

1 **SECTION 1744be.** 71.28 (2m) (b) 1. a. of the statutes, as affected by 1999
2 Wisconsin Act (this act), is repealed and recreated to read:

3 71.28 (2m) (b) 1. a. Subject to the limitations provided in this subsection and
4 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income
5 taxes otherwise due, the amount derived under par. (c). If the allowable amount of
6 claim exceeds the income taxes otherwise due on the claimant's income or if there are
7 no Wisconsin income taxes due on the claimant's income, the amount of the claim not
8 used as an offset against income taxes shall be certified to the department of
9 administration for payment to the claimant by check, share draft or other draft paid
10 from the appropriations under s. 20.835 (2) (ka) and (q).

11 **SECTION 1744bf.** 71.28 (2m) (c) 3. of the statutes, as created by 1999 Wisconsin
12 Act 5, is amended to read:

13 71.28 (2m) (c) 3. The department shall annually adjust the percentage that is
14 used to determine the amount of a claim under subd. 1. based on the estimated
15 number of claims and the amount estimated to be expended from the appropriation
16 under s. 20.835 (2) ~~(q)~~ (dn), as determined under s. 79.13. The department shall
17 incorporate the annually adjusted percentage into the income tax forms and
18 instructions.

19 **SECTION 1744bg.** 71.28 (2m) (c) 3. of the statutes, as affected by 1999 Wisconsin
20 Act (this act), is repealed and recreated to read:

21 71.28 (2m) (c) 3. The department shall annually adjust the percentage that is
22 used to determine the amount of a claim under subd. 1. based on the estimated
23 number of claims and the amount estimated to be expended from the appropriation
24 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall

1 incorporate the annually adjusted percentage into the income tax forms and
2 instructions.

3 **SECTION 1745.** 71.28 (4) (a) of the statutes is amended to read:

4 71.28 (4) (a) *Credit.* Any corporation may credit against taxes otherwise due
5 under this chapter an amount equal to 5% of the amount obtained by subtracting
6 from the corporation's qualified research expenses, as defined in section 41 of the
7 internal revenue code, except that "qualified research expenses" includes only
8 expenses incurred by the claimant, incurred for research conducted in this state for
9 the taxable year, except that a taxpayer may elect the alternative computation under
10 section 41 (c) (4) of the Internal Revenue Code and that election applies until the
11 department permits its revocation and except that "qualified research expenses"
12 does not include compensation used in computing the credit under subs. (1dj) and
13 (1dx), the corporation's base amount, as defined in section 41 (c) of the internal
14 revenue code, except that gross receipts used in calculating the base amount means
15 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and
16 (d), (dc), (dg), (dn) and (dr). Section 41 (h) of the internal revenue code does not apply
17 to the credit under this paragraph.

18 **SECTION 1746d.** 71.28 (4) (i) of the statutes is amended to read:

19 71.28 (4) (i) *Nonclaimants.* The credits under this subsection may not be
20 claimed by a partnership, except a publicly traded partnership treated as a
21 corporation under s. 71.22 (1) (1g), limited liability company, except a limited liability
22 company treated as a corporation under s. 71.22 (1) (1g), or tax-option corporation
23 or by partners, including partners of a publicly traded partnership, members of a

24 **SECTION 1747m.** 71.30 (3) (eon) of the statutes is created to read:

25 71.30 (3) (eon) Sustainable urban development zone credit under s. 71.28 (1dy).

1 **SECTION 1748b.** 71.30 (10) of the statutes is created to read:

2 71.30 (10) ENDANGERED RESOURCES. (a) *Definitions.* In this subsection:

3 1. “Conservation fund” means the fund under s. 25.29.

4 2. “Endangered resources program” means purchasing or improving land or
5 habitats for any native Wisconsin endangered or threatened species, as defined in
6 s. 29.604 (2) (a) or (b), or for any nongame species, as defined in s. 29.001 (60);
7 conducting the natural heritage inventory program under s. 23.27 (3); conducting
8 wildlife and resource research and surveys; providing wildlife management services;
9 providing for wildlife damage control or the payment of claims for damage associated
10 with endangered or threatened species; and the payment of administrative expenses
11 related to the administration of this subsection.

12 (b) *Voluntary payments.* 1. ‘Designation on return.’ A corporation filing an
13 income or franchise tax return may designate on the return any amount of additional
14 payment or any amount of a refund that is due the corporation for the endangered
15 resources program.

16 2. ‘Designation added to tax owed.’ If the corporation owes any tax, the
17 corporation shall remit in full the tax due and the amount designated on the return
18 for the endangered resources program when the corporation files a tax return.

19 3. ‘Designation deducted from refund.’ Except as provided under par. (d), and
20 subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the
21 department shall deduct the amount designated on the return for the endangered
22 resources program from the amount of the refund.

23 (c) *Errors; failure to remit correct amount.* 1. ‘Reduced designation.’ If a
24 corporation remits an amount that exceeds the tax due, after error corrections, but
25 that is less than the total of the tax due, after error corrections, and the amount that

1 is designated by the corporation on the return for the endangered resources program,
2 the department shall reduce the designation for the endangered resources program
3 to reflect the amount remitted that exceeds the tax due, after error corrections.

4 2. 'Void designation.' The designation for the endangered resources program
5 is void if the corporation remits an amount equal to or less than the tax due, after
6 error corrections.

7 (d) *Errors; insufficient refund.* If a corporation is owed a refund that is less than
8 the amount designated on the return for the endangered resources program, after
9 attachment and crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,
10 the department shall reduce the designation for the endangered resources program
11 to reflect the actual amount of the refund the corporation is otherwise owed.

12 (e) *Conditions.* If a corporation places any conditions on a designation for the
13 endangered resources program, the designation is void.

14 (f) *Void designation.* If a designation for the endangered resources program is
15 void, the department shall disregard the designation and determine the amounts
16 due, owed, refunded and received.

17 (g) *Tax return.* The secretary of revenue shall provide a place for the
18 designations under this subsection on the corporate income and franchise tax
19 returns and the secretary shall highlight that place on the returns by a symbol
20 chosen by the department that relates to endangered resources.

21 (h) *Certification of amounts.* Annually, on or before September 15, the
22 secretary of revenue shall certify to the department of natural resources, the
23 department of administration and the state treasurer:

1 1. The total amount of the administrative costs, including data processing
2 costs, incurred by the department of revenue in administering this subsection during
3 the previous fiscal year.

4 2. The total amount received from all designations for the endangered
5 resources program made by corporations during the previous fiscal year.

6 3. The net amount remaining after the administrative costs under subd. 1. are
7 subtracted from the total received under subd. 2.

8 (i) *Appropriations.* From the moneys received from designations for the
9 endangered resources program, an amount equal to the sum of administrative
10 expenses certified under par. (h) 1. shall be deposited into the general fund and
11 credited to the appropriation under s. 20.566 (1) (hp), and the net amount remaining
12 certified under par. (h) 3. shall be deposited into the conservation fund and credited
13 to the appropriation under s. 20.370 (1) (fs).

14 (j) *Refunds.* An amount designated for the endangered resources program
15 under this subsection is not subject to refund to a corporation that designates a
16 donation under par. (b) unless the corporation submits information to the
17 satisfaction of the department within 18 months from the date that taxes are due
18 from the corporation or from the date that the corporation filed the return, whichever
19 is later, that the amount designated is clearly in error. A refund granted by the
20 department under this paragraph shall be deducted from the moneys received under
21 this subsection in the fiscal year that the refund is certified under 71.75 (7).

22 **SECTION 1748bm.** 71.34 (1) (g) of the statutes is amended to read:

23 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
24 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy) and (3)
25 and passed through to shareholders.

1 **SECTION 1748c.** 71.34 (1g) (e) of the statutes is repealed.

2 **SECTION 1748d.** 71.34 (1g) (f) of the statutes is amended to read:

3 71.34 (1g) (f) “Internal ~~revenue code~~ Revenue Code” for tax-option
4 corporations, for taxable years that begin after December 31, 1990, and before
5 January 1, 1992, means the federal ~~internal revenue code~~ Internal Revenue Code as
6 amended to December 31, 1990, and as amended by P.L. 102–227, P.L. 102–486, P.L.
7 103–66, P.L. 104–188, excluding section 1311 of P.L. 104–188, and P.L. 105–34, P.L.
8 105–206 and P.L. 105–277, and as indirectly affected in the provisions applicable to
9 this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803
10 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514 and section
11 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,
12 P.L. 101–508, P.L. 102–227, P.L. 102–486, P.L. 103–66, P.L. 104–188, excluding
13 section 1311 of P.L. 104–188, and P.L. 105–34, P.L. 105–206 and P.L. 105–277, except
14 that section 1366 (f) (relating to pass-through of items to shareholders) is modified
15 by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375.
16 The ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin purposes at
17 the same time as for federal purposes. Amendments to the federal ~~internal revenue~~
18 ~~code~~ Internal Revenue Code enacted after December 31, 1990, do not apply to this
19 paragraph with respect to taxable years beginning after December 31, 1990, and
20 before January 1, 1992, except that changes to the ~~internal revenue code~~ Internal
21 Revenue Code made by P.L. 102–227, P.L. 102–486, P.L. 103–66, P.L. 104–188,
22 excluding section 1311 of P.L. 104–188, and P.L. 105–34, P.L. 105–206 and P.L.
23 105–277 and changes that indirectly affect provisions applicable to this subchapter
24 made by P.L. 102–227, P.L. 102–486, P.L. 103–66, P.L. 104–188, excluding section

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

3 **SECTION 1748e.** 71.34 (1g) (g) of the statutes is amended to read:

4 71.34 (1g) (g) “~~Internal revenue code~~ Revenue Code” for tax-option
5 corporations, for taxable years that begin after December 31, 1991, and before
6 January 1, 1993, means the federal ~~internal revenue code~~ Internal Revenue Code as
7 amended to December 31, 1991, excluding sections 103, 104 and 110 of P.L. 102-227,
8 and as amended by P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
9 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding section
10 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
11 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
12 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
13 (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,
15 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
16 103-66, excluding sections 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103-66, P.L.
17 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and
18 P.L. 105-277, except that section 1366 (f) (relating to pass-through of items to
19 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
20 sections 1374 and 1375. The ~~internal revenue code~~ Internal Revenue Code applies
21 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
22 federal ~~internal revenue code~~ Internal Revenue Code enacted after
23 December 31, 1991, do not apply to this paragraph with respect to taxable years
24 beginning after December 31, 1991, and before January 1, 1993, except that
25 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 102-318,

1 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and
2 P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the
3 provisions applicable to this subchapter made by P.L. 102-318, P.L. 102-486, P.L.
4 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.
5 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for
6 federal purposes.

