 Wisconsin  
6 Act .... (this act), is repealed and recreated to read:

7 71.07 **(3m)** (c) 3. The department shall annually adjust the percentage that is  
8 used to determine the amount of a claim under subd. 1. based on the estimated  
9 number of claims and the amount estimated to be expended from the appropriation  
10 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall  
11 incorporate the annually adjusted percentage into the income tax forms and  
12 instructions.

13 **SECTION 1711.** 71.07 (5) (a) 7. of the statutes is created to read:

14 71.07 **(5)** (a) 7. Miscellaneous itemized deductions under the Internal Revenue  
15 Code, without regard to whether such deductions are subject to the 2% floor as  
16 described in section 67 of the Internal Revenue Code, except that the general  
17 prohibition in this subdivision does not apply to dues paid to a professional society  
18 or a labor union, to travel expenses or to home office expenses.

19 **SECTION 1712.** 71.07 (5) (a) 8. of the statutes is created to read:

20 71.07 **(5)** (a) 8. Any employment-related educational expense that is claimed  
21 as an itemized deduction under the Internal Revenue Code to the extent that such  
22 an amount is also claimed as a subtract modification under s. 71.05 (6) (b) 28.

23

24 **SECTION 1714.** 71.07 (6) (am) 2. c. of the statutes is amended to read:

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1           71.07 (6) (am) 2. c. For taxable years beginning after December 31, 1999, and  
2 before January 1, 2001, 2.75% of the earned income of the spouse with the lower  
3 earned income, but not more than ~~\$385~~ \$440.

4           **SECTION 1715.** 71.07 (6) (am) 2. d. of the statutes is amended to read:

5           71.07 (6) (am) 2. d. For taxable years beginning after December 31, 2000, 3%  
6 of the earned income of the spouse with the lower earned income, but not more than  
7 ~~\$420~~ \$480.

8           **SECTION 1715m.** 71.07 (6m) of the statutes is created to read:

9           71.07 (6m) ARMED FORCES MEMBER TAX CREDIT. (a) *Definitions.* In this  
10 subsection:

11           1. "Claimant" means an active duty member of the U.S. armed forces, as  
12 defined in 26 USC 7701 (a) (15).

13           2. "Military income" means an amount of basic, special or incentive pay income,  
14 as those terms are used in 37 USC chapters 3 and 5, received by a claimant from the  
15 federal government.

16           (b) *Filing claims.* Subject to the limitations and conditions provided in this  
17 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02,  
18 up to the amount of those taxes, an amount up to \$200 of military income for services  
19 performed by the claimant while he or she is stationed outside of the United States.

20           (c) *Limitations and conditions.* 1. No credit may be allowed under this  
21 subsection unless it is claimed within the time period under s. 71.75 (2).

22           2. Part-year residents and nonresidents of this state are not eligible for the  
23 credit under this subsection.

24           3. If both spouses of a married couple meet the definition of claimant under par.  
25 (a) 1., each spouse may claim the credit under this subsection.

1 (d) *Administration*. Subsection (9e) (d), to the extent that it applies to the credit  
2 under that subsection, applies to the credit under this subsection.

3 **SECTION 1716.** 71.07 (8) (d) of the statutes is created to read:

4 71.07 (8) (d) No new claim may be filed under this subsection for a taxable year  
5 that begins after December 31, 1999.

6 **SECTION 1716m.** 71.07 (9) (b) 1. of the statutes is amended to read:

7 71.07 (9) (b) 1. Subject to the limitations under this subsection and except as  
8 provided in ~~subd. subds. 2. and 3.~~, a claimant may claim as a credit against, but not  
9 to exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of property taxes  
10 or rent constituting property taxes, or 10% of the first \$1,000 of property taxes or rent  
11 constituting property taxes of a married person filing separately.

12 **SECTION 1716p.** 71.07 (9) (b) 3. of the statutes is created to read:

13 71.07 (9) (b) 3. For taxable years beginning after December 31, 1999, and before  
14 January 1, 2001, subject to the limitations under this subsection, a claimant may  
15 claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, 6.4%  
16 of the first \$2,000 of property taxes or rent constituting property taxes, or 6.4% of the  
17 first \$1,000 of property taxes or rent constituting property taxes of a married person  
18 filing separately.

19 **SECTION 1717.** 71.07 (9) (g) of the statutes is created to read:

20 71.07 (9) (g) No new claim may be filed under this subsection for a taxable year  
21 that begins after December 31, 2000.

22 **SECTION 1719b.** 71.07 (9e) (f) of the statutes is amended to read:

23 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable  
24 amount of the claim under this subsection exceeds the taxes otherwise due under this  
25 chapter or no taxes are due under this chapter, the amount of the claim not used to

1 offset taxes due shall be certified by the department of revenue to the department  
2 of administration for payment by check, share draft or other draft drawn from the  
3 appropriation under s. 20.835 (2) (f) or (kf).

4 **SECTION 1719g.** 71.08 (1) (intro.) of the statutes is amended to read:

5 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
6 couple filing jointly, trust or estate under s. 71.02, not considering the credits under  
7 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (2fd), (3m), (3s),  
8 (6), (6m) and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m)  
9 and (3) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m) and  
10 (3) and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less  
11 than the tax under this section, there is imposed on that natural person, married  
12 couple filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative  
13 minimum tax computed as follows:

14 **SECTION 1719j.** 71.10 (4) (cm) of the statutes is created to read:

15 71.10 (4) (cm) The armed forces member tax credit under s. 71.07 (6m).

16 **SECTION 1719m.** 71.10 (4) (gv) of the statutes is created to read:

17 71.10 (4) (gv) Sustainable urban development zone credit under s. 71.07 (2dy).

18 **SECTION 1720m.** 71.10 (5) (am) of the statutes is created to read:

19 71.10 (5) (am) *Gray wolf as endangered or threatened species.* For purposes of  
20 the part of the endangered resources program that provides for wildlife damage  
21 control and the payments of claims for damage associated with endangered or  
22 threatened species, the gray wolf shall be considered an endangered or threatened  
23 species regardless of whether it is listed as endangered or threatened under s. 29.604  
24 (3).

25 **SECTION 1721.** 71.125 of the statutes is amended to read:



1           **71.125 Imposition of tax.** (1) Except as provided in sub. (2), the tax imposed  
2 by this chapter on individuals and the rates under s. 71.06 (1), (1m), ~~(1n)~~, ~~(1p)~~ and  
3 (2) shall apply to the Wisconsin taxable income of estates or trusts, except nuclear  
4 decommissioning trust or reserve funds, and that tax shall be paid by the fiduciary.

5           (2) Each electing small business trust, as defined in section 1361 (e) (1) of the  
6 Internal Revenue Code, is subject to tax at the highest rate under s. 71.06 (1) ~~or under~~  
7 ~~s. 71.06~~, (1m), ~~(1n)~~ or (1p), whichever taxable year is applicable, on its income as  
8 computed under section 641 of the Internal Revenue Code, as modified by s. 71.05  
9 (6) to (12), (19) and (20).

10  
11           **SECTION 1721es.** 71.14 (3) (intro.) of the statutes is amended to read:

12           71.14 (3) (intro.) Except as provided in sub. (2) and s. 71.04 (1) (b) 2., trusts  
13 created by contract, declaration of trust or implication of law that are made  
14 irrevocable before the effective date of this subsection .... [revisor inserts date], shall  
15 be considered resident at the place where the trust is being administered. The  
16 following trusts shall be considered to be administered in the state of domicile of the  
17 corporate trustee of the trust at any time that the grantor of the trust is not a resident  
18 of this state:

19           **SECTION 1721it.** 71.14 (3m) of the statutes is created to read:

20           71.14 (3m) (a) Subject to par. (b) and except as provided in sub. (2) and s. 71.04  
21 (1) (b) 2., only the following trusts, or portions of trusts, which become irrevocable  
22 on or after the effective date of this paragraph .... [revisor inserts date], are resident  
23 of this state:

24           1. Trusts, or portions of trusts, the assets of which consist of property placed  
25 in the trust by a person who is a resident of this state at the time that the property

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1 was placed in the trust if, at the time that the assets were placed in the trust, the trust  
2 was irrevocable.

3 2. Trusts, or portions of trusts, the assets of which consist of property placed  
4 in the trust by a person who is a resident of this state at the time that the trust  
5 became irrevocable if, at the time that the property was placed in the trust, the trust  
6 was revocable.

7 (b) A trust described under par. (a):

8 1. Is revocable if the person whose property constitutes the trust may revest  
9 title to the property in that person.

10 2. Is irrevocable if the power to revest title, as described in par. (a), does not  
11 exist.

12 **SECTION 1722.** 71.17 (6) of the statutes is amended to read:

13 71.17 (6) FUNERAL TRUSTS. If a qualified funeral trust makes the election under  
14 section 685 of the Internal Revenue Code for federal income tax purposes, that  
15 election applies for purposes of this chapter and each trust shall compute its own tax  
16 and shall apply the rates under s. 71.06 (1) ~~and~~, (1m), (1n) or (1p).

