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1 ***-1917/1.24*** SECTION 1703. 71.07 (6) (am) 2. c. of the statutes is amended to
2 read:

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

6 ***-1917/1.25*** SECTION 1704. 71.07 (6) (am) 2. d. of the statutes is amended to
7 read:

8 71.07 (6) (am) 2. d. For taxable years beginning after December 31, 2000, 3%
9 of the earned income of the spouse with the lower earned income, but not more than
10 ~~\$420~~ \$480.

11 ***-1917/1.26*** SECTION 1705. 71.07 (8) (d) of the statutes is created to read:

12 71.07 (8) (d) No new claim may be filed under this subsection for a taxable year
13 that begins after December 31, 1999.

14 ***-1917/1.27*** SECTION 1706. 71.07 (9) (g) of the statutes is created to read:

15 71.07 (9) (g) No new claim may be filed under this subsection for a taxable year
16 that begins after December 31, 1999.

17 ***-1611/7.14*** SECTION 1707. 71.07 (9e) (fame) of the statutes is created to read:

18 71.07 (9e) (fame) If a natural person who is otherwise eligible for the credit
19 under this subsection is also participating in Wisconsin works under s. 49.147 (4) (c),
20 the credit that such a natural person may claim under par. (af) shall be calculated
21 as if the calculation of the person's federal basic earned income credit described in
22 par. (af) did not include wages that the person received from a wage-paying
23 community service job under s. 49.147 (4) (c).

24 ***-1611/7.13*** SECTION 1708. 71.07 (9e) (af) (intro.) of the statutes is amended
25 to read:

1 71.07 (9e) (af) (intro.) For taxable years beginning after December 31, 1995,
2 and subject to par. (fame), any natural person may credit against the tax imposed
3 under s. 71.02 an amount equal to one of the following percentages of the federal
4 basic earned income credit for which the person is eligible for the taxable year under
5 section 32 (b) (1) (A) to (C) of the internal revenue code:

6 ***-1785/1.6*** SECTION 1709. 71.10 (4) (i) of the statutes is amended to read:

7 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
8 preservation credit and farmland preservation acreage credit under subch. IX,
9 homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m),
10 farmers' drought property tax credit under s. 71.07 (2fd), earned income tax credit
11 under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under
12 subch. X.

13 ***-1917/1.28*** SECTION 1710. 71.125 of the statutes is amended to read:

14 **71.125 Imposition of tax.** (1) Except as provided in sub. (2), the tax imposed
15 by this chapter on individuals and the rates under s. 71.06 (1), (1m), (1n), (1p) and
16 (2) shall apply to the Wisconsin taxable income of estates or trusts, except nuclear
17 decommissioning trust or reserve funds, and that tax shall be paid by the fiduciary.

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

23 ***-1917/1.29*** SECTION 1711. 71.17 (6) of the statutes is amended to read:

24 71.17 (6) FUNERAL TRUSTS. If a qualified funeral trust makes the election under
25 section 685 of the Internal Revenue Code for federal income tax purposes, that

1 election applies for purposes of this chapter and each trust shall compute its own tax
2 and shall apply the rates under s. 71.06 (1) ~~and, (1m), (1n) or (1p).~~

3 ***-1749/1.1* SECTION 1712.** 71.23 (3) (d) of the statutes is created to read:

4 71.23 (3) (d) The storage for any length of time in this state in or on property
5 owned by a person other than the foreign corporation of its tangible personal
6 property and the transfer of possession to another person in this state when the
7 tangible personal property is for fabricating, processing, manufacturing or printing
8 by that other person in this state.

9 ***-1689/4.1* SECTION 1713.** 71.25 (5) (a) (intro.) of the statutes is amended to
10 read:

11 71.25 (5) (a) *Apportionable income.* (intro.) Except as provided in sub. (6),
12 corporations engaged in business both within and without this state are subject to
13 apportionment. Income, gain or loss from the sources listed in this paragraph is
14 presumed apportionable. Apportionable income includes all income or loss of
15 corporations, other than nonapportionable income as specified in par. (b), including,
16 ~~but not limited to,~~ income, gain or loss from the following sources:

17 ***-1689/4.2* SECTION 1714.** 71.25 (5) (a) 9. of the statutes is amended to read:

18 71.25 (5) (a) 9. Interest and dividends ~~if the operations of the payer are unitary~~
19 ~~with those of the payee, or if those operations are not unitary but the investment~~
20 ~~activity from which that income is derived is an integral part of a unitary business~~
21 ~~and the payer and payee are neither affiliates nor related as parent company and~~
22 ~~subsidiary. In this subdivision, "investment activity" includes decision making~~
23 ~~relating to the purchase and sale of stocks and other securities, investing surplus~~
24 ~~funds and the management and record keeping associated with corporate~~