7 **SECTION 1748f.** 71.34 (1g) (h) of the statutes is amended to read:

8 71.34 (1g) (h) “~~Internal revenue code~~ Revenue Code” for tax-option
9 corporations, for taxable years that begin after December 31, 1992, and before
10 January 1, 1994, means the federal ~~internal revenue code~~ Internal Revenue Code as
11 amended to December 31, 1992, excluding sections 103, 104 and 110 of P.L. 102-227,
12 and as amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150,
13 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section
14 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
15 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
16 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
17 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
18 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
19 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
20 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203
21 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188,
22 and P.L. 105-34, P.L. 105-206 and P.L. 105-277, except that section 1366 (f) (relating
23 to pass-through of items to shareholders) is modified by substituting the tax under
24 s. 71.35 for the taxes under sections 1374 and 1375. The ~~internal revenue code~~
25 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal

1 purposes. Amendments to the federal ~~internal revenue code~~ Internal Revenue Code
2 enacted after December 31, 1992, do not apply to this paragraph with respect to
3 taxable years beginning after December 31, 1992, and before January 1, 1994,
4 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.
5 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.
6 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the
7 provisions applicable to this subchapter made by P.L. 103-66, P.L. 103-465, P.L.
8 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and
9 P.L. 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

10 **SECTION 1748g.** 71.34 (1g) (i) of the statutes is amended to read:

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

1 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
2 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, except that
3 section 1366 (f) (relating to pass-through of items to shareholders) is modified by
4 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
5 ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin purposes at the
6 same time as for federal purposes. Amendments to the federal ~~internal revenue code~~
7 Internal Revenue Code enacted after December 31, 1993, do not apply to this
8 paragraph with respect to taxable years beginning after December 31, 1993, and
9 before January 1, 1995, except that changes to the ~~internal revenue code~~ Internal
10 Revenue Code made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
11 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
12 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.
13 105-277 and changes that indirectly affect the provisions applicable to this
14 subchapter made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding
15 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
16 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for
17 Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 1748h.** 71.34 (1g) (j) of the statutes is amended to read:

19 71.34 (1g) (j) “~~Internal revenue code~~ Revenue Code” for tax-option
20 corporations, for taxable years that begin after December 31, 1994, and before
21 January 1, 1996, means the federal ~~internal revenue code~~ Internal Revenue Code as
22 amended to December 31, 1994, excluding sections 103, 104 and 110 of P.L. 102-227
23 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as
24 amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605
25 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.

1 105-277, and as indirectly affected in the provisions applicable to this subchapter
2 by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d)
3 (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
4 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
5 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.
6 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
7 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
8 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L.
9 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, except that
10 section 1366 (f) (relating to pass-through of items to shareholders) is modified by
11 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
12 ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin purposes at the
13 same time as for federal purposes. Amendments to the federal ~~internal revenue code~~
14 Internal Revenue Code enacted after December 31, 1994, do not apply to this
15 paragraph with respect to taxable years beginning after December 31, 1994, and
16 before January 1, 1996, except changes to the ~~internal revenue code~~ Internal
17 Revenue Code made by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311
18 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206
19 and P.L. 105-277 and changes that indirectly affect the provisions applicable to this
20 subchapter made by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311
21 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206
22 and P.L. 105-277, apply for Wisconsin purposes at the same time as for federal
23 purposes.

24 **SECTION 1748i.** 71.34 (1g) (k) of the statutes is amended to read:

1 71.34 (1g) (k) “~~Internal revenue code~~ Revenue Code” for tax-option
2 corporations, for taxable years that begin after December 31, 1995, and before
3 January 1, 1997, means the federal ~~internal revenue code~~ Internal Revenue Code as
4 amended to December 31, 1995, excluding sections 103, 104 and 110 of P.L. 102-227
5 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as
6 amended by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L.
7 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and
8 P.L. 105-277, and as indirectly affected in the provisions applicable to this
9 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2)
10 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008
11 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
12 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
13 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
14 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
15 104-7, P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L.
16 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and
17 P.L. 105-277, except that section 1366 (f) (relating to pass-through of items to
18 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
19 sections 1374 and 1375. The ~~internal revenue code~~ Internal Revenue Code applies
20 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
21 federal ~~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 1748j.** 71.34 (1g) (L) of the statutes is amended to read:

7 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable
8 years that begin after December 31, 1996, and before January 1, 1998, means the
9 federal Internal Revenue Code as amended to December 31, 1996, excluding
10 sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174
11 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605
12 (d) of P.L. 104-188, and as amended by P.L. 105-33 and, P.L. 105-34, P.L. 105-206
13 and P.L. 105-277, and as indirectly affected in the provisions applicable to this
14 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2)
15 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008
16 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
17 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
18 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
19 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
20 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
21 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.
22 105-206 and P.L. 105-277, except that section 1366 (f) (relating to pass-through of
23 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
24 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
25 purposes at the same time as for federal purposes. Amendments to the federal

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

8 **SECTION 1748k.** 71.34 (1g) (m) of the statutes is amended to read:

9 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
10 years that begin after December 31, 1997, and before January 1, 1999, means the
11 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
12 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and
13 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
14 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277,
15 and as indirectly affected in the provisions applicable to this subchapter by P.L.
16 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812
17 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647,
18 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
19 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
20 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
21 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
22 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L.
23 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-178, P.L. 105-206 and
24 P.L. 105-277, except that section 1366 (f) (relating to pass-through of items to
25 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under

1 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
2 at the same time as for federal purposes. Amendments to the federal Internal
3 Revenue Code enacted after December 31, 1997, do not apply to this paragraph with
4 respect to taxable years beginning after December 31, 1997, and before January 1,
5 1999, except that changes to the Internal Revenue Code made by P.L. 105-178, P.L.
6 105-206 and P.L. 105-277 and changes that indirectly affect the provisions
7 applicable to this subchapter made by P.L. 105-178, P.L. 105-206 and P.L. 105-277
8 apply for Wisconsin purposes at the same time as for federal purposes.

9 **SECTION 1748L.** 71.34 (1g) (n) of the statutes is created to read:

10 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable
11 years that begin after December 31, 1998, means the federal Internal Revenue Code
12 as amended to December 31, 1998, excluding sections 103, 104 and 110 of P.L.
13 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and
14 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as
15 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
16 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
17 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
18 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
19 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
20 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
21 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
22 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L.
23 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206 and P.L.
24 105-277, except that section 1366 (f) (relating to pass-through of items to
25 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under

1 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
2 at the same time as for federal purposes. Amendments to the federal Internal
3 Revenue Code enacted after December 31, 1998, do not apply to this paragraph with
4 respect to taxable years beginning after December 31, 1998.

5 **SECTION 1748Lm.** 71.362 (1) of the statutes is amended to read:

6 71.362 (1) All tax-option items of nonresident individuals, nonresident estates
7 and nonresident trusts derived from a tax-option corporation not requiring
8 apportionment under sub. (2) shall follow the situs of the business of the corporation
9 from which they are derived, except that all income that is realized from the sale of
10 or purchase and subsequent sale or redemption of lottery prizes if the winning tickets
11 were originally bought in this state shall be allocated to this state.

12 **SECTION 1748Ln.** 71.362 (2) of the statutes is amended to read:

13 71.362 (2) Nonresident individuals, nonresident estates and nonresident
14 trusts deriving income from a tax-option corporation which is engaged in business
15 within and without this state shall be taxed only on the income of the corporation
16 derived from business transacted and property located in this state and losses and
17 other items of the corporation deductible by such shareholders shall be limited to
18 their proportionate share of the Wisconsin loss or other item, except that all income
19 that is realized from the sale of or purchase and subsequent sale or redemption of
20 lottery prizes if the winning tickets were originally bought in this state shall be
21 allocated to this state. For purposes of this subsection, all intangible income of
22 tax-option corporations passed through to shareholders is business income that
23 follows the situs of the business, except that all income that is realized from the sale
24 of or purchase and subsequent sale or redemption of lottery prizes if the winning
25 tickets were originally bought in this state shall be allocated to this state.

1 **SECTION 1748m.** 71.365 (1m) of the statutes is amended to read:

2 71.365 (1m) TAX-OPTION CORPORATIONS; DEPRECIATION. A tax-option corporation
3 may compute amortization and depreciation under either the federal ~~internal~~
4 ~~revenue code~~ Internal Revenue Code as amended to December 31, ~~1997~~ 1998, or the
5 federal ~~internal revenue code~~ Internal Revenue Code in effect for the taxable year
6 for which the return is filed, except that property first placed in service by the
7 taxpayer on or after January 1, 1983, but before January 1, 1987, that, under s.
8 71.04 (15) (b) and (br), 1985 stats., is required to be depreciated under the ~~internal~~
9 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1980, and
10 property first placed in service in taxable year 1981 or thereafter but before
11 January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is required to be
12 depreciated under the ~~internal revenue code~~ Internal Revenue Code as amended to
13 December 31, 1980, shall continue to be depreciated under the ~~internal revenue code~~
14 Internal Revenue Code as amended to December 31, 1980. Any difference between
15 the adjusted basis for federal income tax purposes and the adjusted basis under this
16 chapter shall be taken into account in determining net income or loss in the year or
17 years for which the gain or loss is reportable under this chapter. If that property was
18 placed in service by the taxpayer during taxable year 1986 and thereafter but before
19 the property is used in the production of income subject to taxation under this
20 chapter, the property's adjusted basis and the depreciation or other deduction
21 schedule are not required to be changed from the amount allowable on the owner's
22 federal income tax returns for any year because the property is used in the
23 production of income subject to taxation under this chapter. If that property was
24 acquired in a transaction in taxable year 1986 or thereafter in which the adjusted
25 basis of the property in the hands of the transferee is the same as the adjusted basis

1 of the property in the hands of the transferor, the Wisconsin adjusted basis of that
2 property on the date of transfer is the adjusted basis allowable under the ~~internal~~
3 ~~revenue code~~ Internal Revenue Code as defined for Wisconsin purposes for the
4 property in the hands of the transferor.