17 **SECTION 1722bd.** 71.21 (4) of the statutes is amended to read:

18 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
19 (2dj), (2dL), (2ds), (2dx), (2dy) and (3s) and passed through to partners shall be added  
20 to the partnership's income.

21 **SECTION 1722cd.** 71.22 (1r) of the statutes is created to read:

22 71.22 (1r) "Doing business" includes owning a direct or indirect interest in a  
23 general or limited partnership or limited liability company that transacts in this  
24 state for pecuniary gain, if the income from the partnership or company is unitary  
25 or operational income of the taxpayer or a direct or indirect affiliate of the taxpayer

1 or if such income has a taxable presence in this state. "Doing business" also includes  
2 issuing credit, debit or travel and entertainment cards to customers in this state.

3 **SECTION 1722d.** 71.22 (4) (e) of the statutes is repealed.

4 **SECTION 1722e.** 71.22 (4) (f) of the statutes is amended to read:

5 71.22 (4) (f) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
6 (1g) and 71.42 (2), "~~internal revenue code~~ Internal Revenue Code", for taxable years  
7 that begin after December 31, 1990, and before January 1, 1992, means the federal  
8 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1990,  
9 and as amended by P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding  
10 section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206 and P.L. 105-277,~~ and  
11 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,  
12 P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2),  
13 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.  
14 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, P.L.  
15 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L.~~  
16 ~~105-34, P.L. 105-206 and P.L. 105-277.~~ The ~~internal revenue code~~ Internal Revenue  
17 Code applies for Wisconsin purposes at the same time as for federal purposes.  
18 Amendments to the federal ~~internal revenue code~~ Internal Revenue Code enacted  
19 after December 31, 1990, do not apply to this paragraph with respect to taxable years  
20 beginning after December 31, 1990, and before January 1, 1992, except that  
21 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 102-227,  
22 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and~~  
23 P.L. 105-34, ~~P.L. 105-206 and P.L. 105-277~~ and changes that indirectly affect the  
24 provisions applicable to this subchapter made by P.L. 102-227, P.L. 102-486, P.L.  
25 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L.~~

1 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for  
2 federal purposes.

3 **SECTION 1722f.** 71.22 (4) (g) of the statutes is amended to read:

4 71.22 (4) (g) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
5 (1g) and 71.42 (2), ~~“internal revenue code~~ Internal Revenue Code”, for taxable years  
6 that begin after December 31, 1991, and before January 1, 1993, means the federal  
7 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1991,  
8 excluding sections 103, 104 and 110 of P.L. 102-227, and as amended by P.L.  
9 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13171 and  
10 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.  
11 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected in the provisions  
12 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding  
13 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514  
14 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
15 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
16 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and  
17 (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.  
18 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277. The ~~internal revenue code~~  
19 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
20 purposes. Amendments to the federal ~~internal revenue code~~ Internal Revenue Code  
21 enacted after December 31, 1991, do not apply to this paragraph with respect to  
22 taxable years beginning after December 31, 1991, and before January 1, 1993,  
23 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.  
24 102-318, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.  
25 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that

1 indirectly affect the provisions applicable to this subchapter made by P.L. 102–318,  
2 P.L. 102–486, P.L. 103–66, P.L. 104–188, excluding section 1311 of P.L. 104–188, and  
3 P.L. 105–34, P.L. 105–206 and P.L. 105–277, apply for Wisconsin purposes at the  
4 same time as for federal purposes.

5 **SECTION 1722g.** 71.22 (4) (h) of the statutes is amended to read:

6 71.22 (4) (h) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
7 (1g) and 71.42 (2), “~~internal revenue code~~ Internal Revenue Code”, for taxable years  
8 that begin after December 31, 1992, and before January 1, 1994, means the federal  
9 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1992,  
10 excluding sections 103, 104 and 110 of P.L. 102–227, and as amended by P.L. 103–66,  
11 excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L.  
12 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, and P.L.  
13 105–34, P.L. 105–206 and P.L. 105–277, and as indirectly affected in the provisions  
14 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding  
15 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514  
16 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.  
17 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.  
18 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13101 (a) and  
19 (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103–66, P.L. 103–465, P.L.  
20 104–188, excluding section 1311 of P.L. 104–188, and P.L. 105–34, P.L. 105–206 and  
21 P.L. 105–277. The ~~internal revenue code~~ Internal Revenue Code applies for  
22 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
23 federal ~~internal revenue code~~ Internal Revenue Code enacted after  
24 December 31, 1992, do not apply to this paragraph with respect to taxable years  
25 beginning after December 31, 1992, and before January 1, 1994, except that

1 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 103-66,  
2 P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34,  
3 P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the provisions  
4 applicable to this subchapter made by P.L. 103-66, P.L. 103-465, P.L. 104-188,  
5 excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L.  
6 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

7 **SECTION 1722h.** 71.22 (4) (i) of the statutes is amended to read:

8 71.22 (4) (i) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
9 (1g) and 71.42 (2), "~~internal revenue code~~ Internal Revenue Code", for taxable years  
10 that begin after December 31, 1993, and before January 1, 1995, means the federal  
11 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1993,  
12 excluding sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d),  
13 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, and as amended by P.L.  
14 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7,  
15 P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and,  
16 P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected in the  
17 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647  
18 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of  
19 P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
20 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and  
21 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
22 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296,  
23 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.  
24 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L.  
25 105-34, P.L. 105-206 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue

1 Code applies for Wisconsin purposes at the same time as for federal purposes.  
2 Amendments to the federal ~~internal revenue code~~ Internal Revenue Code enacted  
3 after December 31, 1993, do not apply to this paragraph with respect to taxable years  
4 beginning after December 31, 1993, and before January 1, 1995, except that  
5 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 103-296,  
6 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.  
7 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L.  
8 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the  
9 provisions applicable to this subchapter made by P.L. 103-296, P.L. 103-337, P.L.  
10 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding  
11 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L.  
12 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for  
13 federal purposes.

14 **SECTION 1722i.** 71.22 (4) (j) of the statutes is amended to read:

15 71.22 (4) (j) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
16 (1g) and 71.42 (2), "~~internal revenue code~~ Internal Revenue Code", for taxable years  
17 that begin after December 31, 1994, and before January 1, 1996, means the federal  
18 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1994,  
19 excluding sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d),  
20 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L.  
21 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L.  
22 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as  
23 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
24 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
25 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.

1 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
2 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
3 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
4 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
5 excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L.  
6 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277. The ~~internal revenue code~~  
7 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
8 purposes. Amendments to the federal ~~internal revenue code~~ Internal Revenue Code  
9 enacted after December 31, 1994, do not apply to this paragraph with respect to  
10 taxable years beginning after December 31, 1994, and before January 1, 1996,  
11 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.  
12 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188,  
13 P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and  
14 changes that indirectly affect the provisions applicable to this subchapter made by  
15 P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L.  
16 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
17 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 1722j.** 71.22 (4) (k) of the statutes is amended to read:

19 71.22 (4) (k) 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~~ Internal Revenue Code”, for taxable years  
21 that begin after December 31, 1995, and before January 1, 1997, means the federal  
22 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1995,  
23 excluding sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d),  
24 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188,  
25 excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191,



1 P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, 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, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191,  
10 P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277. The  
11 ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin purposes at the  
12 same time as for federal purposes. Amendments to the federal ~~internal revenue code~~  
13 Internal Revenue Code enacted after December 31, 1995, do not apply to this  
14 paragraph with respect to taxable years beginning after December 31, 1995, and  
15 before January 1, 1997, except that changes to the Internal Revenue Code made by  
16 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188,  
17 P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L.  
18 105-277 and changes that indirectly affect the provisions applicable to this  
19 subchapter made by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and  
20 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.  
21 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for  
22 federal purposes.

23 **SECTION 1722k.** 71.22 (4) (L) of the statutes is amended to read:

24 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
25 (1g) and 71.42 (2), “~~internal revenue code~~ Internal Revenue Code”, for taxable years

1 that begin after December 31, 1996, and before January 1, 1998, means the federal  
2 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1996,  
3 excluding sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171  
4 (d), 13174 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311  
5 and 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33 and, P.L. 105-34, P.L.  
6 105-206 and P.L. 105-277, and as indirectly affected in the provisions applicable to  
7 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
8 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section  
9 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
10 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
11 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
12 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
13 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
14 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.  
15 105-206 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue Code  
16 applies for Wisconsin purposes at the same time as for federal purposes.  
17 Amendments to the federal ~~internal revenue code~~ Internal Revenue Code enacted  
18 after December 31, 1996, do not apply to this paragraph with respect to taxable years  
19 beginning after December 31, 1996, and before January 1, 1998, except that  
20 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 105-33  
21 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect  
22 the provisions applicable to this subchapter made by P.L. 105-33 and, P.L. 105-34,  
23 P.L. 105-206 and P.L. 105-277 apply for Wisconsin purposes at the same time as for  
24 federal purposes.