1 ~~investments, not including activities of a broker or other agent in maintaining an~~
2 ~~investment portfolio.~~

3 ***-1689/4.3* SECTION 1715.** 71.25 (5) (a) 10. of the statutes is amended to read:

4 71.25 (5) (a) 10. Sale of intangible assets ~~if the operations of the company in~~
5 ~~which the investment was made were unitary with those of the investing company,~~
6 ~~or if those operations were not unitary but the investment activity from which that~~
7 ~~gain or loss was derived is an integral part of a unitary business and the companies~~
8 ~~were neither affiliates nor related as parent company and subsidiary. In this~~
9 ~~subdivision, "investment activity" has the meaning given under subd. 9.~~

10 ***-1689/4.4* SECTION 1716.** 71.25 (5) (b) 1. of the statutes is renumbered 71.25
11 (5) (b).

12 ***-1689/4.5* SECTION 1717.** 71.25 (5) (b) 2. of the statutes is repealed.

13 ***-1837/5.9* SECTION 1718.** 71.25 (6) of the statutes is amended to read:

14 71.25 (6) ALLOCATION AND SEPARATE ACCOUNTING AND APPORTIONMENT FORMULA.
15 Corporations engaged in business within and without the state shall be taxed only
16 on such income as is derived from business transacted and property located within
17 the state. The amount of such income attributable to Wisconsin may be determined
18 by an allocation and separate accounting thereof, when the business of such
19 corporation within the state is not an integral part of a unitary business, but the
20 department of revenue may permit an allocation and separate accounting in any case
21 in which it is satisfied that the use of such method will properly reflect the income
22 taxable by this state. In all cases in which allocation and separate accounting is not
23 permissible, the determination shall be made in the following manner: for all
24 businesses except financial organizations, public utilities, railroads, sleeping car
25 companies, car line companies and corporations or associations that are subject to

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1 a tax on unrelated business income under s. 71.26 (1) (a) there shall first be deducted
2 from the total net income of the taxpayer the part thereof (less related expenses, if
3 any) that follows the situs of the property or the residence of the recipient. ~~The For~~
4 taxable years beginning before January 1, 2000, the remaining net income shall be
5 apportioned to Wisconsin this state by use of an apportionment fraction composed
6 of a sales factor under sub. (9) representing 50% of the fraction, a property factor
7 under sub. (7) representing 25% of the fraction and a payroll factor under sub. (8)
8 representing 25% of the fraction. For taxable years beginning on or after January
9 1, 2000, the remaining net income shall be apportioned to this state by use of an
10 apportionment fraction composed of the sales factor under sub. (9).

11 ***-1837/5.10* SECTION 1719.** 71.25 (7) (intro.) of the statutes is amended to
12 read:

13 71.25 (7) PROPERTY FACTOR. (intro.) For purposes of sub. (5) and for taxable
14 years beginning before January 1, 2000:

15 ***-1837/5.11* SECTION 1720.** 71.25 (8) (intro.) of the statutes is amended to
16 read:

17 71.25 (8) PAYROLL FACTOR. (intro.) For purposes of sub. (5) and for taxable years
18 beginning before January 1, 2000:

19 ***-1837/5.12* SECTION 1721.** 71.25 (9) (d) of the statutes is amended to read:

20 71.25 (9) (d) Sales, other than sales of tangible personal property, are in this
21 state if the income-producing activity is performed in this state. If the
22 income-producing activity is performed both in and outside this state the sales shall
23 be divided between those states having jurisdiction to tax such business in
24 proportion to the direct costs of performance incurred in each such state in rendering
25 this service. Services performed in states which do not have jurisdiction to tax the

1 business shall be deemed to have been performed in the state to which compensation
2 is allocated by sub. (8). This paragraph does not apply to taxable years beginning
3 after December 31, 1999.

4 ***1837/5.13*** SECTION 1722. 71.25 (9) (dc) of the statutes is created to read:

5 71.25 (9) (dc) For taxable years beginning after December 31, 1999, sales,
6 rents, royalties, and other income from real property, and the receipts from the lease
7 or rental of tangible personal property are attributed to the state in which the
8 property is located.

9 ***1837/5.14*** SECTION 1723. 71.25 (9) (dg) of the statutes is created to read:

10 71.25 (9) (dg) For taxable years beginning after December 31, 1999, receipts
11 from the lease or rental of moving property including but not limited to motor
12 vehicles, rolling stock, aircraft, vessels, or mobile equipment are included in the
13 numerator of the sales factor under par. (a) to the extent that the property is used
14 in this state. The use of moving property in this state is determined as follows:

15 1. A motor vehicle is used in this state if it is registered in this state and used
16 wholly in this state.