5 **SECTION 1748n.** 71.42 (2) (d) of the statutes is repealed.

6 **SECTION 1748p.** 71.42 (2) (e) of the statutes is amended to read:

7 71.42 (2) (e) For taxable years that begin after December 31, 1990, and before
8 January 1, 1992, "~~internal revenue code~~ Internal Revenue Code" means the federal
9 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1990,
10 and as amended by P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding
11 section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, and
12 as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
13 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, P.L. 102-486, P.L.
14 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.
15 105-206 and P.L. 105-277, except that "~~internal revenue code~~ Internal Revenue
16 Code" does not include section 847 of the federal ~~internal revenue code~~ Internal
17 Revenue Code. The ~~internal revenue code~~ Internal Revenue Code applies for
18 Wisconsin purposes at the same time as for federal purposes. Amendments to the
19 federal ~~internal revenue code~~ Internal Revenue Code enacted after
20 December 31, 1990, do not apply to this paragraph with respect to taxable years
21 beginning 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 federal ~~internal revenue code~~ Internal Revenue Code made by P.L. 102-227, P.L.

1 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.
2 105-34, P.L. 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same
3 time as for federal purposes.

4 **SECTION 1748q.** 71.42 (2) (f) of the statutes is amended to read:

5 71.42 (2) (f) For taxable years that begin after December 31, 1991, and before
6 January 1, 1993, "~~internal revenue code~~ Internal Revenue Code" 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 by P.L. 99-514,
12 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
13 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
14 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13171 and
15 13174 of 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, except that "~~internal revenue code~~ Internal
17 Revenue Code" does not include section 847 of the federal ~~internal revenue code~~
18 Internal Revenue Code. The ~~internal revenue code~~ Internal Revenue Code applies
19 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
20 federal ~~internal revenue code~~ Internal Revenue Code enacted after
21 December 31, 1991, do not apply to this paragraph with respect to taxable years
22 beginning after December 31, 1991, and before January 1, 1993, except that
23 changes to the internal revenue code made by P.L. 102-318, P.L. 102-486, P.L.
24 103-66, 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 and changes that indirectly affect the federal internal

1 revenue code made by P.L. 102-318, P.L. 102-486, P.L. 103-66, P.L. 104-188,
2 excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L.
3 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

4 **SECTION 1748r.** 71.42 (2) (g) of the statutes is amended to read:

5 71.42 (2) (g) For taxable years that begin after December 31, 1992, and before
6 January 1, 1994, "~~internal revenue code~~ Internal Revenue Code" means the federal
7 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1992,
8 excluding sections 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 103-66,
9 excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L.
10 103-66, P.L. 103-465, 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 by P.L. 99-514,
12 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
13 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
14 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113,
15 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding
16 section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, except
17 that "~~internal revenue code~~ Internal Revenue Code" does not include section 847 of
18 the federal ~~internal revenue code~~ Internal Revenue Code. 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, 1992, do not apply to this paragraph with respect to
22 taxable years beginning after December 31, 1992, and before January 1, 1994,
23 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.
24 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.
25 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the federal

1 ~~internal revenue code~~ Internal Revenue Code made by P.L. 103-66, P.L. 103-465,
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, apply for Wisconsin purposes at the same time as for federal
4 purposes.

5 **SECTION 1748s.** 71.42 (2) (h) of the statutes is amended to read:

6 71.42 (2) (h) For taxable years that begin after December 31, 1993, and before
7 January 1, 1995, "~~internal revenue code~~ Internal Revenue Code" means the federal
8 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1993
9 excluding sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d),
10 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, and as amended by P.L.
11 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7,
12 P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and,
13 P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected by P.L.
14 99-514, P.L. 100-203, 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 and P.L. 103-66, excluding sections 13113,
17 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296, P.L.
18 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188,
19 excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34,
20 P.L. 105-206 and P.L. 105-277, except that "~~internal revenue code~~ Internal Revenue
21 Code" does not include section 847 of the federal ~~internal revenue code~~ Internal
22 Revenue Code. The ~~internal revenue code~~ Internal Revenue Code applies for
23 Wisconsin purposes at the same time as for federal purposes. Amendments to the
24 federal ~~internal revenue code~~ Internal Revenue Code enacted after
25 December 31, 1993, do not apply to this paragraph with respect to taxable years

1 beginning after December 31, 1993, and before January 1, 1995, except that
2 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 103-296,
3 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.
4 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L.
5 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the
6 provisions applicable to this subchapter made by P.L. 103-296, P.L. 103-337, P.L.
7 103-465, 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, apply for Wisconsin purposes at the same time as for
10 federal purposes.

11 **SECTION 1748t.** 71.42 (2) (i) of the statutes is amended to read:

12 71.42 (2) (i) For taxable years that begin after December 31, 1994, and before
13 January 1, 1996, "~~internal revenue code~~ Internal Revenue Code" means the federal
14 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1994,
15 excluding sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d),
16 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L.
17 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L.
18 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
19 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
20 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
21 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
22 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.
23 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
24 1202, 1204, 1311 and 1605 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, except that "~~internal revenue code~~ Internal

1 Revenue Code” does not include section 847 of the federal ~~internal revenue code~~
2 Internal Revenue Code. The ~~internal revenue code~~ Internal Revenue Code applies
3 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
4 federal ~~internal revenue code~~ Internal Revenue Code enacted after
5 December 31, 1994, do not apply to this paragraph with respect to taxable years
6 beginning after December 31, 1994, and before January 1, 1996, except that
7 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 104-7, P.L.
8 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L.
9 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes
10 that indirectly affect the provisions applicable to this subchapter made by P.L. 104-7,
11 P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L.
12 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for
13 Wisconsin purposes at the same time as for federal purposes.

14 **SECTION 1748u.** 71.42 (2) (j) of the statutes is amended to read:

15 71.42 (2) (j) For taxable years that begin after December 31, 1995, and before
16 January 1, 1997, “~~internal revenue code~~ Internal Revenue Code” means the federal
17 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1995,
18 excluding sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d),
19 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188,
20 excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191,
21 P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
22 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
23 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
24 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
25 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.

1 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, 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, except that “~~internal~~
4 ~~revenue code~~ Internal Revenue Code” does not include section 847 of the federal
5 ~~internal revenue code~~ Internal Revenue Code. The ~~internal revenue code~~ Internal
6 Revenue Code applies for Wisconsin purposes at the same time as for federal
7 purposes. Amendments to the federal ~~internal revenue code~~ Internal Revenue Code
8 enacted after December 31, 1995, do not apply to this paragraph with respect to
9 taxable years beginning after December 31, 1995, and before January 1, 1997,
10 except that changes to the Internal Revenue Code made by P.L. 104-188, excluding
11 sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193,
12 P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and changes that
13 indirectly affect the provisions applicable to this subchapter made by P.L. 104-188,
14 excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191,
15 P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for
16 Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 1748v.** 71.42 (2) (k) of the statutes is amended to read:

18 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
19 January 1, 1998, “Internal Revenue Code” means the federal Internal Revenue Code
20 as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.
21 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and
22 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as
23 amended by P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
24 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
25 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections

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

16 **SECTION 1748w.** 71.42 (2) (L) of the statutes is amended to read:

17 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
18 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code
19 as amended to December 31, 1997, excluding sections 103, 104 and 110 of P.L.
20 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and
21 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as
22 amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277, and as indirectly affected
23 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,
24 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.
25 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150

1 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
2 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311
3 and 1605 (d) 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. 105–178, P.L. 105–206 and P.L. 105–277, except that “Internal Revenue
5 Code” does not include section 847 of the federal Internal Revenue Code. The
6 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
7 purposes. Amendments to the federal Internal Revenue Code enacted after
8 December 31, 1997, do not apply to this paragraph with respect to taxable years
9 beginning after December 31, 1997, and before January 1, 1999, except that changes
10 to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206 and P.L. 105–277
11 and changes that indirectly affect the provisions applicable to this subchapter made
12 by P.L. 105–178, P.L. 105–206 and P.L. 105–277 apply for Wisconsin purposes at the
13 same time as for federal purposes.

14 **SECTION 1748x.** 71.42 (2) (m) of the statutes is created to read:

15 71.42 (2) (m) For taxable years that begin after December 31, 1998, “Internal
16 Revenue Code” means the federal Internal Revenue Code as amended to
17 December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102–227, sections
18 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),
19 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected by P.L.
20 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
21 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.
22 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
23 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
24 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311
25 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34,

1 P.L. 105–178, P.L. 105–206 and P.L. 105–277, except that “Internal Revenue Code”
2 does not include section 847 of the federal Internal Revenue Code. The Internal
3 Revenue Code applies for Wisconsin purposes at the same time as for federal
4 purposes. Amendments to the federal Internal Revenue Code enacted after
5 December 31, 1998, do not apply to this paragraph with respect to taxable years
6 beginning after December 31, 1998.

7 **SECTION 1748y.** 71.43 (1) of the statutes is amended to read:

8 71.43 (1) INCOME TAX. For the purpose of raising revenue for the state and the
9 counties, cities, villages and towns, there shall be assessed, levied, collected and paid
10 a tax as provided under this chapter on all Wisconsin net incomes of corporations
11 ~~which that~~ are not subject to the franchise tax under sub. (2) and ~~which that~~ own
12 property within this state; that derive income from sources within this state or from
13 activities that are attributable to this state; or whose business within this state
14 during the taxable year, except as provided under s. 71.23 (3), consists exclusively
15 of foreign commerce, interstate commerce, or both, or that buy or sell lottery prizes
16 if the winning tickets were originally bought in this state; except as exempted under
17 ss. 71.26 (1) and 71.45 (1). This section shall not be construed to prevent or affect the
18 correction of errors or omissions in the assessments of income for former years under
19 s. 71.74 (1) and (2).