25 **SECTION 1722L.** 71.22 (4) (m) of the statutes is amended to read:

1           71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
2 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
3 December 31, 1997, and before January 1, 1999, means the federal Internal Revenue  
4 Code as amended to December 31, 1997, 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 and  
6 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as  
7 amended by P.L. 105–178, P.L. 105–206 and P.L. 105–277, and as indirectly affected  
8 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.  
9 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823  
10 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of 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 and, P.L. 105–34, P.L. 105–178, P.L. 105–206 and P.L. 105–277.  
17 The Internal Revenue Code applies for Wisconsin purposes at the same time as for  
18 federal purposes. Amendments to the federal Internal Revenue Code enacted after  
19 December 31, 1997, do not apply to this paragraph with respect to taxable years  
20 beginning after December 31, 1997, and before January 1, 1999, except that changes  
21 to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206 and P.L. 105–277  
22 and changes that indirectly affect the provisions applicable to this subchapter made  
23 by P.L. 105–178, P.L. 105–206 and P.L. 105–277 apply for Wisconsin purposes at the  
24 same time as for federal purposes.

25           **SECTION 1722m.** 71.22 (4) (n) of the statutes is created to read:

1           71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
2 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after  
3 December 31, 1998, means the federal Internal Revenue Code as amended to  
4 December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102–227, sections  
5 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),  
6 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected in the  
7 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647  
8 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of  
9 P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.  
10 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and  
11 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections  
12 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.  
13 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202  
14 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
15 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and P.L. 105–277. The Internal  
16 Revenue Code applies for Wisconsin purposes at the same time as for federal  
17 purposes. Amendments to the federal Internal Revenue Code enacted after  
18 December 31, 1998, do not apply to this paragraph with respect to taxable years  
19 beginning after December 31, 1998.

20           **SECTION 1722n.** 71.22 (4m) (c) of the statutes is repealed.

21           **SECTION 1722p.** 71.22 (4m) (d) of the statutes is amended to read:

22           71.22 (4m) (d) For taxable years that begin after December 31, 1990, and  
23 before January 1, 1992, “~~internal revenue code~~ Internal Revenue Code”, for  
24 corporations that are subject to a tax on unrelated business income under s. 71.26  
25 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended

1 to December 31, 1990, and as amended by P.L. 102-227, P.L. 102-486, P.L. 103-66,  
2 P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206  
3 and P.L. 105-277, and as indirectly affected in the provisions applicable to this  
4 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
5 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, P.L. 102-486, P.L. 103-66,  
6 P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206  
7 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue Code applies for  
8 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
9 ~~internal revenue code~~ Internal Revenue Code enacted after December 31, 1990, do  
10 not apply to this paragraph with respect to taxable years beginning after  
11 December 31, 1990, and before January 1, 1992, except that changes to the ~~internal~~  
12 ~~revenue code~~ Internal Revenue Code made by P.L. 102-227, P.L. 102-486, P.L.  
13 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.  
14 105-206 and P.L. 105-277, and changes that indirectly affect the provisions  
15 applicable to this subchapter made by P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L.  
16 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and  
17 P.L. 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 1722q.** 71.22 (4m) (e) of the statutes is amended to read:

19 71.22 (4m) (e) For taxable years that begin after December 31, 1991, and  
20 before January 1, 1993, "~~internal revenue code~~ Internal Revenue Code", for  
21 corporations that are subject to a tax on unrelated business income under s. 71.26  
22 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended  
23 to December 31, 1991, excluding sections 103, 104 and 110 of P.L. 102-227, and as  
24 amended by P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a)  
25 and (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.

1 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, 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 13101 (a) and (c) 1, 13171 and 13174 of P.L.  
6 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.  
7 105-206 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue Code  
8 applies for Wisconsin purposes at the same time as for federal purposes.  
9 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after  
10 December 31, 1991, do not apply to this paragraph with respect to taxable years  
11 beginning after December 31, 1991, and before January 1, 1993, except that  
12 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 102-318,  
13 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and  
14 P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the  
15 provisions applicable to this subchapter made by P.L. 102-318, P.L. 102-486, P.L.  
16 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.  
17 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for  
18 federal purposes.

19 **SECTION 1722r.** 71.22 (4m) (f) of the statutes is amended to read:

20 71.22 (4m) (f) For taxable years that begin after December 31, 1992, and before  
21 January 1, 1994, "~~internal revenue code~~ Internal Revenue Code", for corporations  
22 that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means  
23 the federal ~~internal revenue code~~ Internal Revenue Code as amended to  
24 December 31, 1992, excluding sections 103, 104 and 110 of P.L. 102-227, and as  
25 amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,

1 13174 and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311  
2 of P.L. 104–188, and P.L. 105–34, P.L. 105–206 and P.L. 105–277, 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 13101 (a) and (c) 1, 13113, 13150, 13171,  
7 13174 and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311  
8 of P.L. 104–188, and P.L. 105–34, P.L. 105–206 and P.L. 105–277. The ~~internal~~  
9 ~~revenue code~~ Internal Revenue Code applies for Wisconsin purposes at the same  
10 time as for federal purposes. Amendments to the ~~internal revenue code~~ Internal  
11 Revenue Code enacted after December 31, 1992, do not apply to this paragraph with  
12 respect to taxable years beginning after December 31, 1992, and before  
13 January 1, 1994, except that changes to the ~~internal revenue code~~ Internal Revenue  
14 Code made by P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L.  
15 104–188, and P.L. 105–34, P.L. 105–206 and P.L. 105–277 and changes that  
16 indirectly affect the provisions applicable to this subchapter made by P.L. 103–66,  
17 P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, and P.L. 105–34,  
18 P.L. 105–206 and P.L. 105–277, apply for Wisconsin purposes at the same time as for  
19 federal purposes.

20 **SECTION 1722s.** 71.22 (4m) (g) of the statutes is amended to read:

21 71.22 (4m) (g) For taxable years that begin after December 31, 1993, and  
22 before January 1, 1995, “~~internal revenue code~~ Internal Revenue Code”, for  
23 corporations that are subject to a tax on unrelated business income under s. 71.26  
24 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended  
25 to December 31, 1993, excluding sections 103, 104 and 110 of P.L. 102–227 and

1 sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103–66, and  
2 as amended by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding  
3 section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L.  
4 104–191, P.L. 104–193 and, P.L. 105–34, P.L. 105–206 and P.L. 105–277, and as  
5 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.  
6 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.  
7 101–508, 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, 13203 (d) and 13215 of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465,  
10 P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311  
11 of P.L. 104–188, P.L. 104–191, P.L. 104–193 and, P.L. 105–34, P.L. 105–206 and P.L.  
12 105–277. The ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin  
13 purposes at the same time as for federal purposes. Amendments to the ~~internal~~  
14 ~~revenue code~~ Internal Revenue Code enacted after December 31, 1993, do not apply  
15 to this paragraph with respect to taxable years beginning after December 31, 1993,  
16 and before January 1, 1995, except that changes to the ~~internal revenue code~~  
17 Internal Revenue Code made by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.  
18 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L.  
19 104–188, P.L. 104–191, P.L. 104–193 and, P.L. 105–34, P.L. 105–206 and P.L.  
20 105–277 and changes that indirectly affect the provisions applicable to this  
21 subchapter made by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding  
22 section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L.  
23 104–191, P.L. 104–193 and, P.L. 105–34, P.L. 105–206 and P.L. 105–277, apply for  
24 Wisconsin purposes at the same time as for federal purposes.

25 **SECTION 1722t.** 71.22 (4m) (h) of the statutes is amended to read:



1           71.22 (4m) (h) For taxable years that begin after December 31, 1994, and  
2 before January 1, 1996, "~~internal revenue code~~ Internal Revenue Code", for  
3 corporations that are subject to a tax on unrelated business income under s. 71.26  
4 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended  
5 to December 31, 1994, excluding sections 103, 104 and 110 of P.L. 102-227 and  
6 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as  
7 amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605  
8 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
9 105-277, and as indirectly affected in the provisions applicable to this subchapter  
10 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,  
11 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
12 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
13 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
14 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of  
15 P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
16 105-277. The ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin  
17 purposes at the same time as for federal purposes. Amendments to the ~~internal~~  
18 ~~revenue code~~ Internal Revenue Code enacted after December 31, 1994, do not apply  
19 to this paragraph with respect to taxable years beginning after December 31, 1994,  
20 and before January 1, 1996, except that changes to the ~~internal revenue code~~  
21 Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding sections 1202,  
22 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34,  
23 P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the provisions  
24 applicable to this subchapter made by P.L. 104-7, P.L. 104-188, excluding sections  
25 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L.

1 105-34, P.L. 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same  
2 time as for federal purposes.