17 2. The use of rolling stock in this state is determined by multiplying the receipts
18 from the lease or rental of the rolling stock by a fraction having as a numerator the
19 miles traveled within this state by the leased or rented rolling stock and having as
20 a denominator the total miles traveled by the leased or rented rolling stock.

21 3. The use of an aircraft in this state is determined by multiplying the receipts
22 from the lease or rental of the aircraft by a fraction having as a numerator the
23 number of landings of the aircraft in this state and having as a denominator the total
24 number of landings anywhere of the aircraft.

1 4. The use of a vessel, mobile equipment or other mobile property in this state
2 is determined by multiplying the receipts from the lease or rental of the property by
3 a fraction having as a numerator the number of days in the taxable year that the
4 vessel, mobile equipment or other mobile property was in this state and having as
5 a denominator the number of days in the taxable year that the vessel, mobile
6 equipment or other mobile property was rented or leased.

7 *~~1837/5.15~~* **SECTION 1724.** 71.25 (9) (dn) of the statutes is created to read:

8 71.25 (9) (dn) 1. For taxable years beginning after December 31, 1999, royalties
9 and other income received for the use of intangible property are attributed to the
10 state where the purchaser uses the intangible property. If intangible property is used
11 in more than one state, the royalties and other income received for the use of the
12 intangible property shall be apportioned to this state according to the portion of the
13 intangible property's use in this state. If the portion of intangible property's use in
14 this state cannot be determined, the royalties and other income received for the use
15 of intangible property shall be excluded from the numerator and the denominator of
16 the sales factor under par. (a). Intangible property is used in this state if a purchaser
17 uses the intangible property or uses the rights to intangible property in the regular
18 course of the purchaser's business in this state, regardless of where the purchaser's
19 customers are located.

20 2. For taxable years beginning after December 31, 1999, sales of intangible
21 property are attributed to the state where a purchaser uses the intangible property.
22 If intangible property is used in more than one state, the sales of the intangible
23 property shall be apportioned to this state according to the portion of the intangible
24 property's use in this state. If the portion of intangible property's use in this state
25 cannot be determined, the sales of the intangible property shall be excluded from the

1 numerator and the denominator of the sales factor under par. (a). Intangible
2 property is used in this state if a purchaser uses the intangible property in the
3 regular course of the purchaser's business in this state, regardless of where the
4 purchaser's customers are located.

5 ***-1837/5.16* SECTION 1725.** 71.25 (9) (dr) of the statutes is created to read:

6 71.25 (9) (dr) For taxable years beginning after December 31, 1999, receipts
7 from the performance of services are attributed to the state where the purchaser
8 received the benefit of the services. If a purchaser receives the benefit of a service
9 in more than one state, the receipts from the performance of the service are included
10 in the numerator of the sales factor under par. (a) according to the portion of the
11 benefit of the service received in this state. If the state where a purchaser received
12 the benefit of a service cannot be determined, the benefit of a service is received in
13 the state where the purchaser, in the regular course of the purchaser's business,
14 ordered the service. If the state where a purchaser ordered a service cannot be
15 determined, the benefit of the service is received in the state where the purchaser,
16 in the regular course of the purchaser's business, receives a bill for the service.

17 ***-1837/5.17* SECTION 1726.** 71.25 (9) (e) (title) of the statutes is repealed.

18 ***-1837/5.18* SECTION 1727.** 71.25 (9) (f) (title) of the statutes is repealed.

19 ***-1689/4.6* SECTION 1728.** 71.255 of the statutes is created to read:

20 **71.255 Combined reporting. (1) DEFINITIONS.** In this section:

21 (a) "Affiliated group" means any of the following:

22 1. A parent corporation and any corporation or chain of corporations that are
23 connected to the parent corporation by ownership by the parent corporation if the
24 parent corporation owns stock representing at least 50% of the voting stock of at least
25 one of the connected corporations or if the parent corporation or any of the connected

1 corporations owns stock that cumulatively represents at least 50% of the voting stock
2 of each of the connected corporations.

3 2. Any 2 or more corporations if a common owner owns stock representing at
4 least 50% of the voting stock of the corporations or the connected corporations.

5 3. A partnership, limited liability company or tax-option corporation if a
6 parent corporation or any corporation connected to the parent corporation by
7 common ownership owns shares representing at least 50% of the shares of the
8 partnership, limited liability company or tax-option corporation.

9 4. Any 2 or more corporations if stock representing at least 50% of the voting
10 stock in each corporation are interests that cannot be separately transferred.

11 5. Any 2 or more corporations if stock representing at least 50% of the voting
12 stock is directly owned by, or for the benefit of, family members. In this subdivision,
13 "family members" means an individual or a spouse related by blood, marriage or
14 adoption within the 2nd degree of kinship as computed under s. 852.03 (2), 1995
15 stats.