20 **SECTION 1748yb.** 71.43 (2) of the statutes is amended to read:

21 71.43 (2) FRANCHISE TAX ON CORPORATIONS. For the privilege of exercising its
22 franchise, buying or selling lottery prizes if the winning tickets were originally
23 bought in this state or doing business in this state in a corporate capacity, except as
24 provided under s. 71.23 (3), every domestic or foreign corporation, except
25 corporations specified in ss. 71.26 (1) and 71.45 (1), shall annually pay a franchise

1 tax according to or measured by its entire Wisconsin net income of the preceding
2 taxable year at the rates set forth in s. 71.46 (2). In addition, except as provided in
3 ss. 71.23 (3), 71.26 (1) and 71.45 (1), a corporation that ceases doing business in this
4 state shall pay a special franchise tax according to or measured by its entire
5 Wisconsin net income for the taxable year during which the corporation ceases doing
6 business in this state at the rate under s. 71.46 (2). Every corporation organized
7 under the laws of this state shall be deemed to be residing within this state for the
8 purposes of this franchise tax. All provisions of this chapter and ch. 73 relating to
9 income taxation of corporations shall apply to franchise taxes imposed under this
10 subsection, unless the context requires otherwise. The tax imposed by this
11 subsection on insurance companies subject to taxation under this chapter shall be
12 based on Wisconsin net income computed under s. 71.45, and no other provision of
13 this chapter relating to computation of taxable income for other corporations shall
14 apply to such insurance companies. All other provisions of this chapter shall apply
15 to insurance companies subject to taxation under this chapter unless the context
16 clearly requires otherwise.

17 **SECTION 1748ym.** 71.45 (1) of the statutes is amended to read:

18 71.45 (1) EXEMPT AND EXCLUDABLE INCOME. There shall be exempt from taxation
19 under this subchapter income of insurers exempt from federal income taxation
20 pursuant to section 501 (c) (15) of the internal revenue code, town mutuals organized
21 under or subject to ch. 612, foreign insurers, and domestic insurers engaged
22 exclusively in life insurance business, domestic insurers insuring against financial
23 loss by reason of nonpayment of principal, interest and other sums agreed to be paid
24 under the terms of any note or bond or other evidence of indebtedness secured by a
25 mortgage, deed of trust or other instrument constituting a lien or charge on real

1 estate and corporations organized under ch. 185, but not including income of
2 cooperative sickness care associations organized under s. 185.981, or of a service
3 insurance corporation organized under ch. 613, that is derived from a health
4 maintenance organization as defined in s. 609.01 (2) or a limited service health
5 organization as defined in s. 609.01 (3), or operating under subch. I of ch. 616 which
6 are bona fide cooperatives operated without pecuniary profit to any shareholder or
7 member, or operated on a cooperative plan pursuant to which they determine and
8 distribute their proceeds in substantial compliance with s. 185.45. This subsection
9 does not apply to income that is realized from the sale of or purchase and subsequent
10 sale or redemption of lottery prizes if the winning tickets were originally bought in
11 this state.

12 **SECTION 1749k.** 71.45 (2) (a) 10. of the statutes is amended to read:

13 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
14 computed under s. 71.47 (1dd) to ~~(1dx)~~ (1dy) and not passed through by a
15 partnership, limited liability company or tax-option corporation that has added that
16 amount to the partnership's, limited liability company's or tax-option corporation's
17 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
18 s. 71.47 (1), (3), (4) and (5).

19 **SECTION 1749m.** 71.45 (2) (a) 13. of the statutes is amended to read:

20 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference
21 between the depreciation deduction under the federal Internal Revenue Code as
22 amended to December 31, 1997 1998 and the depreciation deduction under the
23 federal Internal Revenue Code in effect for the taxable year for which the return is
24 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,
25 except that property first placed in service by the taxpayer on or after

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

8 **SECTION 1749p.** 71.45 (2) (a) 15. of the statutes is created to read:

9 71.45 (2) (a) 15. By subtracting from federal taxable income all income that is
10 realized from the purchase and subsequent sale or redemption of lottery prizes that
11 is treated as nonapportionable income under sub. (3r).

12
13 **SECTION 1753d.** 71.45 (3r) of the statutes is created to read:

14 71.45 (3r) ALLOCATION OF CERTAIN PROCEEDS. All income that is realized from
15 the purchase and subsequent sale or redemption of lottery prizes if the winning
16 tickets were originally bought in this state shall be allocated to this state.

17 **SECTION 1753g.** 71.45 (6) of the statutes is created to read:

18 71.45 (6) PARTNERSHIPS AND LIMITED LIABILITY COMPANIES. (a) A general or
19 limited partner's share of the numerator and denominator of a partnership's
20 apportionment fractions under this section are included in the numerator and
21 denominator of the general or limited partner's apportionment fractions under this
22 section.

23 (b) If a limited liability company is considered by the department of revenue
24 to be a partnership, for tax purposes, a member's share of the numerator and
25 denominator of a limited liability company's apportionment fractions under this

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1 section are included in the numerator and denominator of the member's
2 apportionment fractions under this section.

3 **SECTION 1753m.** 71.46 (3) of the statutes is amended to read:

4 71.46 (3) The tax imposed under this subchapter on each domestic insurer on
5 or measured by its entire net income attributable to lines of insurance in this state
6 may not exceed 2% of the gross premiums, as defined in s. 76.62, received during the
7 taxable year by the insurer on all policies on those lines of insurance if the subject
8 of that insurance was resident, located or to be performed in this state plus 7.9% of
9 the income that is realized from the sale of or purchase and subsequent sale or
10 redemption of lottery prizes if the winning tickets were originally bought in this
11 state.

12 **SECTION 1754g.** 71.47 (1di) (a) (intro.) of the statutes is amended to read:

13 71.47 (1di) (a) (intro.) Except as provided in pars. (dm) and (f) and s. 73.03 (35),
14 for any taxable year for which the person is ~~certified under s. 560.765 (3) for~~ entitled
15 under s. 560.795 (3) to claim tax benefits, any person may claim as a credit against
16 taxes otherwise due under this chapter 2.5% of the purchase price of depreciable,
17 tangible personal property, or 1.75% of the purchase price of depreciable, tangible
18 personal property that is expensed under section 179 of the internal revenue code for
19 purposes of the taxes under this chapter, except that:

20 **SECTION 1754h.** 71.47 (1di) (a) 1. of the statutes is amended to read:

21 71.47 (1di) (a) 1. The investment must be in property that is purchased after
22 the person is ~~certified under s. 560.765 (3) for~~ entitled under s. 560.795 (3) to claim
23 tax benefits and that is used for at least 50% of its use in the conduct of the person's
24 business operations ~~for which the claimant is certified under s. 560.765 (3) at a~~
25 location in a development zone under subch. VI of ch. 560 or, if the property is mobile,

1 the base of operations of the property for at least 50% of its use must be a location
2 in a development zone.

3 **SECTION 1754j.** 71.47 (1di) (d) 1. of the statutes is amended to read:

4 71.47 (1di) (d) 1. A copy of ~~the claimant's certification for~~ a verification from
5 the department of commerce that the claimant may claim tax benefits under s.
6 ~~560.765 (3)~~ 560.795 (3).

7 **SECTION 1754k.** 71.47 (1di) (f) of the statutes is amended to read:

8 71.47 (1di) (f) ~~If the certification of a person for who is entitled under s. 560.795~~
9 ~~(3) to claim~~ tax benefits under s. ~~560.765 (3)~~ is revoked becomes ineligible for such
10 tax benefits, that person may claim no credits under this subsection for the taxable
11 year that includes the day on which the ~~certification is revoked~~ person becomes
12 ineligible for tax benefits or succeeding taxable years and that person may carry over
13 no unused credits from previous years to offset tax under this chapter for the taxable
14 year that includes the day on which ~~certification is revoked~~ the person becomes
15 ineligible for tax benefits or succeeding taxable years.

16 **SECTION 1754L.** 71.47 (1di) (g) of the statutes is amended to read:

17 71.47 (1di) (g) If a person who is ~~certified under s. 560.765 (3)~~ for entitled under
18 s. 560.795 (3) to claim tax benefits ceases business operations in the development
19 zone during any of the taxable years that that zone exists, that person may not carry
20 over to any taxable year following the year during which operations cease any
21 unused credits from the taxable year during which operations cease or from previous
22 taxable years.

23 **SECTION 1754m.** 71.47 (1di) (i) of the statutes is amended to read:

24 71.47 (1di) (i) No credit may be claimed under this subsection for taxable years
25 that begin on ~~January 1, 1998, or thereafter~~ after December 31, 1997, and end before

1 January 1, 2000. Credits under this subsection for taxable years that begin before
2 January 1, 1998, may be carried forward to taxable years that begin on January 1,
3 1998, or thereafter.

4 **SECTION 1754t.** 71.47 (1dj) (am) 1. of the statutes is amended to read:

5 71.47 (1dj) (am) 1. Modify “member of a targeted group”, as defined in section
6 51 (d) of the internal revenue code as amended to December 31, 1995, to include
7 persons unemployed as a result of a business action subject to s. 109.07 (1m) and
8 ~~persons specified under 29 USC 1651 (a)~~ dislocated workers, as defined in 29 USC
9 2801 (9), and to require a member of a targeted group to be a resident of this state.

10 **SECTION 1754v.** 71.47 (1dj) (am) 2. of the statutes is amended to read:

11 71.47 (1dj) (am) 2. Modify “designated local agency”, as defined in section 51
12 (d) (15) of the internal revenue code, to include the ~~job training partnership act~~
13 ~~organization~~ local workforce development board established under 29 USC 2832 for
14 the area that includes the development zone in which the employe in respect to whom
15 the credit under this subsection is claimed works, if the department of commerce
16 approves the criteria used for certification, and the department of commerce.