3 **SECTION 1722u.** 71.22 (4m) (i) of the statutes is amended to read:

4 71.22 (4m) (i) For taxable years that begin after December 31, 1995, and before  
5 January 1, 1997, "~~internal revenue code~~ Internal Revenue Code", for corporations  
6 that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means  
7 the federal ~~internal revenue code~~ Internal Revenue Code as amended to  
8 December 31, 1995, excluding sections 103, 104 and 110 of P.L. 102-227 and sections  
9 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by  
10 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188,  
11 P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L.  
12 105-277, and as indirectly affected in the provisions applicable to this subchapter  
13 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,  
14 P.L. 101-239, P.L. 101-508, 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. 104-188, excluding sections 1123, 1202, 1204, 1311 and  
18 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, PL. 105-33 and, P.L. 105-34, P.L.  
19 105-206 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue Code  
20 applies for Wisconsin purposes at the same time as for federal purposes.  
21 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after  
22 December 31, 1995, do not apply to this paragraph with respect to taxable years  
23 beginning after December 31, 1995, and before January 1, 1997, except that  
24 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections  
25 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.

1 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly  
2 affect the provisions applicable to this subchapter made by P.L. 104-188, excluding  
3 sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193,  
4 P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for Wisconsin  
5 purposes at the same time as for federal purposes.

6 **SECTION 1722v.** 71.22 (4m) (j) of the statutes is amended to read:

7 71.22 (4m) (j) For taxable years that begin after December 31, 1996, and before  
8 January 1, 1998, "Internal Revenue Code", for corporations that are subject to a tax  
9 on unrelated business income under s. 71.26 (1) (a), means the federal Internal  
10 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and  
11 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
12 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188  
13 and as amended by P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and  
14 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,  
15 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
16 P.L. 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 and, P.L. 105-34, P.L.  
21 105-206 and P.L. 105-277. The Internal Revenue Code applies for Wisconsin  
22 purposes at the same time as for federal purposes. Amendments to the Internal  
23 Revenue Code enacted after December 31, 1996, do not apply to this paragraph with  
24 respect to taxable years beginning after December 31, 1996, and before  
25 January 1, 1998, except that changes to the Internal Revenue Code made by P.L.

1 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly  
2 affect provisions applicable to this subchapter made by P.L. 105-33 and, P.L. 105-34,  
3 P.L. 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for  
4 federal purposes.

5 **SECTION 1722w.** 71.22 (4m) (k) of the statutes is amended to read:

6 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and  
7 before January 1, 1999, "Internal Revenue Code", for corporations that are subject  
8 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
9 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
10 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203  
11 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
12 104-188, and as amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277, and as  
13 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
14 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
15 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
16 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
17 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
18 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
19 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.  
20 105-178, P.L. 105-206 and P.L. 105-277. The Internal Revenue Code applies for  
21 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
22 Internal Revenue Code enacted after December 31, 1997, do not apply to this  
23 paragraph with respect to taxable years beginning after December 31, 1997, and  
24 before January 1, 1999, except that changes to the Internal Revenue Code made by  
25 P.L. 105-178, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the

1 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206 and P.L.  
2 105-277 apply for Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 1722x.** 71.22 (4m) (L) of the statutes is created to read:

4 71.22 (4m) (L) For taxable years that begin after December 31, 1998, "Internal  
5 Revenue Code", for corporations that are subject to a tax on unrelated business  
6 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended  
7 to December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102-227, sections  
8 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and sections 1123  
9 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as indirectly affected  
10 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
11 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
12 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.  
13 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
14 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.  
15 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
16 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
17 105-206 and P.L. 105-277. The Internal Revenue Code applies for Wisconsin  
18 purposes at the same time as for federal purposes. Amendments to the Internal  
19 Revenue Code enacted after December 31, 1998, do not apply to this paragraph with  
20 respect to taxable years beginning after December 31, 1998.

21 **SECTION 1722y.** 71.23 (1) of the statutes is amended to read:

22 71.23 (1) INCOME TAX. For the purpose of raising revenue for the state and the  
23 counties, cities, villages and towns, there shall be assessed, levied, collected and paid  
24 a tax as provided under this chapter on all Wisconsin net incomes of corporations  
25 which that are not subject to the franchise tax under sub. (2) and which that own

1 property within this state; that derive income from sources within this state or from  
2 activities that are attributable to this state; or whose business within this state  
3 during the taxable year, except as provided under sub. (3), consists exclusively of  
4 foreign commerce, interstate commerce, or both, or that buy or sell lottery prizes if  
5 the winning tickets were originally bought in this state; except as exempted under  
6 s. 71.26 (1). This section shall not be construed to prevent or affect the correction of  
7 errors or omissions in the assessments of income for former years under s. 71.74 (1)  
8 and (2).

9 **SECTION 1722yb.** 71.23 (2) of the statutes is amended to read:

10 71.23 (2) FRANCHISE TAX. For the privilege of exercising its franchise, buying  
11 or selling lottery prizes if the winning tickets were originally bought in this state or  
12 doing business in this state in a corporate capacity, except as provided under sub. (3),  
13 every domestic or foreign corporation, except corporations specified in s. 71.26 (1),  
14 and every nuclear decommissioning trust or reserve fund shall annually pay a  
15 franchise tax according to or measured by its entire Wisconsin net income of the  
16 preceding taxable year at the rate set forth in s. 71.27 (2). In addition, except as  
17 provided in sub. (3) and s. 71.26 (1), a corporation that ceases doing business in this  
18 state and a nuclear decommissioning trust or reserve fund that is terminated shall  
19 pay a special franchise tax according to or measured by its entire Wisconsin net  
20 income for the taxable year during which the corporation ceases doing business in  
21 this state or the nuclear decommissioning trust or reserve fund is terminated at the  
22 rates under s. 71.27 (2). Every corporation organized under the laws of this state  
23 shall be deemed to be residing within this state for the purposes of this franchise tax.  
24 All provisions of this chapter and ch. 73 relating to income taxation of corporations  
25 shall apply to franchise taxes imposed under this subsection, unless the context

1 requires otherwise. The tax imposed by this subsection on national banking  
2 associations shall be in lieu of all taxes imposed by this state on national banking  
3 associations to the extent it is not permissible to tax such associations under federal  
4 law.

5 **SECTION 1722ym.** 71.25 (5) (b) of the statutes is amended to read:

6 71.25 (5) (b) *Nonapportionable income.* 1. Income, gain or loss from the sale  
7 of nonbusiness real property or nonbusiness tangible personal property, rental of  
8 nonbusiness real property or nonbusiness tangible personal property and royalties  
9 from nonbusiness real property or nonbusiness tangible personal property are  
10 nonapportionable and shall be allocated to the situs of the property, except that all  
11 income that is realized from the sale of or purchase and subsequent sale or  
12 redemption of lottery prizes if the winning tickets were originally bought in this state  
13 shall be allocated to this state.

14 2. All income, gain or loss from intangible property that is earned by a personal  
15 holding company, as defined in section 542 of the internal revenue code, as amended  
16 to December 31, 1974, shall be allocated to the residence of the taxpayer, except that  
17 all income that is realized from the sale of or purchase and subsequent sale or  
18 redemption of lottery prizes if the winning tickets were originally bought in this state  
19 shall be allocated to this state.

20 **SECTION 1722yc.** 71.23 (3) (d) of the statutes is created to read:

21 71.23 (3) (d) The storage for no more than 90 days in this state in or on property  
22 owned by a person, other than the foreign corporation, of the foreign corporation's  
23 tangible personal property, if the tangible personal property is transferred to the  
24 person and is used in this state by the person for fabricating, processing,  
25 manufacturing or printing on the parcel of property in or on which the tangible

1 personal property is stored and if the parcel of property has an assessed value, for  
2 property tax purposes, of at least \$10,000,000 but no more than \$11,000,000 on  
3 January 1, 1999.

4 **SECTION 1722yd.** 71.25 (5) (a) (intro.) of the statutes is amended to read:

5 71.25 (5) (a) *Apportionable income.* (intro.) Except as provided in sub. (6),  
6 corporations engaged in business both within and without this state are subject to  
7 apportionment. Income gain or loss from the sources listed in this paragraph is  
8 presumed apportionable as unitary or operational income or other income that has  
9 a taxable presence in this state. Apportionable income includes all income or loss of  
10 corporations, other than nonapportionable income as specified in par. (b), including,  
11 but not limited to, income, gain or loss from the following sources:

12  
13 **SECTION 1736.** 71.25 (9) (dr) of the statutes is created to read:

14 71.25 (9) (dr) 1. For taxable years beginning after December 31, 1999, receipts  
15 from a service are attributed to the state where the purchaser of the service received  
16 the benefit of the service, except as provided in subd. 4. The benefit of a service is  
17 received in this state if any of the following applies:

- 18 a. The service relates to real property that is located in this state.  
19 b. The service relates to tangible personal property that is located in this state  
20 at the time that the service is received.  
21 c. The service is provided to a person who is located in this state.  
22 d. The service is provided to a person doing business in this state.  
23 e. The service is performed at a location in this state.

24 2. If the purchaser of a service receives the benefit of a service in more than one  
25 state, the receipts from the performance of the service are included in the numerator

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1 of the sales factor under par. (a) according to the portion of the service received in this  
2 state. If the state where a purchaser received the benefit of a service cannot be  
3 determined, the benefit of a service is received in the state where the purchaser, in  
4 the regular course of the purchaser's business, ordered the service. If the state where  
5 a purchaser ordered a service cannot be determined, the benefit of the service is  
6 received in the state where the purchaser, in the regular course of the purchaser's  
7 business, receives a bill for the service.