16 (b) "Combined report" means a form prescribed by the department that shows
17 the calculations under this section to divide the income of an affiliated group
18 conducting a unitary business among the jurisdictions where the affiliated group
19 conducts its trade or business.

20 (c) "Corporation" has the meaning given in s. 71.22 (1) or 71.42 (1).

21 (d) "Department" means the department of revenue.

22 (e) "Intercompany transaction" means a transaction between corporations,
23 partnerships, limited liability companies or tax-option corporations that become
24 members of the same affiliated group that is engaged in a unitary business
25 immediately after the transaction.

1 (f) "Partnership" means any entity considered a partnership under section
2 7701 of the Internal Revenue Code.

3 (g) "Unitary business" means 2 or more businesses that have common
4 ownership or are integrated with or dependent upon each other. Two or more
5 businesses are presumed to be a unitary business if the businesses have centralized
6 management or a centralized executive force; centralized purchasing, advertising or
7 accounting; intercorporate sales or leases; intercorporate services; intercorporate
8 debts; intercorporate use of proprietary materials; interlocking directorates or
9 interlocking corporate officers; or if a business conducted in this state is owned by
10 a person that conducts a business entirely outside of this state that is different from
11 the business conducted in this state.

12 (2) CORPORATIONS REQUIRED TO USE COMBINED REPORTING. A corporation that is
13 subject to tax under s. 71.23 (1) or (2) or 71.43, that is a member of an affiliated group
14 and that is engaged in a unitary business with one or more members of the affiliated
15 group shall compute the corporation's income using the combined reporting method
16 under this section. Any corporation, regardless of the country where the corporation
17 is organized or incorporated or conducts business, and any tax-option corporation,
18 if the department determines that combined reporting is necessary to accurately
19 report the income of the tax-option corporation apportioned to this state, shall file
20 a combined report if the corporation is a member of an affiliated group that is
21 engaged in a unitary business.

22 (3) ACCOUNTING PERIOD. For purposes of this section, the income under ss.
23 71.26, 71.34 and 71.45, the apportionment factors under ss. 71.25 and 71.45 and the
24 tax credits under ss. 71.28 and 71.47 of all corporations that are members of an
25 affiliated group and that are engaged in a unitary business shall be determined by

1 using the same accounting period. If the affiliated group that is engaged in a unitary
2 business has a common parent corporation, the accounting period of the common
3 parent corporation shall be used to determine the income, the apportionment factors
4 and the tax credits of all the corporations that are members of the affiliated group
5 that is engaged in a unitary business. If the affiliated group that is engaged in a
6 unitary business has no common parent corporation, the income, the apportionment
7 factors and the tax credits of the affiliated group that is engaged in a unitary business
8 shall be determined using the accounting period of the member of the affiliated group
9 that has the most significant operations on a recurring basis in this state.

10 (4) FILING RETURNS. (a) *Corporations with the same accounting period.*
11 Corporations that must file a return under this section and that have the same
12 accounting period may file a combined report under par. (c) that reports the
13 aggregate state franchise or state income tax liability of all of the members of the
14 affiliated group that are engaged in a unitary business. Corporations that are
15 required to file a combined report under this section may file separate returns
16 reporting the respective apportionment of the corporation's state franchise or state
17 income tax liability as determined under the combined reporting method, if each
18 corporation filing a separate return pays its own apportionment of its state franchise
19 or state income tax liability.

20 (b) *Corporations with different accounting periods.* Corporations that are
21 required to file a combined report and that have different accounting periods shall
22 use the actual figures from the corporations' financial records to determine the
23 proper income and income-related computations to convert to a common accounting
24 period. Corporations that are required to file a combined report may use a
25 proportional method to convert income to a common accounting period if the results

1 of the proportional method do not materially misrepresent the income apportioned
2 to this state. The apportionment factors under ss. 71.25 and 71.45 and the tax credits
3 under ss. 71.28 and 71.47 shall be computed according to the same method used to
4 determine the income under ss. 71.26, 71.34 and 71.45 for the common accounting
5 period. If a corporation performs an interim closing of its financial records to
6 determine the income attributable to the common accounting period, the actual
7 figures from the interim closing shall be used to convert the apportionment factors
8 to the common accounting period.