17 **SECTION 1755.** 71.47 (1dj) (am) 3. of the statutes is amended to read:

18 71.47 (1dj) (am) 3. Modify the rule for certification under section 51 (d) (16) (A)
19 of the internal revenue code to allow certification within the 90-day period beginning
20 with the first day of employment of the employe ~~by the claimant~~.

21 **SECTION 1755g.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

22 71.47 (1dx) (b) *Credit.* (intro.) Except or provided in s. 73.03 (35) and subject
23 to s. 560.785, for any taxable year for which the person is entitled under s. 560.795
24 (3) to claim tax benefits or certified under s. 560.765 (3) or 560.797 (4) any person
25 may claim as a credit against taxes imposed on the person's income from the person's

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1 business activities in a development zone under this subchapter the following
2 amounts:

3 **SECTION 1756.** 71.47 (1dx) (b) 4. of the statutes is amended to read:

4 71.47 (1dx) (b) 4. The amount determined by multiplying the amount
5 determined under s. 560.785 (1) ~~(b)~~ (bm) by the number of full-time jobs retained,
6 as provided in the rules under s. 560.785, excluding jobs for which a credit has been
7 claimed under sub. (1dj), in ~~a~~ an enterprise development zone under s. 560.797 and
8 filled by a member of a targeted group for which significant capital investment was
9 made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

10 **SECTION 1756d.** 71.47 (1dx) (c) of the statutes is amended to read:

11 71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits
12 under s. 560.765 (3) or 560.797 (4) is revoked, or if the person becomes ineligible for
13 tax benefits under s. 560.795 (3), that person may not claim credits under this
14 subsection for the taxable year that includes the day on which the certification is
15 revoked; the taxable year that includes the day on which the person becomes
16 ineligible for tax benefits; or succeeding taxable years and that person may not carry
17 over unused credits from previous years to offset tax under this chapter for the
18 taxable year that includes the day on which certification is revoked; the taxable year
19 that includes the day on which the person becomes ineligible for tax benefits; or
20 succeeding taxable years.

21 **SECTION 1756e.** 71.47 (1dx) (d) of the statutes is amended to read:

22 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.
23 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) or 560.797 (4) for tax
24 benefits ceases business operations in the development zone during any of the
25 taxable years that that zone exists, that person may not carry over to any taxable

1 year following the year during which operations cease any unused credits from the
2 taxable year during which operations cease or from previous taxable years.

3 **SECTION 1756h.** 71.47 (1dy) of the statutes is created to read:

4 **71.47 (1dy) SUSTAINABLE URBAN DEVELOPMENT ZONE CREDIT.** (a) *Definitions.* In
5 this subsection:

6 1. "Brownfield" has the meaning given in sub. (1dx) (a) 1.

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

12 (b) *Credit.* For any taxable year for which the person is certified under s. 292.77
13 (5), a person may claim as a credit against taxes imposed under this subchapter 50%
14 of the amount expended for environmental remediation under the program under s.
15 292.77.

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

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19 **SECTION 1757bd.** 71.47 (2m) (b) 1. a. of the statutes is amended to read:

20 **71.47 (2m) (b) 1. a.** Subject to the limitations provided in this subsection and
21 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income or
22 franchise taxes otherwise due, the amount derived under par. (c). If the allowable
23 amount of claim exceeds the income or franchise taxes otherwise due on or measured
24 by the claimant's income or if there are no Wisconsin income or franchise taxes due
25 on or measured by the claimant's income, the amount of the claim not used as an

1 offset against income or franchise taxes shall be certified to the department of
2 administration for payment to the claimant by check, share draft or other draft paid
3 from the ~~appropriation~~ appropriations under s. 20.835 (2) ~~(q)~~ (dn) and (ka).

4 **SECTION 1757be.** 71.47 (2m) (b) 1. a. of the statutes, as affected by 1999
5 Wisconsin Act (this act), is repealed and recreated to read:

6 71.47 (2m) (b) 1. a. Subject to the limitations provided in this subsection and
7 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income
8 taxes otherwise due, the amount derived under par. (c). If the allowable amount of
9 claim exceeds the income taxes otherwise due on the claimant's income or if there are
10 no Wisconsin income taxes due on the claimant's income, the amount of the claim not
11 used as an offset against income taxes shall be certified to the department of
12 administration for payment to the claimant by check, share draft or other draft paid
13 from the appropriations under s. 20.835 (2) (ka) and (q).

14 **SECTION 1744bf.** 71.47 (2m) (c) 3. of the statutes, as created by Wisconsin Act
15 5, is amended to read:

16 71.47 (2m) (c) 3. The department shall annually adjust the percentage that is
17 used to determine the amount of a claim under subd. 1. based on the estimated
18 number of claims and the amount estimated to be expended from the appropriation
19 under s. 20.835 (2) ~~(q)~~ (dn), as determined under s. 79.13. The department shall
20 incorporate the annually adjusted percentage into the income tax forms and
21 instructions.

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23 **SECTION 1744bg.** 71.47 (2m) (c) 3. of the statutes, as affected by 1999 Wisconsin
24 Act (this act), is repealed and recreated to read:

1 71.47 (2m) (c) 3. The department shall annually adjust the percentage that is
2 used to determine the amount of a claim under subd. 1. based on the estimated
3 number of claims and the amount estimated to be expended from the appropriation
4 under s. 20.835 (2) (q), as determined under s. 79.13. The department shall
5 incorporate the annually adjusted percentage into the income tax forms and
6 instructions.

7 **SECTION 1758.** 71.47 (4) (a) of the statutes is amended to read:

8 71.47 (4) (a) *Credit.* Any corporation may credit against taxes otherwise due
9 under this chapter an amount equal to 5% of the amount obtained by subtracting
10 from the corporation's qualified research expenses, as defined in section 41 of the
11 internal revenue code, except that "qualified research expenses" includes only
12 expenses incurred by the claimant, incurred for research conducted in this state for
13 the taxable year, except that a taxpayer may elect the alternative computation under
14 section 41 (c) (4) of the Internal Revenue Code and that election applies until the
15 department permits its revocation and except that "qualified research expenses"
16 does not include compensation used in computing the credit under subs. (1dj) and
17 (1dx), the corporation's base amount, as defined in section 41 (c) of the internal
18 revenue code, except that gross receipts used in calculating the base amount means
19 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and,
20 (d), (dc), (dg), (dn) and (dr). Section 41 (h) of the internal revenue code does not apply
21 to the credit under this paragraph.

22 **SECTION 1759d.** 71.47 (4) (i) of the statutes is amended to read:

23 71.47 (4) (i) *Nonclaimants.* The credits under this subsection may not be
24 claimed by a partnership, except a publicly traded partnership treated as a
25 corporation under s. 71.22 (1) (1g), limited liability company, except a limited liability

1 company treated as a corporation under s. 71.22 (1) (1g), or tax-option corporation
2 or by partners, including partners of a publicly traded partnership, members of a

3 **SECTION 1760q.** 71.49 (1) (eon) of the statutes is created to read:

4 71.49 (1) (eon) Sustainable urban development zone credit under s. 71.47 (1dy).

5 **SECTION 1762.** 71.54 (1) (d) (intro.) of the statutes is amended to read:

6 71.54 (1) (d) ~~1991 and thereafter to 1999~~. (intro.) The amount of any claim filed
7 in 1991 ~~and thereafter to 1999~~ and based on property taxes accrued or rent
8 constituting property taxes accrued during the previous year is limited as follows:

9 **SECTION 1763.** 71.54 (1) (e) of the statutes is created to read:

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10 71.54 (1) (e) 2000. The amount of any claim filed in 2000 and based on property
11 taxes accrued or rent constituting property taxes accrued during the previous year
12 is limited as follows:

13 1. If the household income was \$8,000 or less in the year to which the claim
14 relates, the claim is limited to 80% of the property taxes accrued or rent constituting
15 property taxes accrued or both in that year on the claimant's homestead.

16 2. If the household income was more than \$8,000 in the year to which the claim
17 relates, the claim is limited to 80% of the amount by which the property taxes accrued
18 or rent constituting property taxes accrued or both in that year on the claimant's
19 homestead exceeds 11.8% of the household income exceeding \$8,000.

20 3. No credit may be allowed if the household income of a claimant exceeds
21 \$20,290.

22 **SECTION 1763c.** 71.54 (1) (f) of the statutes is created to read:

23 71.54 (1) (f) 2001 and thereafter. The amount of any claim filed in 2001 and
24 thereafter and based on property taxes accrued or rent constituting property taxes
25 accrued during the previous year is limited as follows:

1 1. If the household income was \$8,000 or less in the year to which the claim
2 relates, the claim is limited to 80% of the property taxes accrued or rent constituting
3 property taxes accrued or both in that year on the claimant's homestead.

4 2. If the household income was more than \$8,000 in the year to which the claim
5 relates, the claim is limited to 80% of the amount by which the property taxes accrued
6 or rent constituting property taxes accrued or both in that year on the claimant's
7 homestead exceeds 8.788% of the household income exceeding \$8,000.

8 3. No credit may be allowed if the household income of a claimant exceeds
9 \$24,500.

10 **SECTION 1764.** 71.54 (2) (a) (intro.) of the statutes is amended to read:

11 71.54 (2) (a) (intro.) Property taxes accrued or rent constituting property taxes
12 accrued shall be reduced by one-twelfth for each month or portion of a month for
13 which the claimant received relief from any county under s. 59.53 (21) equal to or in
14 excess of \$400, participated in Wisconsin works under s. 49.147 (4) or (5) or 49.148
15 (1m) or received assistance under s. 49.19, except assistance received:

16 **SECTION 1784.** 71.64 (9) (b) of the statutes is renumbered 71.64 (9) (b) (intro.)
17 and amended to read:

18 71.64 (9) (b) (intro.) The department shall from time to time adjust the
19 withholding tables to reflect any changes in income tax rates, any applicable surtax
20 or any changes in dollar amounts in s. 71.06 (1), (1m), (1n), (1p) and (2) resulting from
21 statutory changes, except that the as follows:

22 1. The department may not adjust the withholding tables to reflect the changes
23 in rates in s. 71.06 (1m) and (2) (c) and (d) and any changes in dollar amounts with
24 respect to bracket indexing under s. 71.06 (2e), with respect to changes in rates under

1 s. 71.06 (1m) and (2) (c) and (d), and with respect to standard deduction indexing
2 under s. 71.05 (22) (ds) for any taxable year that begins before January 1, 2000.