8 3. If the taxpayer is not subject to income tax in the state in which the benefit  
9 of the service is received, the benefit of the service is received in this state to the  
10 extent that the taxpayer's employes or representatives performed services from a  
11 location in this state.

12 4. If the benefit of a service is received in this state, as provided under this  
13 subsection, and the taxpayer submits evidence to the department that another state  
14 that has jurisdiction to tax the service attributes the receipts from the service to that  
15 state to determine the income that is taxable by that state, the taxpayer may elect,  
16 by a method prescribed by the department, to attribute the receipts from the service  
17 to this state in proportion to the direct cost of performing such service in this state  
18 as compared to the total direct cost of performing the service in all states that have  
19 jurisdiction to tax such service.

20

21

22 **SECTION 1738s.** 71.25 (15) of the statutes is created to read:

23 71.25 (15) PARTNERSHIPS AND LIMITED LIABILITY COMPANIES. (a) A general or  
24 limited partner's share of the numerator and denominator of a partnership's  
25 apportionment fractions under this section are included in the numerator and

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1 denominator of the general or limited partner's apportionment fractions under this  
2 section.

3 (b) If a limited liability company is considered by the department of revenue  
4 to be a partnership, for tax purposes, a member's share of the numerator and  
5 denominator of a limited liability company's apportionment fractions under this  
6 section are included in the numerator and denominator of the member's  
7 apportionment fractions under this section.

8 **SECTION 1738t.** 71.26 (1) (a) of the statutes is amended to read:

9 71.26 (1) (a) *Certain corporations.* Income of corporations organized under ch.  
10 185, except income of a cooperative sickness care association organized under s.  
11 185.981, or of a service insurance corporation organized under ch. 613, that is derived  
12 from a health maintenance organization as defined in s. 609.01 (2) or a limited  
13 service health organization as defined in s. 609.01 (3), or operating under subch. I  
14 of ch. 616 which are bona fide cooperatives operated without pecuniary profit to any  
15 shareholder or member, or operated on a cooperative plan pursuant to which they  
16 determine and distribute their proceeds in substantial compliance with s. 185.45,  
17 and the income, except the unrelated business taxable income as defined in section  
18 512 of the internal revenue code and except income that is derived from a health  
19 maintenance organization as defined in s. 609.01 (2) or a limited service health  
20 organization as defined in s. 609.01 (3), of all religious, scientific, educational,  
21 benevolent or other corporations or associations of individuals not organized or  
22 conducted for pecuniary profit. This paragraph does not apply to the income of  
23 savings banks, mutual loan corporations or savings and loan associations. This  
24 paragraph does not apply to income that is realized from the sale of or purchase and  
25 subsequent sale or redemption of lottery prizes if the winning tickets were originally

1 bought in this state. This paragraph applies to the income of credit unions except to  
2 the income of any credit union that is derived from public deposits for any taxable  
3 year in which the credit union is approved as a public depository under ch. 34 and  
4 acts as a depository of state or local funds under s. 186.113 (20). For purposes of this  
5 paragraph, the income of a credit union that is derived from public deposits is the  
6 product of the credit union's gross annual income for the taxable year multiplied by  
7 a fraction, the numerator of which is the average monthly balance of public deposits  
8 in the credit union during the taxable year, and the denominator of which is the  
9 average monthly balance of all deposits in the credit union during the taxable year.

10 **SECTION 1740.** 71.26 (1) (b) of the statutes is amended to read:

11 71.26 (1) (b) *Political units.* Income received by the United States, the state  
12 and all counties, cities, villages, towns, school districts, technical college districts,  
13 joint local water authorities created under s. 66.0735, family care districts under s.  
14 46.2895 or other political units of this state.

15 **SECTION 1740c.** 71.26 (2) (a) of the statutes is amended to read:

16 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means  
17 the gross income as computed under the internal revenue code as modified under  
18 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit  
19 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed  
20 under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) ~~and~~, (1dx) and (1dy) and not  
21 passed through by a partnership, limited liability company or tax-option corporation  
22 that has added that amount to the partnership's, limited liability company's or  
23 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount  
24 of losses from the sale or other disposition of assets the gain from which would be  
25 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise

1 disposed of at a gain and minus deductions, as computed under the internal revenue  
2 code as modified under sub. (3), plus or minus, as appropriate, an amount equal to  
3 the difference between the federal basis and Wisconsin basis of any asset sold,  
4 exchanged, abandoned or otherwise disposed of in a taxable transaction during the  
5 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

6 **SECTION 1740d.** 71.26 (2) (b) 5. of the statutes is repealed.

7 **SECTION 1740e.** 71.26 (2) (b) 6. of the statutes is amended to read:

8 71.26 (2) (b) 6. For taxable years that begin after December 31, 1990, and  
9 before January 1, 1992, for a corporation, conduit or common law trust which  
10 qualifies as a regulated investment company, real estate mortgage investment  
11 conduit or real estate investment trust under the ~~internal revenue code~~ Internal  
12 Revenue Code as amended to December 31, 1990, and as amended by P.L. 102-227,  
13 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and,~~  
14 P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected in the  
15 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,  
16 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
17 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and~~  
18 P.L. 105-34, P.L. 105-206 and P.L. 105-277, “net income” means the federal  
19 regulated investment company taxable income, federal real estate mortgage  
20 investment conduit taxable income or federal real estate investment trust taxable  
21 income of the corporation, conduit or trust as determined under the ~~internal revenue~~  
22 ~~code~~ Internal Revenue Code as amended to December 31, 1990, and as amended by  
23 P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.  
24 104-188, ~~and~~ P.L. 105-34, P.L. 105-206 and P.L. 105-277 and as indirectly affected  
25 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.

1 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
2 102-227, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.  
3 104-188, ~~and P.L. 105-34, P.L. 105-206 and P.L. 105-277~~, except that property that,  
4 under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable  
5 years 1983 to 1986 under the ~~internal revenue code~~ Internal Revenue Code as  
6 amended to December 31, 1980, shall continue to be depreciated under the ~~internal~~  
7 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1980, and except  
8 that the appropriate amount shall be added or subtracted to reflect differences  
9 between the depreciation or adjusted basis for federal income tax purposes and the  
10 depreciation or adjusted basis under this chapter of any property disposed of during  
11 the taxable year. The ~~internal revenue code~~ Internal Revenue Code as amended to  
12 December 31, 1990, and as amended by P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L.  
13 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206 and~~  
14 ~~P.L. 105-277~~, and as indirectly affected in the provisions applicable to this  
15 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
16 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, P.L. 102-486, P.L. 103-66,  
17 P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206~~  
18 ~~and P.L. 105-277~~, applies for Wisconsin purposes at the same time as for federal  
19 purposes. Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted  
20 after December 31, 1990, do not apply to this subdivision with respect to taxable  
21 years that begin after December 31, 1990, and before January 1, 1992, except that  
22 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 102-227,  
23 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and~~  
24 P.L. 105-34, ~~P.L. 105-206 and P.L. 105-277~~ and changes that indirectly affect the  
25 provisions applicable to this subchapter made by P.L. 102-227, P.L. 102-486, P.L.

1 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and~~, P.L. 105-34, P.L.  
2 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for  
3 federal purposes.

4 **SECTION 1740f.** 71.26 (2) (b) 7. of the statutes is amended to read:

5 71.26 (2) (b) 7. For taxable years that begin after December 31, 1991, and  
6 before January 1, 1993, for a corporation, conduit or common law trust which  
7 qualifies as a regulated investment company, real estate mortgage investment  
8 conduit or real estate investment trust under the ~~internal revenue code~~ Internal  
9 Revenue Code as amended to December 31, 1991, excluding sections 103, 104 and  
10 110 of P.L. 102-227, and as amended by P.L. 102-318, P.L. 102-486, P.L. 103-66,  
11 excluding sections 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188,  
12 excluding section 1311 of P.L. 104-188, ~~and~~ P.L. 105-34, P.L. 105-206 and P.L.  
13 105-277, and as indirectly affected in the provisions applicable to this subchapter  
14 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,  
15 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
16 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and  
17 (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.  
18 104-188, ~~and~~ P.L. 105-34, P.L. 105-206 and P.L. 105-277, “net income” means the  
19 federal regulated investment company taxable income, federal real estate mortgage  
20 investment conduit taxable income or federal real estate investment trust taxable  
21 income of the corporation, conduit or trust as determined under the ~~internal revenue~~  
22 ~~code~~ Internal Revenue Code as amended to December 31, 1991, excluding sections  
23 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 102-318, P.L. 102-486, P.L.  
24 103-66, excluding sections 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103-66, P.L.  
25 104-188, excluding section 1311 of P.L. 104-188, ~~and~~ P.L. 105-34, P.L. 105-206 and