9 (c) *Designated agent.* If corporations that are subject to this section file a
10 combined report under par. (a), the parent corporation of the affiliated group shall
11 be the sole designated agent for each member of the affiliated group including the
12 parent corporation. The designated agent shall file the combined report under par.
13 (a), shall file for any extensions under s. 71.24 (7) or 71.44 (3), shall file amended
14 reports and claims for refund or credit, and shall send and receive all correspondence
15 with the department regarding a combined report. Any notice the department sends
16 to the designated agent is considered a notice sent to all members of the affiliated
17 group. Any refund shall be paid to and in the name of the designated agent and shall
18 discharge any liability of the state to any member of an affiliated group regarding
19 the refund. The affiliated group filing a combined report under par. (a) shall pay all
20 taxes, including estimated taxes, in the designated agent's name. The designated
21 agent shall participate on behalf of the affiliated group in any investigation or
22 hearing requested by the department regarding a combined report and shall produce
23 all information requested by the department regarding a combined report. The
24 designated agent may execute a power of attorney on behalf of the members of the
25 affiliated group. The designated agent shall execute waivers, closing agreements

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1 and other documents regarding a report filed under par. (a) and any waiver,
2 agreement or document executed by the designated agent shall be considered as
3 executed by all members of the affiliated group. If the department acts in good faith
4 with an affiliated group member that represents itself as the designated agent for
5 the affiliated group but that affiliated group member is not the designated agent, any
6 action taken by the department with that affiliated group member has the same
7 effect as if that affiliated group member were the actual designated agent for the
8 affiliated group.

9 (d) *Part-year members.* If a corporation becomes a member of an affiliated
10 group engaged in a unitary business or ceases to be a member of an affiliated group
11 engaged in a unitary business after the beginning of a common accounting period,
12 the corporation's income shall be apportioned to this state as follows:

13 1. If the corporation is required to file 2 short period federal returns for the
14 common accounting period, the income for the short period that the corporation was
15 a member of an affiliated group engaged in a unitary business shall be determined
16 by using the combined reporting method and the corporation shall join in filing a
17 combined report for that short period. The income for the remaining short period
18 shall be by separate reporting under s. 71.25 or 71.45. If the corporation becomes a
19 member of another affiliated group that is engaged in a unitary business in the
20 remaining short period, the corporation's income shall be determined for the
21 remaining short period by using the combined reporting method.

22 2. If the corporation is not required to file federal short period returns, the
23 corporation shall file a separate return. Income shall be determined as follows:

24 a. By the combined reporting method for any period that the corporation was
25 a member of an affiliated group that was engaged in a unitary business.

1 b. By separate reporting under s. 71.25 or 71.45 for any period that the
2 corporation was not a member of an affiliated group that was engaged in a unitary
3 business.

4 (e) *Amended combined report.* The election to file a combined report under this
5 section applies to an amended combined report that includes the same corporations
6 that joined in the filing of the original combined report. Under this section, an
7 amended combined report shall be filed as follows:

8 1. If an election to file a combined report that is in effect for a taxable year is
9 revoked for the taxable year because the affiliated group that filed the combined
10 report is not a unitary business, as determined by the department, the designated
11 agent for the affiliated group may not file an amended combined report. The
12 designated agent and each corporation that joined in filing the combined report shall
13 file a separate amended return. To compute the tax due on a separate amended
14 return, a corporation that files a separate amended return shall consider all of the
15 payments, credits or other amounts, including refunds, that the designated agent
16 allocated to the corporation.

17 2. If a change in tax liability under this section is the result of the removal of
18 a corporation from an affiliated group because the corporation was not eligible to be
19 a member of the affiliated group for the taxable year, as determined by the
20 department, the designated agent shall file an amended combined report and the
21 ineligible corporation shall file a separate amended return.

22 3. If a corporation erroneously fails to join in the filing of a combined report,
23 the designated agent shall file an amended combined report that includes the
24 corporation. If a corporation that erroneously fails to join in the filing of a combined
25 report has filed a separate return, the corporation shall file an amended separate

1 return that shows no net income, overpayment or underpayment, and shows that the
2 corporation has joined in the filing of a combined report.

3 (5) INCOME COMPUTATION UNDER COMBINED REPORTING. Under the combined
4 reporting method, income attributable to this state shall be determined as follows:

5 (a) Determine the net income of each corporation under s. 71.26, 71.34 (1) or
6 71.45, including a general or limited partner's share of income to the extent that the
7 general or limited partner and the partnership in which the general or limited
8 partner invests are engaged in a unitary business, regardless of the percentage of the
9 general or limited partner's ownership in the partnership.

10 (b) Adjust each corporation's income, as determined under par. (a), as provided
11 under s. 71.30.