3 (c) The tables shall account for the working families tax credit under s. 71.07
4 (5m). The tables shall be extended to cover from zero to 10 withholding exemptions,
5 shall assume that the payment of wages in each pay period will, when multiplied by
6 the number of pay periods in a year, reasonably reflect the annual wage of the
7 employe from the employer and shall be based on the further assumption that the
8 annual wage will be reduced for allowable deductions from gross income. The
9 department may determine the length of the tables and a reasonable span for each
10 bracket. In preparing the tables the department shall adjust all withholding
11 amounts not an exact multiple of 10 cents to the next highest figure that is a multiple
12 of 10 cents. The department shall also provide instructions with the tables for
13 withholding with respect to quarterly, semiannual and annual pay periods.

14 **SECTION 1785.** 71.64 (9) (b) 2. of the statutes is created to read:

15 71.64 (9) (b) 2. The department shall adjust the withholding tables to reflect
16 the changes in rates in s. 71.06 (1n), (1p) and (2) (e), (f), (g) and (h) and any changes
17 in dollar amounts with respect to bracket indexing, with respect to changes in rates
18 under s. 71.06 (1p) and (2) (g) and (h) on July 1, 2000.

19 **SECTION 1786.** 71.67 (4) (a) of the statutes is amended to read:

20 71.67 (4) (a) The administrator of the lottery division in the department under
21 ch. 565 shall withhold from any lottery prize of \$2,000 or more an amount determined
22 by multiplying the amount of the prize by the highest rate applicable to individuals
23 under s. 71.06 (1) or (1m) to the person who claims the prize. The administrator shall
24 deposit the amounts withheld, on a monthly basis, as would an employer depositing
25 under s. 71.65 (3) (a).

1 **SECTION 1787.** 71.67 (5) (a) of the statutes is amended to read:

2 71.67 (5) (a) *Wager winnings.* A person holding a license to sponsor and
3 manage races under s. 562.05 (1) (b) or (c) shall withhold from the amount of any
4 payment of pari-mutuel winnings under s. 562.065 (3) (a) or (3m) (a) an amount
5 determined by multiplying the amount of the payment by the highest rate applicable
6 to individuals under s. 71.06 (1) (a) to (c) ~~or, (1m), (1n) or (1p)~~ if the amount of the
7 payment is more than \$1,000.

8 **SECTION 1788.** 71.75 (8) of the statutes is amended to read:

9 71.75 (8) A refund payable on the basis of a separate return shall be issued to
10 the person who filed the return. A refund payable on the basis of a joint return shall
11 be issued jointly to the persons who filed the return, except that, if a judgment of
12 divorce under ch. 767 apportions any refund that may be due the formerly married
13 persons to one of the former spouses, or between the spouses, and if they include with
14 their income tax return a copy of that portion of the judgment of divorce that relates
15 to the apportionment of their tax refund, the department shall issue the refund to
16 the person to whom the refund is awarded under the terms of the judgment of divorce
17 or the department shall issue one check to each of the former spouses according to
18 the apportionment terms of the judgment.

19 **SECTION 1797k.** 73.03 (2a) of the statutes is amended to read:

20 73.03 (2a) To prepare, have published and distribute to each property tax
21 assessor and to others who so request assessment manuals. The manual shall
22 discuss and illustrate accepted assessment methods, techniques and practices with
23 a view to more nearly uniform and more consistent assessments of property at the
24 local level. The manual shall be amended by the department from time to time to
25 reflect advances in the science of assessment, court decisions concerning assessment

1 practices, costs, and statistical and other information considered valuable to local
2 assessors by the department. The manual shall incorporate standards for the
3 assessment of all types of renewable energy resource systems used in this state as
4 soon as such systems are used in sufficient numbers and sufficient data exists to
5 allow the formulation of valid guidelines. The manual shall incorporate standards,
6 which the department of revenue and the state historical society of Wisconsin shall
7 develop, for the assessment of nonhistoric property in historic districts and for the
8 assessment of historic property, including but not limited to property that is being
9 preserved or restored; property that is subject to a protective easement, covenant or
10 other restriction for historic preservation purposes; property that is listed in the
11 national register of historic places in Wisconsin or in this state's register of historic
12 places and property that is designated as a historic landmark and is subject to
13 restrictions imposed by a municipality or by a landmarks commission. The manual
14 shall incorporate general guidelines about ways to determine whether property is
15 taxable in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in
16 specific situations. The manual shall state that assessors are required to comply
17 with s. 70.32 (1g) and shall suggest procedures for doing so. The manual or a
18 supplement to it shall specify per acre value guidelines for each municipality for
19 various categories of agricultural land based on the income that could be generated
20 from its estimated rental for agricultural use, as defined by rule, and capitalization
21 rates established by rule. The manual or a supplement to it shall not specify per acre
22 value guidelines for each municipality unless such guidelines are based on
23 procedures that are established by rule. The manual shall include guidelines for
24 classifying land as agricultural land, as defined in s. 70.32 (2) (c) 1. and guidelines
25 for distinguishing between land and improvements to land. The cost of the

1 development, preparation, publication and distribution of the manual and of
2 revisions and amendments to it shall be borne by the assessors and requesters at an
3 individual volume cost or a subscription cost as determined by the department. All
4 receipts shall be credited to the appropriation under s. 20.566 (2) (hi). The
5 department may provide free assessment manuals to other state agencies or
6 exchange them at no cost with agencies of other states or of the federal government
7 for similar information or publications.

8 **SECTION 1797m.** 73.03 (33m) of the statutes is amended to read:

9 73.03 (33m) To collect, as taxes under ch. 71 are collected, from each person
10 who owes to the department of revenue delinquent taxes, fees, interest or penalties,
11 a fee for each delinquent account equal to \$35 or 6.5% of the taxes, fees, interest and
12 penalties owed as of the due date specified in the assessment, notice of amount due
13 or notice of redetermination on that account, whichever is greater. The department
14 of revenue shall deposit into the general fund as general purpose revenue—earned all
15 fees collected under this subsection.

16 **SECTION 1797p.** 73.03 (33p) of the statutes is created to read:

17 73.03 (33p) To collect, as taxes under ch. 71 are collected, from each person who
18 owes to the department of revenue delinquent taxes, fees, interest or penalties, a \$20
19 fee for each delinquent taxpayer who enters into an agreement with the department
20 of revenue to pay in instalments the taxpayer's delinquent taxes, including fees,
21 interest or penalties and to collect costs incurred to the department of revenue for
22 court actions that are related to the collection of delinquent taxes. The department
23 of revenue shall deposit into the general fund as general purpose revenue—earned all
24 fees and costs collected under this subsection.

25 **SECTION 1798.** 73.03 (35) of the statutes is amended to read:

1 73.03 (35) To deny a portion of a credit claimed under s. 71.07 (2dd), (2de), (2di),
2 (2dj), (2dL), (2dr), (2ds) ~~or~~, (2dx) or (2dy), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds),
3 (1dx), (2dy) or (4) (am) or 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (2dy) or
4 (4) (am) if granting the full amount claimed would violate the a requirement under
5 s. ~~560.797 (4) (e)~~ 560.785 or would bring the total of the credits granted to that
6 claimant under s. ~~560.797 (4) (e)~~, or the total of the credits granted to that claimant
7 ~~under~~ all of those subsections, over the limit for that claimant under s. 560.768,
8 560.795 (2) (b) or 560.797 (5) (b).

9 **SECTION 1800d.** 73.0301 (1) (d) 2. of the statutes is amended to read:

10 73.0301 (1) (d) 2. A license issued by the department of health and family
11 services under s. 48.66 (1) (a) to a child welfare agency, group home, shelter care
12 facility or day care center, as required by s. 48.60, 48.625, 48.65 or 938.22 (7).

13 **SECTION 1798r.** 73.03 (50) of the statutes is renumbered 73.03 (50) (intro.) and
14 amended to read:

15 73.03 (50) (intro.) With the approval of the joint committee on finance, to
16 establish fees for obtaining a business tax registration certificate, which, except as
17 provided in s. 73.0302, is valid for 2 years, and for renewing that certificate and,
18 except as provided in s. 73.0302, shall issue and renew those certificates if the person
19 who wishes to obtain or renew a certificate applies does all of the following:

20 (a) Applies on a form that the department prescribes; ~~sets.~~

21 (b) Sets forth the name under which the applicant intends to operate, the
22 location of the applicant's place of operations, ~~the social security number of the~~
23 ~~applicant if the applicant is a natural person~~ and the other information that the
24 department requires; ~~and, in.~~

1 (d) In the case of a sole proprietor, signs the form or, in the case of other persons,
2 has an individual who is authorized to act on behalf of the person sign the form, or,
3 in the case of a single-owner entity that is disregarded as a separate entity under
4 section 7701 of the Internal Revenue Code, the person is the owner.

5 **SECTION 1798s.** 73.03 (50) (c) of the statutes is created to read:

6 73.03 (50) (c) In the case of an applicant who is an individual and who has a
7 social security number, sets forth the social security number of the applicant or, in
8 the case of an applicant who is an individual and who does not have a social security
9 number, submits a statement made or subscribed under oath or affirmation that the
10 applicant does not have a social security number. The form of the statement shall
11 be prescribed by the department of workforce development. A certificate issued in
12 reliance upon a false statement submitted under this paragraph is invalid.

13 **SECTION 1798w.** 73.0301 (2) (c) 1. a. of the statutes is amended to read:

14 73.0301 (2) (c) 1. a. If the license holder is an individual and has a social
15 security number, the license holder's social security number.