1 P.L. 105-277 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, P.L. 101-73, P.L. 101-140,  
3 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104  
4 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
5 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding section  
6 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206 and P.L. 105-277~~, except that  
7 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated  
8 for taxable years 1983 to 1986 under the ~~internal revenue code~~ Internal Revenue  
9 Code as amended to December 31, 1980, shall continue to be depreciated under the  
10 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1980,  
11 and except that the appropriate amount shall be added or subtracted to reflect  
12 differences between the depreciation or adjusted basis for federal income tax  
13 purposes and the depreciation or adjusted basis under this chapter of any property  
14 disposed of during the taxable year. The ~~internal revenue code~~ Internal Revenue  
15 Code as amended to December 31, 1991, excluding sections 103, 104 and 110 of P.L.  
16 102-227, and as amended by P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
17 sections 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding  
18 section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206 and P.L. 105-277~~, and  
19 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,  
20 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
21 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.  
22 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13171 and  
23 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L.~~  
24 ~~105-34, P.L. 105-206 and P.L. 105-277~~ applies for Wisconsin purposes at the same  
25 time as for federal purposes. Amendments to the ~~internal revenue code~~ Internal

1 Revenue Code enacted after December 31, 1991, do not apply to this subdivision with  
2 respect to taxable years that begin after December 31, 1991, and before  
3 January 1, 1993, except that changes to the ~~internal revenue code~~ Internal Revenue  
4 Code made by P.L. 102-318, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding  
5 section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206 and P.L. 105-277~~ and  
6 changes that indirectly affect the provisions applicable to this subchapter made by  
7 P.L. 102-318, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.  
8 104-188, ~~and P.L. 105-34, P.L. 105-206 and P.L. 105-277~~ apply for Wisconsin  
9 purposes at the same time as for federal purposes.

10 **SECTION 1740g.** 71.26 (2) (b) 8. of the statutes is amended to read:

11 71.26 (2) (b) 8. For taxable years that begin after December 31, 1992, and  
12 before January 1, 1994, for a corporation, conduit or common law trust which  
13 qualifies as a regulated investment company, real estate mortgage investment  
14 conduit or real estate investment trust under the ~~internal revenue code~~ Internal  
15 Revenue Code as amended to December 31, 1992, excluding sections 103, 104 and  
16 110 of P.L. 102-227, and as amended by P.L. 103-66, excluding sections 13101 (a) and  
17 (c) 1., 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L.  
18 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206 and~~  
19 ~~P.L. 105-277~~, and as indirectly affected in the provisions applicable to this  
20 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
21 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104  
22 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
23 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L.  
24 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L.~~  
25 ~~105-206 and P.L. 105-277~~, “net income” means the federal regulated investment



1 company taxable income, federal real estate mortgage investment conduit taxable  
2 income or federal real estate investment trust taxable income of the corporation,  
3 conduit or trust as determined under the ~~internal revenue code~~ Internal Revenue  
4 Code as amended to December 31, 1992, excluding sections 103, 104 and 110 of P.L.  
5 102-227, and as amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1,  
6 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188,  
7 excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L.  
8 105-277, and as indirectly affected in the provisions applicable to this subchapter  
9 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,  
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 13101 (a) and  
12 (c) 1., 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L.  
13 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and  
14 P.L. 105-277, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,  
15 is required to be depreciated for taxable years 1983 to 1986 under the ~~internal~~  
16 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1980, shall  
17 continue to be depreciated under the ~~internal revenue code~~ Internal Revenue Code  
18 as amended to December 31, 1980, and except that the appropriate amount shall be  
19 added or subtracted to reflect differences between the depreciation or adjusted basis  
20 for federal income tax purposes and the depreciation or adjusted basis under this  
21 chapter of any property disposed of during the taxable year. The ~~internal revenue~~  
22 ~~code~~ Internal Revenue Code as amended to December 31, 1992, excluding sections  
23 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 103-66, excluding sections  
24 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L.  
25 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.

1 105-206 and P.L. 105-277, 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 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66,  
6 P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34,  
7 P.L. 105-206 and P.L. 105-277, applies for Wisconsin purposes at the same time as  
8 for federal purposes. Amendments to the ~~internal revenue code~~ Internal Revenue  
9 Code enacted after December 31, 1992, do not apply to this subdivision with respect  
10 to taxable years that begin after December 31, 1992, and before January 1, 1994,  
11 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.  
12 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.  
13 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the  
14 provisions applicable to this subchapter made by P.L. 103-66, P.L. 103-465, P.L.  
15 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and  
16 P.L. 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 1740h.** 71.26 (2) (b) 9. of the statutes is amended to read:

18 71.26 (2) (b) 9. For taxable years that begin after December 31, 1993, and  
19 before January 1, 1995, for a corporation, conduit or common law trust which  
20 qualifies as a regulated investment company, real estate mortgage investment  
21 conduit or real estate investment trust under the ~~internal revenue code~~ Internal  
22 Revenue Code as amended to December 31, 1993, excluding sections 103, 104 and  
23 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and  
24 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465,  
25 P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311

1 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
2 105-277, and as indirectly affected in the provisions applicable to this subchapter  
3 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,  
4 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
5 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
6 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337,  
7 P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding  
8 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L.  
9 105-206 and P.L. 105-277, “net income” means the federal regulated investment  
10 company taxable income, federal real estate mortgage investment conduit taxable  
11 income or federal real estate investment trust taxable income of the corporation,  
12 conduit or trust as determined under the ~~internal revenue code~~ Internal Revenue  
13 Code as amended to December 31, 1993, excluding sections 103, 104 and 110 of P.L.  
14 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L.  
15 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,  
16 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.  
17 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
18 105-277, and as indirectly affected in the provisions applicable to this subchapter  
19 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,  
20 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
21 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
22 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337,  
23 P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding  
24 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, and P.L. 105-34, P.L.  
25 105-206 and P.L. 105-277, except that property that, under s. 71.02 (1) (c) 8. to 11.,

1 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the  
2 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1980,  
3 shall continue to be depreciated under the ~~internal revenue code~~ Internal Revenue  
4 Code as amended to December 31, 1980, and except that the appropriate amount  
5 shall be added or subtracted to reflect differences between the depreciation or  
6 adjusted basis for federal income tax purposes and the depreciation or adjusted basis  
7 under this chapter of any property disposed of during the taxable year. The ~~internal~~  
8 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1993, excluding  
9 sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),  
10 13174, 13203 (d) and 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L.  
11 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188,  
12 excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34,  
13 P.L. 105-206 and P.L. 105-277, and as indirectly affected in the provisions applicable  
14 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
15 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
16 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
17 sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L.  
18 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7,  
19 P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and,  
20 P.L. 105-34, P.L. 105-206 and P.L. 105-277, applies for Wisconsin purposes at the  
21 same time as for federal purposes. Amendments to the ~~internal revenue code~~  
22 Internal Revenue Code enacted after December 31, 1993, do not apply to this  
23 subdivision with respect to taxable years that begin after December 31, 1993, and  
24 before January 1, 1995, except that changes to the ~~internal revenue code~~ Internal  
25 Revenue Code made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,

1 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.  
2 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
3 105-277 and changes that indirectly affect the provisions applicable to this  
4 subchapter made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding  
5 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.  
6 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for  
7 Wisconsin purposes at the same time as for federal purposes.

8 **SECTION 1740i.** 71.26 (2) (b) 10. of the statutes is amended to read:

9 71.26 (2) (b) 10. For taxable years that begin after December 31, 1994, and  
10 before January 1, 1996, for a corporation, conduit or common law trust which  
11 qualifies as a regulated investment company, real estate mortgage investment  
12 conduit or real estate investment trust under the ~~internal revenue code~~ Internal  
13 Revenue Code as amended to December 31, 1994, excluding sections 103, 104 and  
14 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of  
15 P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202,  
16 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34,  
17 P.L. 105-206 and P.L. 105-277, and as indirectly affected in the provisions applicable  
18 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
19 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
20 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
21 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.  
22 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
23 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L.  
24 105-34, P.L. 105-206 and P.L. 105-277, “net income” means the federal regulated  
25 investment company taxable income, federal real estate mortgage investment

1 conduit taxable income or federal real estate investment trust taxable income of the  
2 corporation, conduit or trust as determined under the ~~internal revenue code~~ Internal  
3 Revenue Code as amended to December 31, 1994, excluding sections 103, 104 and  
4 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of  
5 P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202,  
6 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34,  
7 P.L. 105-206 and P.L. 105-277, and as indirectly affected in the provisions applicable  
8 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
9 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
10 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
11 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.  
12 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
13 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, and P.L.  
14 105-34, P.L. 105-206 and P.L. 105-277, except that property that, under s. 71.02 (1)  
15 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
16 under the ~~internal revenue code~~ Internal Revenue Code as amended to  
17 December 31, 1980, shall continue to be depreciated under the ~~internal revenue code~~  
18 Internal Revenue Code as amended to December 31, 1980, and except that the  
19 appropriate amount shall be added or subtracted to reflect differences between the  
20 depreciation or adjusted basis for federal income tax purposes and the depreciation  
21 or adjusted basis under this chapter of any property disposed of during the taxable  
22 year. The ~~internal revenue code~~ Internal Revenue Code as amended to  
23 December 31, 1994, excluding sections 103, 104 and 110 of P.L. 102-227 and sections  
24 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by  
25 P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L.