12 (c) From the amount determined under par. (b), subtract intercompany
13 transactions such that intercompany accounts of assets, liabilities, equities, income,
14 costs or expenses are excluded from the determination of income to accurately reflect
15 the income, the apportionment factors and the tax credits in a combined report that
16 is filed under this section. Distributions of intercompany dividends that are paid
17 from nonbusiness earnings or nonbusiness profits, or distributions of intercompany
18 dividends that are paid from earnings or profits that are accumulated before the
19 payer corporation becomes a member of an affiliated group that is engaged in a
20 unitary business, may not be excluded from the income of the recipient corporation.
21 An intercompany distribution that exceeds the payer corporation's earnings or
22 profits or stock basis shall not be considered income from an intercompany sale of an
23 asset and shall not be excluded as income from an intercompany transaction.
24 Intercompany dividends that are paid from earnings or profits from a unitary
25 business income shall be considered as paid first from current earnings or profits and

1 then from accumulations from prior years in reverse order of accumulation. An
2 intercompany transaction includes the following:

3 1. Income from sales of inventory from one member of the affiliated group to
4 another member of the affiliated group.

5 2. Gain or loss from sales of intangible assets from one member of the affiliated
6 group to another member of the affiliated group.

7 3. Gain or loss on sales of fixed assets or capitalized intercompany charges from
8 one member of the affiliated group to another member of the affiliated group.

9 4. Loans, advances, receivables and similar items that one member of the
10 affiliated group owes to another member of the affiliated group, including interest
11 income and interest expense related to these items.

12 5. Stock or other equity of one member of the affiliated group that is owned or
13 controlled by another member of the affiliated group.

14 6. Except as provided in par. (c) (intro.), intercompany dividends paid out of
15 earnings or profits from a unitary business income.

16 7. Annual rent paid by one member of the affiliated group to another member
17 of the affiliated group.

18 8. Management or service fees paid by one member of the affiliated group to
19 another member of the affiliated group.

20 9. Income or expenses allocated or charged by one member of the affiliated
21 group to another member of the affiliated group.

22 (d) From the amount determined under par. (c) for each corporation, subtract
23 nonbusiness income, net of related expenses, and add nonbusiness losses, net of
24 related expenses, to determine each corporation's apportionable net income or
25 apportionable net loss.

1 (e) Calculate the apportionment factors under sub. (6) and multiply each
2 corporation's apportionable net income or apportionable net loss, as determined
3 under par. (d), by the corporation's apportionment fraction as determined under s.
4 71.25 (6).

5 (f) To the amount determined under par. (e), add each corporation's
6 nonbusiness income attributable to this state and subtract each corporation's
7 nonbusiness losses attributable to this state.

8 (g) To the amount determined under par. (f), subtract each corporation's net
9 business loss carry-forward under s. 71.26 (4) or 71.45 (4). A corporation may not
10 carry forward a business loss from taxable years ending before January 1, 2000, if
11 the corporation was not subject to this state's income or franchise tax for taxable years
12 ending before January 1, 2000.

13 **(6) APPORTIONMENT FACTOR COMPUTATION UNDER COMBINED REPORTING.** Under the
14 combined reporting method, this state's apportionment factors are determined as
15 follows:

16 (a) Determine the numerator and the denominator of each corporation's
17 apportionment factors as determined under s. 71.25 or 71.45, including a general or
18 limited partner's share of the numerator and the denominator of the apportionment
19 factors to the extent that the general or limited partner and the partnership in which
20 the general or limited partner invests are engaged in a unitary business, regardless
21 of the percentage of the general or limited partner's ownership in the partnership.

22 (b) Subtract intercompany transactions under sub. (5) (c) from both the
23 numerators and the denominators as determined under par. (b).

24 (c) Add the denominators of the apportionment factors for each corporation, as
25 determined under par. (b), to arrive at the combined denominators.

1 (d) Compute each corporation's apportionment factors by dividing the
2 corporation's numerator as determined under par. (b) by the combined denominator
3 as determined under par. (c).

4 **(7) NET OPERATING LOSSES.** For the first 2 taxable years that a combined report
5 is filed under this section, the net operating loss for each member of an affiliated
6 group that files a combined report is determined by adding each member's share of
7 nonbusiness income to each member's share of business income and subtracting each
8 member's share of nonbusiness loss from each member's share of business loss.
9 Beginning with the 3rd taxable year that a combined report is filed under this
10 section, if a member of an affiliated group that files a combined report has a positive
11 net income as determined under sub. (5), the affiliated group shall only deduct the
12 amount of the net operating loss carry-forward attributable to that member.

13 **(8) ESTIMATED TAX PAYMENTS.** (a) For the first 2 taxable years that a combined
14 report is filed under this section, estimated taxes may be paid on a group basis or on
15 a separate basis. The amount of any separate estimated taxes paid in the first 2
16 taxable years that a combined report is filed shall be credited against the group's tax
17 liability. The designated agent shall notify the department of any estimated taxes
18 paid on a separate basis in the first 2 taxable years that a combined report is filed.