16 **SECTION 1798x.** 73.0301 (2) (c) 1. am. of the statutes is created to read:

17 73.0301 (2) (c) 1. am. If the applicant is an individual and does not have a social
18 security number, a statement made or subscribed under oath or affirmation that the
19 applicant does not have a social security number. The form of the statement shall
20 be prescribed by the department of workforce development. A license issued in
21 reliance upon a false statement submitted under this subd. 1. am. is invalid.

22 **SECTION 1798y.** 73.0301 (2) (c) 2. of the statutes is amended to read:

23 73.0301 (2) (c) 2. A licensing department may not disclose any information
24 received under subd. 1. a. or b. to any person except to the department of revenue for
25 the sole purpose of requesting certifications under par. (b) 2. in accordance with the

1 memorandum of understanding under sub. (4) or to the department of workforce
2 development for the purpose of administering s. 49.22.

3 **SECTION 1798m.** 73.03 (49) (b) of the statutes is repealed.

4 **SECTION 1800m.** 73.0301 (1) (d) 6. of the statutes is amended to read:

5 73.0301 (1) (d) 6. A license or certificate of registration issued by the
6 department of financial institutions, or a division of it, under s. 138.09, 138.12,
7 217.06, 218.01, 218.02, 218.04, 218.05 or, 224.72, 224.93 or under subch. III of ch.
8 551.

9 **SECTION 1801m.** 73.0305 of the statutes is amended to read:

10 **73.0305 Revenue limits and intradistrict transfer aid calculations.** The
11 department of revenue shall annually determine and certify to the state
12 superintendent of public instruction, no later than the 4th Monday in June, the
13 allowable rate of increase ~~for the limit imposed under s. 121.85 (6) (ar) and~~ subch.
14 VII of ch. 121. ~~For that limit, the~~ The allowable rate of increase is the percentage
15 change in the consumer price index for all urban consumers, U.S. city average,
16 between the preceding March 31 and the 2nd preceding March 31, as computed by
17 the federal department of labor.

18 **SECTION 1801n.** 74.48 (1) of the statutes is renumbered 74.48 (1) (a) and
19 amended to read:

20 74.48 (1) (a) If a person who owns land that has been valued under s. 70.32 (2r)
21 ~~(b) is sold by a person who has owned it for less than 5 years and who has benefited~~
22 ~~from a value lower than that established by~~ changes the use of the land so that the
23 land is not valued under s. 70.32 (2r) (a), there is imposed on that person a penalty
24 equal to 5% of the difference between the ~~sale price of the agricultural land and the~~
25 ~~value that would be established for it under s. 70.32 (2r) (c) during~~ property taxes

Place
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1 that would have been levied on the land if the land had been assessed at full market
2 value and the property taxes levied on the land for the last year of the person's
3 ownership 2 years that the land has been valued under s. 70.32 (2r).

4 **SECTION 1801p.** 74.48 (1) (b) of the statutes is created to read:

5 74.48 (1) (b) A person who owns land that has been valued under s. 70.32 (2r)
6 and who sells the land, shall notify the buyer of the land that the land has been
7 valued under s. 70.32 (2r).

8 **SECTION 1801r.** 74.48 (2) of the statutes is amended to read:

9 74.48 (2) Any amount due under sub. (1) shall be paid to the department of
10 revenue taxation district in which the land as described in sub. (1) is located. The
11 taxation district shall distribute the amount to the taxing jurisdictions in which the
12 land is located in proportion to the taxes levied by the taxing jurisdictions during the
13 2 years that the land has been valued under s. 70.32 (2r).

14 **SECTION 1801s.** 74.48 (3) of the statutes is amended to read:

15 74.48 (3) The department of revenue taxation district in which the land as
16 described in sub. (1) is located shall administer the penalty under this section.

17 **SECTION 1806.** 75.17 of the statutes is created to read:

18 **75.17 Transfer of contaminated land to a municipality.** (1) In this
19 section:

20 (a) "Hazardous substance" has the meaning given in s. 292.01 (5).

21 (b) "Municipality" means a city, village or town.

22 (2) If a county does not take a tax deed for property that is subject to a tax
23 certificate and that is contaminated by a hazardous substance, within 2 years after
24 the expiration of the redemption period that is described under s. 75.14 (1) and
25 specified in s. 74.57 (2) (a) and (b) (intro.), the county shall take a tax deed for such

1 property upon receiving a written request to do so from the municipality in which the
2 property is located. The county may then retain ownership of the property or, if the
3 county does not wish to retain ownership of the property, the county shall transfer
4 ownership of the property to the municipality, for no consideration, within 180 days
5 after receiving the written request from the municipality.

6 **SECTION 1807.** 76.025 (1) of the statutes is amended to read:

7 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and
8 all real and personal property of the company used or employed in the operation of
9 its business, ~~except excluding property that is exempt from the property tax under~~
10 s. 70.11 (39), such motor vehicles as are exempt under s. 70.112 (5) and treatment
11 plant and pollution abatement equipment exempt under s. 70.11 (21) (a). The
12 taxable property shall include all title and interest of the company referred to in such
13 property as owner, lessee or otherwise, and in case any portion of the property is
14 jointly used by 2 or more companies, the unit assessment shall include and cover a
15 proportionate share of that portion of the property jointly used so that the
16 assessments of the property of all companies having any rights, title or interest of
17 any kind or nature whatsoever in any such property jointly used shall, in the
18 aggregate, include only one total full value of such property.

19 **SECTION 1808.** 76.03 (1) of the statutes is amended to read:

20 76.03 (1) The property, both real and personal, including all rights, franchises
21 and privileges used in and necessary to the prosecution of the business ~~and including~~
22 ~~property that is exempt from the property tax under s. 70.11 (39)~~ of any company
23 enumerated in s. 76.02 shall be deemed personal property for the purposes of
24 taxation, and shall be valued and assessed together as a unit.

25 **SECTION 1809b.** 76.28 (1) (d) of the statutes is amended to read:

1 76.28 (1) (d) "Gross revenues" for a light, heat and power company other than
2 a qualified wholesale electric company or a transmission company means total
3 operating revenues as reported to the public service commission except revenues for
4 interdepartmental sales and for interdepartmental rents as reported to the public
5 service commission and deductions from the sales and use tax under s. 77.61 (4),
6 except that the company may subtract from revenues either the actual cost of power
7 purchased for resale, as reported to the public service commission, by a light, heat
8 and power company, except a municipal light, heat and power company, that
9 purchases under federal or state approved wholesale rates more than 50% of its
10 electric power from a person other than an affiliated interest, as defined in s. 196.52
11 (1), if the revenue from that purchased electric power is included in the seller's gross
12 revenues or the following percentages of the actual cost of power purchased for
13 resale, as reported to the public service commission, by a light, heat and power
14 company, except a municipal light, heat and power company that purchases more
15 than 90% of its power and that has less than \$50,000,000 of gross revenues: 10% for
16 the fee assessed on May 1, 1988, 30% for the fee assessed on May 1, 1989, and 50%
17 for the fee assessed on May 1, 1990, and thereafter. For a qualified wholesale electric
18 company, "gross revenues" means total business revenues from those businesses
19 included under par. (e) 1. to 4. For a transmission company, "gross revenues" means
20 total operating revenues as reported to the public service commission, except
21 revenues for transmission service that is provided to a public utility that is subject
22 to the license fee under sub. (2) (d), to a public utility, as defined in s. 196.01 (5), or
23 to a cooperative association organized under ch. 185 for the purpose of providing
24 electricity to its members only. For an electric utility, as defined in s. 16.957 (1) (g),
25 "gross revenues" does not include public benefits fees collected by the electric utility

1 under s. 16.957 (4) (a) or (5) (a). For a generator public utility, “gross revenues” does
2 not include any grants awarded to the generator public utility under s. 16.958 (2) (b).
3 For a wholesale supplier, as defined in s. 16.957 (1) (w), “gross revenues” does not
4 include any public benefits fees that are received from a municipal utility or retail
5 electric cooperative or under a joint program established under s. 16.957 (5) (f). For
6 a municipal utility, “gross revenues” does not include public benefits fees received by
7 the municipal utility from a municipal utility or retail electric cooperative under a
8 joint program established under s. 16.957 (5) (f).

9 **SECTION 1809f.** 76.28 (1) (e) (intro.) of the statutes is amended to read:

10 76.28 (1) (e) (intro.) “Light, heat and power companies” means any person,
11 association, company or corporation, including corporations described in s. 66.069 (2)
12 and including, qualified wholesale electric companies and transmission companies
13 and except only business enterprises carried on exclusively either for the private use
14 of the person, association, company or corporation engaged in them, or for the private
15 use of a person, association, company or corporation owning a majority of all
16 outstanding capital stock or who control the operation of business enterprises and
17 except electric cooperatives taxed under s. 76.48 that engage in any of the following
18 businesses:

19 **SECTION 1809k.** 76.28 (1) (e) 5. of the statutes is created to read:

20 76.28 (1) (e) 5. Transmitting electric current for light, heat or power.

21 **SECTION 1809h.** 76.28 (1) (eg) of the statutes is created to read:

22 76.28 (1) (eg) “Municipal utility” has the meaning given in s. 16.957 (1) (q).

23 **SECTION 1809j.** 76.28 (1) (gr) of the statutes is created to read:

24 76.28 (1) (gr) “Retail electric cooperative” has the meaning given in s. 16.957

25 (1) (t).

1 **SECTION 1809no.** 76.28 (1) (j) of the statutes is created to read:

2 76.28 (1) (j) "Transmission company" has the meaning given in s. 196.485 (1)

3 (ge).

4 **SECTION 1809s.** 76.28 (2) (c) (intro.) of the statutes is amended to read:

5 76.28 (2) (c) (intro.) ~~For~~ Except as provided under par. (e), for private light, heat

6 and power companies for 1986 and thereafter, an amount equal to the apportionment

7 factor multiplied by the sum of:

8

9 **SECTION 1809w.** 76.28 (2) (d) of the statutes is amended to read:

10 76.28 (2) (d) ~~For~~ Except as provided under par. (e), for municipal light, heat and

11 power companies, an amount equal to the gross revenues, except gross revenues from

12 operations within the municipality that operates the company, multiplied by the

13 rates under par. (b) or (c).