1 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
2 105-277, and as indirectly affected in the provisions applicable to this subchapter  
3 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,  
4 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
5 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
6 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
7 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of  
8 P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.  
9 105-277, applies for Wisconsin purposes at the same time as for federal purposes.  
10 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after  
11 December 31, 1994, do not apply to this subdivision with respect to taxable years  
12 that begin after December 31, 1994, and before January 1, 1996, except that  
13 changes made by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and  
14 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and  
15 P.L. 105-277 and changes that indirectly affect the provisions applicable to this  
16 subchapter made by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311  
17 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206  
18 and P.L. 105-277 apply for Wisconsin purposes at the same time as for federal  
19 purposes.

20 **SECTION 1740j.** 71.26 (2) (b) 11. of the statutes is amended to read:

21 71.26 (2) (b) 11. For taxable years that begin after December 31, 1995, and  
22 before January 1, 1997, for a corporation, conduit or common law trust which  
23 qualifies as a regulated investment company, real estate mortgage investment  
24 conduit or real estate investment trust under the ~~internal revenue code~~ Internal  
25 Revenue Code as amended to December 31, 1995, excluding sections 103, 104 and

1 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of  
2 P.L. 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204,  
3 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L.  
4 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected in the provisions  
5 applicable to this subchapter 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, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191,  
11 P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, “net  
12 income” means the federal regulated investment company taxable income, federal  
13 real estate mortgage investment conduit taxable income or federal real estate  
14 investment trust taxable income of the corporation, conduit or trust as determined  
15 under the ~~internal revenue code~~ Internal Revenue Code as amended to  
16 December 31, 1995, excluding sections 103, 104 and 110 of P.L. 102-227 and sections  
17 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by  
18 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188,  
19 P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L.  
20 105-277, and as indirectly affected in the provisions applicable to this subchapter  
21 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,  
22 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
23 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
24 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
25 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and



1 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.  
2 105-206 and P.L. 105-277, except that property that, under s. 71.02 (1) (c) 8. to 11.,  
3 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the  
4 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1980,  
5 shall continue to be depreciated under the ~~internal revenue code~~ Internal Revenue  
6 Code as amended to December 31, 1980, and except that the appropriate amount  
7 shall be added or subtracted to reflect differences between the depreciation or  
8 adjusted basis for federal income tax purposes and the depreciation or adjusted basis  
9 under this chapter of any property disposed of during the taxable year. The ~~internal~~  
10 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1995, excluding  
11 sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),  
12 13174 and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188, excluding  
13 sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193,  
14 P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly  
15 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
16 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
17 P.L. 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.  
20 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L.  
21 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277,  
22 applies for Wisconsin purposes at the same time as for federal purposes.  
23 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after  
24 December 31, 1995, do not apply to this subdivision with respect to taxable years  
25 that begin after December 31, 1995, and before January 1, 1997, except that

1 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections  
2 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
3 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly  
4 affect the provisions applicable to this subchapter made by P.L. 104-188, excluding  
5 sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193,  
6 P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for Wisconsin  
7 purposes at the same time as for federal purposes.

8 **SECTION 1740k.** 71.26 (2) (b) 12. of the statutes is amended to read:

9 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and  
10 before January 1, 1998, for a corporation, conduit or common law trust which  
11 qualifies as a regulated investment company, real estate mortgage investment  
12 conduit, real estate investment trust or financial asset securitization investment  
13 trust under the Internal Revenue Code as amended to December 31, 1996, excluding  
14 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
15 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
16 (d) of P.L. 104-188, and as amended by P.L. 105-33 and, P.L. 105-34, P.L. 105-206  
17 and P.L. 105-277, and as indirectly affected in the provisions applicable to this  
18 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
19 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104  
20 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
21 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
22 103-337, P.L. 103-465, P.L. 104-7, 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 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, “net income” means the  
25 federal regulated investment company taxable income, federal real estate mortgage

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

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

18 **SECTION 1740L.** 71.26 (2) (b) 13. of the statutes is amended to read:

19 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and  
20 before January 1, 1999, for a corporation, conduit or common law trust which  
21 qualifies as a regulated investment company, real estate mortgage investment  
22 conduit, real estate investment trust or financial asset securitization investment  
23 trust under the Internal Revenue Code as amended to December 31, 1997, excluding  
24 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174  
25 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605

1 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277,  
2 and as indirectly affected in the provisions applicable to this subchapter by P.L.  
3 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
4 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.  
5 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
6 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
7 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
8 1311 and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L.  
9 105-34, P.L. 105-178, P.L. 105-206 and P.L. 105-277, “net income” means the  
10 federal regulated investment company taxable income, federal real estate mortgage  
11 investment conduit taxable income, federal real estate investment trust or financial  
12 asset securitization investment trust taxable income of the corporation, conduit or  
13 trust as determined under the Internal Revenue Code as amended to December 31,  
14 1997, excluding sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d),  
15 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204  
16 (f), 1311 and 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206  
17 and P.L. 105-277, and as indirectly affected in the provisions applicable to this  
18 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
19 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104  
20 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
21 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
22 103-337, P.L. 103-465, P.L. 104-7, 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 and, P.L. 105-34, P.L. 105-178, P.L. 105-206 and P.L. 105-277, except that  
25 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated

1 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to  
2 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
3 Code as amended to December 31, 1980, and except that the appropriate amount  
4 shall be added or subtracted to reflect differences between the depreciation or  
5 adjusted basis for federal income tax purposes and the depreciation or adjusted basis  
6 under this chapter of any property disposed of during the taxable year. The Internal  
7 Revenue Code as amended to December 31, 1997, excluding sections 103, 104 and  
8 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.  
9 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188,  
10 and as amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277, and as indirectly  
11 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
12 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
13 P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.  
14 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
15 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.  
16 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
17 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-178,  
18 P.L. 105-206 and P.L. 105-277, applies for Wisconsin purposes at the same time as  
19 for federal purposes. Amendments to the Internal Revenue Code enacted after  
20 December 31, 1997, do not apply to this subdivision with respect to taxable years that  
21 begin after December 31, 1997, and before January 1, 1999, except that changes to  
22 the Internal Revenue Code made by P.L. 105-178, P.L. 105-206 and P.L. 105-277 and  
23 changes that indirectly affect the provisions applicable to this subchapter made by  
24 P.L. 105-178, P.L. 105-206 and P.L. 105-277 apply for Wisconsin purposes at the  
25 same time as for federal purposes.

1           **SECTION 1740m.** 71.26 (2) (b) 14. of the statutes is created to read:

2           71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, for a  
3 corporation, conduit or common law trust which qualifies as a regulated investment  
4 company, real estate mortgage investment conduit, real estate investment trust or  
5 financial asset securitization investment trust under the Internal Revenue Code as  
6 amended to December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102–227,  
7 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections  
8 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly  
9 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
10 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,  
11 P.L. 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.  
12 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and  
13 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.  
14 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
15 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
16 105–206 and P.L. 105–277, “net income” means the federal regulated investment  
17 company taxable income, federal real estate mortgage investment conduit taxable  
18 income, federal real estate investment trust or financial asset securitization  
19 investment trust taxable income of the corporation, conduit or trust as determined  
20 under the Internal Revenue Code as amended to December 31, 1998, excluding  
21 sections 103, 104 and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174  
22 and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605  
23 (d) of P.L. 104–188, and as indirectly affected in the provisions applicable to this  
24 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,  
25 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104

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



1 enacted after December 31, 1998, do not apply to this subdivision with respect to  
2 taxable years that begin after December 31, 1998.

3 **SECTION 1740n.** 71.26 (3) (L) of the statutes is amended to read:

4 71.26 (3) (L) Section 265 is excluded and replaced by the rule that any amount  
5 otherwise deductible under this chapter that is directly or indirectly related to  
6 income wholly exempt from taxes imposed by this chapter or to losses from the sale  
7 or other disposition of assets the gain from which would be exempt under this  
8 paragraph if the assets were sold or otherwise disposed of at a gain is not deductible.  
9 In this paragraph, “wholly exempt income”, for corporations subject to franchise or  
10 income taxes, includes ~~amounts received from affiliated or subsidiary corporations~~  
11 ~~for interest, dividends or capital gains that, because of the degree of common~~  
12 ~~ownership, control or management between the payor and payee, are not subject to~~  
13 taxes under this chapter. In this paragraph, “wholly exempt income”, for  
14 corporations subject to income taxation under this chapter, also includes interest on  
15 obligations of the United States. In this paragraph, “wholly exempt income” does not  
16 include income excludable, not recognized, exempt or deductible under specific  
17 provisions of this chapter. If any expense or amount otherwise deductible is  
18 indirectly related both to wholly exempt income or loss and to other income or loss,  
19 a reasonable proportion of the expense or amount shall be allocated to each type of  
20 income or loss, in light of all the facts and circumstances.