19 (b) If a combined report is filed for 2 consecutive taxable years, estimated taxes
20 shall be paid on a group basis for each subsequent taxable year until such time as
21 separate returns are filed by the corporations that were members of an affiliated
22 group that filed combined reports under this section. For each taxable year in which
23 combined estimated payments are required under this subsection, the department
24 shall consider the affiliated group filing a combined report to be one taxpayer. If a
25 corporation subject to this section files a separate return in a taxable year following

1 a year in which the corporation joined in filing a combined report, the amount of any
2 estimated tax payments made on a group basis for the previous year shall be credited
3 against the tax liability of the corporation that files a separate return, as allocated
4 by the designated agent with the department's approval.

5 (c) If an affiliated group pays estimated taxes on a group basis for a taxable year
6 or for any part of a taxable year, and the members of the affiliated group file separate
7 returns for the taxable year, the designated agent, with the department's approval,
8 shall allocate the estimated tax payments among the members of the affiliated
9 group.

10 (d) If estimated taxes are paid on a group basis for a taxable year but the group
11 does not file a combined report for the taxable year and did not file a combined report
12 for the previous taxable year, the estimated tax shall be credited to the corporation
13 that made the estimated tax payment on the group's behalf.

14 (9) INTEREST FOR UNDERPAYMENT OF ESTIMATED TAX. (a) *General.* The amount
15 of interest that is due for an underpayment of estimated taxes under sub. (8) shall
16 be computed as follows:

17 1. For the first year in which a combined report is filed, the amount of interest
18 that is due for an underpayment of estimated taxes shall be determined by using the
19 aggregate of the tax and income shown on the returns filled by the members of the
20 group for the previous year.

21 2. For estimated taxes paid under sub. (8)(c), the amount of interest that is due
22 from a group member for an underpayment of estimated taxes paid by the group
23 member shall be determined by using the group member's separate items from the
24 combined report filed for the previous year and the group member's allocated share
25 of the combined estimated payments for the current year. The designated agent shall

1 report the group member's allocated share of the combined estimated payments for
2 the current year to the department, in the manner prescribed by the department.

3 (b) *Entering a group.* For a corporation that becomes a member of an affiliated
4 group during a common accounting period under sub. (3), the amount of interest that
5 is due for an underpayment of estimated taxes shall be allocated to the corporation
6 as follows:

7 1. If a corporation becomes a member of an affiliated group at the beginning
8 of a common accounting period, the corporation shall include with the corresponding
9 items on the combined report for the previous common accounting period the
10 separate items shown on the corporation's return for the previous taxable year.

11 2. If a corporation is not a member of an affiliated group for an entire common
12 accounting period, the corporation shall include with the corresponding items on the
13 combined report for the current taxable year the corporation's separate items for that
14 portion of the common accounting period that the corporation was a member of the
15 affiliated group.

16 3. To determine the separate items under subds. 1. and 2., if a corporation is
17 a member of an affiliated group during a portion of a common accounting period in
18 which the corporation becomes a member of another affiliated group, the
19 corporation's separate items shall include the separate items that are attributed to
20 the corporation by the designated agent of the first affiliated group.

21 (c) *Leaving a group.* For a corporation that leaves an affiliated group during
22 a common accounting period under sub. (3), the amount of interest that is due for an
23 underpayment of estimated taxes shall be allocated as follows:

24 1. The separate items attributed by the designated agent to the corporation for
25 the common accounting period during which the corporation leaves the affiliated

1 group shall be excluded from the corresponding items of the affiliated group for the
2 current common accounting period and all the common accounting periods following
3 the corporation's departure from the affiliated group.

4 2. A corporation that leaves an affiliated group shall consider the separate
5 items attributed to the corporation by the designated agent of the affiliated group to
6 determine the amount of interest that is due from the corporation for an
7 underpayment of estimated taxes under sub. (8).

8 **(10) ASSESSMENT NOTICE.** If the department sends a notice of taxes that are
9 owed by an affiliated group to the designated agent, the notice shall name each
10 corporation that is a member of the affiliated group during any part of the period
11 covered by the notice. The department's failure to name a member of the affiliated
12 group on a notice under this subsection shall not invalidate the notice as to the
13 unnamed member of the affiliated group. Any levy, lien or other proceeding to collect
14 the amount of a tax assessment under this section shall name the corporation from
15 which the department shall collect the assessment. If a corporation that joined in
16 the filing of a combined report leaves the affiliated group, the department shall send
17 the corporation a copy of any notice sent to the affiliated group under this subsection
18 if the corporation notifies the department that the corporation is no longer a member
19 of the affiliated group and if the corporation requests in writing that the department
20 send notices under this subsection to the corporation. The department's failure to
21 comply with a corporation's request to receive a notice does not affect the tax liability
22 of the corporation.