14 **SECTION 1809y.** 76.28 (2) (e) of the statutes is created to read:

15 76.28 (2) (e) For transmission companies, an amount equal to the gross

16 revenues multiplied by the rates under par. (c).

17 **SECTION 1809zm.** 76.48 (1g) (d) of the statutes is amended to read:

18 76.48 (1g) (d) "Gross revenues" means total operating revenues, except

19 revenues for interdepartmental sales and for interdepartmental rents, less

20 deductions from the sales and use tax under s. 77.61 (4) and, in respect to any electric

21 cooperative that purchases more than 50% of the power it sells, less the actual cost

22 of power purchased for resale by an electric cooperative, if the revenue from that

23 purchased electric power is included in the seller's gross revenues or if the electric

24 cooperative purchased more than 50% of the power it sold in the year prior to January

25 1, 1988, from a seller located outside this state. For an electric cooperative, "gross

del space

1 revenues” does not include grants awarded to the electric cooperative under s. 16.958
2 (2) (b). For a retail electric cooperative, “gross revenues” does not include public
3 benefits fees collected by the retail electric cooperative under s. 16.957 (5) (a), public
4 benefits fees received by the retail electric cooperative from a retail electric
5 cooperative or municipal utility under a joint program established under s. 16.957
6 (5) (f). For a wholesale supplier, as defined in s. 16.957 (1) (w), “gross revenues” does
7 not include any public benefits fees that are received from a municipal utility, as
8 defined in s. 16.957 (1) (q), or retail electric cooperative or under a joint program
9 established under s. 16.957 (5) (f).

10 **SECTION 1809zo.** 76.48 (1g) (dm) of the statutes is created to read:

11 76.48 (1g) (dm) “Municipal utility” has the meaning given in s. 16.957 (1) (q).

12 **SECTION 1809zp.** 76.48 (1g) (fm) of the statutes is created to read:

13 76.48 (1g) (fm) “Retail electric cooperative” has the meaning given in s. 16.957
14 (1) (t).

15 **SECTION 1810d.** 76.91 (1m) of the statutes is created to read:

16 76.91 (1m) If the amount calculated under sub. (1) is a negative amount and
17 the taxpayer’s annual gross revenue under s. 76.38, 1993 stats., is less than
18 \$10,000,000, the taxpayer may claim a credit against the fee imposed under this
19 subchapter as follows:

20 (a) For the transitional adjustment fee paid for 1999, the taxpayer may
21 consider the negative amount calculated under sub. (1) to be a positive amount and
22 may claim a credit in an amount equal to 60% of the positive amount.

23 (b) For the transitional adjustment fee paid for the year 2000, the taxpayer may
24 consider the negative amount calculated under sub. (1) to be a positive amount and
25 may claim a credit in an amount equal to 40% of the positive amount.

1 **SECTION 1810dm.** 77.21 (1) of the statutes is amended to read:

2 77.21 (1) "Conveyance" includes deeds and other instruments for the passage
3 of ownership interests in real estate, including contracts and assignments of a
4 vendee's interest therein, including instruments that are evidence of a sale of
5 time-share property, as defined in s. 707.02 (32), and including leases for at least 99
6 years but excluding leases for less than 99 years, easements and wills.

7 **SECTION 1810m.** Chapter 77 (title) of the statutes is amended to read:

8 **CHAPTER 77**
9 **TAXATION OF FOREST CROPLANDS;**
10 **REAL ESTATE TRANSFER FEES;**
11 **SALES AND USE TAXES; COUNTY AND**
12 **SPECIAL DISTRICT SALES AND USE**
13 **TAXES; MANAGED FOREST LAND;**
14 ~~**TEMPORARY RECYCLING SURCHARGE;**~~
15 **LOCAL FOOD AND BEVERAGE TAX;**
16 **LOCAL RENTAL CAR TAX; PREMIER**
17 **RESORT AREA TAXES; STATE RENTAL**
18 **VEHICLE FEE; DRY CLEANING FEES**

19 **SECTION 1810m.** 77.25 (21) of the statutes is created to read:

20 77.25 (21) Of transmission facilities or land rights to the transmission
21 company, as defined in s. 196.485 (1) (ge), under s. 196.485 (5) (b) or (c) or (6) (a) 1.
22 in exchange for securitics, as defined in s. 196.485 (1) (fe).

23 **SECTION 1810dm.** 77.255 of the statutes is amended to read:

24 **77.255 Exemptions from return.** No return is required with respect to
25 conveyances exempt under s. 77.25 (1), (2r), (3), (4) or (11) from the fee imposed under

1 s. 77.22. No return is required with respect to conveyances exempt under s. 77.25
2 (2) unless the transferor is also a lender for the transaction.

3 **SECTION 1812t.** 77.54 (44) of the statutes is created to read:

4 77.54 (44) The gross receipts from the sale of and the storage, use or other
5 consumption of materials, supplies and fuel used in the maintenance of railroad
6 tracks and rights-of-way.

7 **SECTION 1812p.** 77.54 (30) (a) 3. of the statutes is amended to read:

8 77.54 (30) (a) 3. Electricity sold ~~during the months of November, December,~~
9 ~~January, February, March and April~~ for use in farming, including but not limited to
10 agriculture, dairy farming, floriculture and horticulture.

11 **SECTION 1812Lb.** 77.54 (20) (c) 4m. of the statutes is created to read:

12 77.54 (20) (c) 4m. Taxable sales do not include food and beverage items under
13 pars. (b) 4. and (c) 2., and disposable products that are transferred with such items,
14 that are provided by a restaurant to the restaurant's employe during the employe's
15 work hours.

16 **SECTION 1812Lm.** 77.51 (4) (c) 6. of the statutes is repealed.

17 **SECTION 1812Ln.** 77.52 (2) (a) 1. of the statutes is amended to read:

18 77.52 (2) (a) 1. The furnishing of rooms or lodging to transients by hotelkeepers,
19 motel operators and other persons furnishing accommodations that are available to
20 the public, irrespective of whether membership is required for use of the
21 accommodations, ~~including the furnishing of rooms or lodging through the sale of a~~
22 ~~time-share property, as defined in s. 707.02 (32),~~ if the use of the rooms or lodging
23 is not fixed at the time of sale as to the starting day or the lodging unit. In this
24 subdivision, "transient" means any person residing for a continuous period of less
25 than one month in a hotel, motel or other furnished accommodations available to the

1 public. In this subdivision, “hotel” or “motel” means a building or group of buildings
2 in which the public may obtain accommodations for a consideration, including,
3 without limitation, such establishments as inns, motels, tourist homes, tourist
4 houses or courts, lodging houses, rooming houses, summer camps, apartment hotels,
5 resort lodges and cabins and any other building or group of buildings in which
6 accommodations are available to the public, except accommodations, including
7 mobile homes as defined in s. 66.058 (1) (d), rented for a continuous period of more
8 than one month and accommodations furnished by any hospitals, sanatoriums, or
9 nursing homes, or by corporations or associations organized and operated
10 exclusively for religious, charitable or educational purposes provided that no part of
11 the net earnings of such corporations and associations inures to the benefit of any
12 private shareholder or individual. In this subdivision, “one month” means a calendar
13 month or 30 days, whichever is less, counting the first day of the rental and not
14 counting the last day of the rental.

15 **SECTION 1812Lp.** 77.52 (2) (a) 2. of the statutes is amended to read:

16 77.52 (2) (a) 2. The sale of admissions to amusement, athletic, entertainment
17 or recreational events or places except county fairs, the sale, rental or use of regular
18 bingo cards, extra regular cards, special bingo cards and the sale of bingo supplies
19 to players and the furnishing, for dues, fees or other considerations, the privilege of
20 access to clubs or the privilege of having access to or the use of amusement,
21 entertainment, athletic or recreational devices or facilities, including, ~~in connection~~
22 ~~with the sale or use of time share property, as defined in s. 707.02 (32),~~ the sale or
23 furnishing of use of recreational facilities on a periodic basis or other recreational
24 rights, including but not limited to membership rights, vacation services and club
25 memberships.

1 **SECTION 1812np.** 77.54 (20) (c) 6. of the statutes is amended to read:

2 77.54 (20) (c) 6. For purposes of subd. 1., “premises” shall be construed broadly,
3 and, by way of illustration but not limitation, shall include the lobby, aisles and
4 auditorium of a theater or the seating, aisles and parking area of an arena, rink or
5 stadium or the parking area of a drive-in or outdoor theater. The premises of a
6 caterer with respect to catered meals or beverages shall be the place where served.
7 ~~Vending machine premises shall include the room or area in which located~~ Sales from
8 a vending machine shall be considered sales for off-premises consumption.

9 **SECTION 1812s.** 77.51 (9) (e) of the statutes is amended to read:

10 77.51 (9) (e) ~~An auction which is~~ Five or fewer auctions that are the sale of
11 personal farm property or household goods and ~~not~~ that are held by the same
12 auctioneer at regular intervals the same location during the year. In this paragraph,
13 with respect to indoor locations, “location” means a building, except that in the case
14 of a shopping center or a shopping mall “location” means a store.

15 **SECTION 1813s.** 77.51 (14g) (fm) of the statutes is created to read:

16 77.51 (14g) (fm) The transfer of transmission facilities, as defined in s. 196.485
17 (1) (h), to a transmission company, as defined in s. 196.485 (1) (ge), after the
18 organizational start-up date, as defined in s. 196.485 (1) (dv), of such company in
19 exchange for securities, as defined in s. 196.485 (1) (fe);

20 **SECTION 1183v.** 77.54 (44) of the statutes is created to read:

21 77.54 (44) The gross receipts from the collection of public benefits fees that are
22 charged under s. 16.957 (4) (a) or (5) (a).”.

23 **SECTION 1815.** 77.60 (2) (intro.) of the statutes is amended to read:

24 77.60 (2) (intro.) Delinquent sales and use tax returns shall be subject to a ~~\$10~~
25 \$20 late filing fee unless the return was not timely filed because of the death of the