21 **SECTION 1741m.** 71.26 (3) (y) of the statutes is amended to read:

22 71.26 (3) (y) A corporation may compute amortization and depreciation under  
23 either the federal ~~internal revenue code~~ Internal Revenue Code as amended to  
24 December 31, ~~1997~~ 1998, or the federal ~~internal revenue code~~ Internal Revenue Code  
25 in effect for the taxable year for which the return is filed, except that property first

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

9 **SECTION 1741n.** 71.28 (1di) (a) (intro.) of the statutes is amended to read:

10 71.28 (1di) (a) (intro.) Except as provided in pars. (dm) and (f) and s. 73.03 (35),  
11 for any taxable year for which the person is ~~certified under s. 560.765 (3) for~~ entitled  
12 under s. 560.795 (3) to claim tax benefits, any person may claim as a credit against  
13 taxes otherwise due under this chapter 2.5% of the purchase price of depreciable,  
14 tangible personal property, or 1.75% of the purchase price of depreciable, tangible  
15 personal property that is expensed under section 179 of the internal revenue code for  
16 purposes of the taxes under this chapter, except that:

17 **SECTION 1741o.** 71.28 (1di) (a) 1. of the statutes is amended to read:

18 71.28 (1di) (a) 1. The investment must be in property that is purchased after  
19 the person is ~~certified under s. 560.765 (3) for~~ entitled under s. 560.795 (3) to claim  
20 tax benefits and that is used for at least 50% of its use in the conduct of the person's  
21 business operations ~~for which the claimant is certified under s. 560.765 (3) at a~~  
22 location in a development zone under subch. VI of ch. 560 or, if the property is mobile,  
23 the base of operations of the property for at least 50% of its use must be a location  
24 in a development zone.

25 **SECTION 1741p.** 71.28 (1di) (d) 1. of the statutes is amended to read:

1           71.28 (1di) (d) 1. A copy of ~~the claimant's certification for a verification from~~  
2 the department of commerce that the claimant may claim tax benefits under s.  
3 ~~560.765 (3)~~ 560.795 (3).

4           **SECTION 1741pm.** 71.28 (1di) (f) of the statutes is amended to read:

5           71.28 (1di) (f) ~~If the certification of a person for who is entitled under s. 560.795~~  
6 (3) to claim tax benefits under s. ~~560.765 (3)~~ is revoked becomes ineligible for such  
7 tax benefits, that person may claim no credits under this subsection for the taxable  
8 year that includes the day on which the ~~certification is revoked~~ person becomes  
9 ineligible for tax benefits or succeeding taxable years and that person may carry over  
10 no unused credits from previous years to offset tax under this chapter for the taxable  
11 year that includes the day on which ~~certification is revoked~~ the person becomes  
12 ineligible for tax benefits or succeeding taxable years.

13           **SECTION 1741pn.** 71.28 (1di) (g) of the statutes is amended to read:

14           71.28 (1di) (g) If a person who is ~~certified under s. 560.765 (3)~~ for entitled under  
15 s. 560.795 (3) to claim tax benefits ceases business operations in the development  
16 zone during any of the taxable years that that zone exists, that person may not carry  
17 over to any taxable year following the year during which operations cease any  
18 unused credits from the taxable year during which operations cease or from previous  
19 taxable years.

20           **SECTION 1741pp.** 71.28 (1di) (j) of the statutes is amended to read:

21           71.28 (1di) (j) No credit may be claimed under this subsection for taxable years  
22 that begin ~~on January 1, 1998, or thereafter~~ after December 31, 1997, and end before  
23 January 1, 2000. Credits under this subsection for taxable years that begin before  
24 January 1, 1998, may be carried forward to taxable years that begin on January 1,  
25 1998, or thereafter.

1           **SECTION 1741t.** 71.28 (1dj) (am) 1. of the statutes is amended to read:

2           71.28 (1dj) (am) 1. Modify “member of a targeted group”, as defined in section  
3 51 (d) of the internal revenue code as amended to December 31, 1995, to include  
4 persons unemployed as a result of a business action subject to s. 109.07 (1m) and  
5 ~~persons specified under 29 USC 1651 (a) dislocated workers, as defined in 29 USC~~  
6 2801 (9), and to require a member of a targeted group to be a resident of this state.

7           **SECTION 1741v.** 71.28 (1dj) (am) 2. of the statutes is amended to read:

8           71.28 (1dj) (am) 2. Modify “designated local agency”, as defined in section 51  
9 (d) (15) of the internal revenue code, to include the ~~job training partnership act~~  
10 ~~organization~~ local workforce development board established under 29 USC 2832 for  
11 the area that includes the development zone in which the employe in respect to whom  
12 the credit under this subsection is claimed works, if the department of commerce  
13 approves the criteria used for certification, and the department of commerce.

14           **SECTION 1742.** 71.28 (1dj) (am) 3. of the statutes is amended to read:

15           71.28 (1dj) (am) 3. Modify the rule for certification under section 51 (d) (16) (A)  
16 of the internal revenue code to allow certification within the ~~90-day~~ period beginning  
17 with the first day of employment of the employe ~~by the claimant~~.

18           **SECTION 1742g.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

19           71.28 (1dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject  
20 to s. 560.785, for any taxable year for which the person is entitled under s. 560.795  
21 (3) to claim tax benefits or certified under s. 560.765 (3) or 560.797 (4) any person  
22 may claim as a credit against taxes imposed on the person’s income from the person’s  
23 business activities in a development zone under this subchapter the following  
24 amounts:

25           **SECTION 1743.** 71.28 (1dx) (b) 4. of the statutes is amended to read:

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1           71.28 (1dx) (b) 4. The amount determined by multiplying the amount  
2 determined under s. 560.785 (1) ~~(b)~~ (bm) by the number of full-time jobs retained,  
3 as provided in the rules under s. 560.785, excluding jobs for which a credit has been  
4 claimed under sub. (1dj), in a an enterprise development zone under s. 560.797 and  
5 filled by a member of a targeted group for which significant capital investment was  
6 made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

7           **SECTION 1743b.** 71.28 (1dx) (c) of the statutes is amended to read:

8           71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits  
9 under s. 560.765 (3) or 560.797 (4) is revoked, or if the person becomes ineligible for  
10 tax benefits under s. 560.795 (3), that person may not claim credits under this  
11 subsection for the taxable year that includes the day on which the certification is  
12 revoked; the taxable year that includes the day on which the person becomes  
13 ineligible for tax benefits; or succeeding taxable years and that person may not carry  
14 over unused credits from previous years to offset tax under this chapter for the  
15 taxable year that includes the day on which certification is revoked; the taxable year  
16 that includes the day on which the person becomes ineligible for tax benefits; or  
17 succeeding taxable years.

18           **SECTION 1743bb.** 71.28 (1dx) (d) of the statutes is amended to read:

19           71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.  
20 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) or 560.797 (4) for tax  
21 benefits ceases business operations in the development zone during any of the  
22 taxable years that that zone exists, that person may not carry over to any taxable  
23 year following the year during which operations cease any unused credits from the  
24 taxable year during which operations cease or from previous taxable years.

25           **SECTION 1743d.** 71.28 (1dy) of the statutes is created to read:

1           71.28 (1dy) SUSTAINABLE URBAN DEVELOPMENT ZONE CREDIT. (a) *Definitions*. In  
2 this subsection:

3           1. “Brownfield” has the meaning given in sub. (1dx) (a) 1.

4           2. “Environmental remediation” means removal or containment of  
5 environmental pollution, as defined in s. 299.01 (4), and restoration of soil or  
6 groundwater that is affected by environmental pollution, as defined in s. 299.01 (4),  
7 in a brownfield and investigation unless the investigation determines that  
8 remediation is required but remediation is not undertaken.

9           (b) *Credit*. For any taxable year for which the person is certified under s. 292.77  
10 (5), a person may claim as a credit against taxes imposed under this subchapter 50%  
11 of the amount expended for environmental remediation under the program under s.  
12 292.77.

13           (c) *Administration*. Subsection (1dx) (c), (d) and (e), as it applies to the credit  
14 under sub. (1dx), applies to the credit under this subsection.

15  
16           **SECTION 1744bd.** 71.28 (2m) (b) 1. a. of the statutes is amended to read:

17           71.28 (2m) (b) 1. a. Subject to the limitations provided in this subsection and  
18 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income or  
19 franchise taxes otherwise due, the amount derived under par. (c). If the allowable  
20 amount of claim exceeds the income or franchise taxes otherwise due on or measured  
21 by the claimant’s income or if there are no Wisconsin income or franchise taxes due  
22 on or measured by the claimant’s income, the amount of the claim not used as an  
23 offset against income or franchise taxes shall be certified to the department of  
24 administration for payment to the claimant by check, share draft or other draft paid  
25 from the ~~appropriation~~ appropriations under s. 20.835 (2) ~~(q)~~ (dn) and (ka).

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