23 **(11) LIABILITY FOR TAX, INTEREST AND PENALTY.** If members of an affiliated group
24 file a combined report, the members of the affiliated group shall be jointly and
25 severally liable for any combined tax, interest or penalty. The liability of a member

1 of an affiliated group for any combined tax, interest or penalty shall not be reduced
2 by an agreement with another member of the affiliated group or by an agreement
3 with another person.

4 (12) PRESUMPTIONS AND BURDEN OF PROOF. An affiliated group shall be presumed
5 to be engaged in a unitary business and all of the income of the unitary business shall
6 be presumed to be apportionable business income under this section. A corporation,
7 partnership, limited liability company or tax-option corporation has the burden of
8 proving that it is not a member of an affiliated group that is subject to this section.
9 The department shall promulgate rules to implement this section.

10 *~~0030/2.112~~* SECTION 1729. 71.26 (1) (b) of the statutes is amended to read:

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

15 *~~1689/4.7~~* SECTION 1730. 71.26 (3) (L) of the statutes is amended to read:

16 71.26 (3) (L) Section 265 is excluded and replaced by the rule that any amount
17 otherwise deductible under this chapter that is directly or indirectly related to
18 income wholly exempt from taxes imposed by this chapter or to losses from the sale
19 or other disposition of assets the gain from which would be exempt under this
20 paragraph if the assets were sold or otherwise disposed of at a gain is not deductible.
21 In this paragraph, “wholly exempt income”, for corporations subject to franchise or
22 income taxes, includes ~~amounts received from affiliated or subsidiary corporations~~
23 ~~for interest, dividends or capital gains that, because of the degree of common~~
24 ~~ownership, control or management between the payor and payee, are not subject to~~
25 taxes under this chapter. In this paragraph, “wholly exempt income”, for

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1 corporations subject to income taxation under this chapter, also includes interest on
2 obligations of the United States. In this paragraph, “wholly exempt income” does not
3 include income excludable, not recognized, exempt or deductible under specific
4 provisions of this chapter. If any expense or amount otherwise deductible is
5 indirectly related both to wholly exempt income or loss and to other income or loss,
6 a reasonable proportion of the expense or amount shall be allocated to each type of
7 income or loss, in light of all the facts and circumstances.

8 ***-0549/1.2* SECTION 1731.** 71.28 (1dj) (am) 3. of the statutes is amended to
9 read:

10 71.28 (1dj) (am) 3. Modify the rule for certification under section 51 (d) (16) (A)
11 of the internal revenue code to allow certification within the 90-day period beginning
12 with the first day of employment of the employe ~~by the claimant.~~

13 ***-0550/1.2* SECTION 1732.** 71.28 (1dx) (b) 4. of the statutes is amended to read:

14 71.28 (1dx) (b) 4. The amount determined by multiplying the amount
15 determined under s. 560.785 (1) ~~(b)~~ (bm) by the number of full-time jobs retained,
16 as provided in the rules under s. 560.785, excluding jobs for which a credit has been
17 claimed under sub. (1dj), in a an enterprise development zone under s. 560.797 and
18 filled by a member of a targeted group for which significant capital investment was
19 made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

20 ***-1785/1.7* SECTION 1733.** 71.28 (2) of the statutes is amended to read:

21 71.28 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
22 CREDIT The farmland preservation credit and the farmland preservation acreage
23 credit under subch. IX may be claimed against taxes otherwise due subject to the
24 provisions, requirements and conditions of that subchapter.

25 ***-1837/5.19* SECTION 1734.** 71.28 (4) (a) of the statutes is amended to read:

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

15 *~~1837/5.20~~* **SECTION 1735.** 71.28 (4) (am) 1. of the statutes is amended to
16 read:

17 71.28 (4) (am) *Development zone additional research credit*. 1. In addition to
18 the credit under par. (a), any corporation may credit against taxes otherwise due
19 under this chapter an amount equal to 5% of the amount obtained by subtracting
20 from the corporation's qualified research expenses, as defined in section 41 of the
21 internal revenue code, except that "qualified research expenses" include only
22 expenses incurred by the claimant in a development zone under subch. VI of ch. 560,
23 except that a taxpayer may elect the alternative computation under section 41 (c) (4)
24 of the Internal Revenue Code and that election applies until the department permits
25 its revocation and except that "qualified research expenses" do not include

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1 compensation used in computing the credit under sub. (1dj) nor research expenses
2 incurred before the claimant is certified for tax benefits under s. 560.765 (3), the
3 corporation's base amount, as defined in section 41 (c) of the internal revenue code,
4 in a development zone, except that gross receipts used in calculating the base amount
5 means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and
6 2. ~~and, (d), (dc), (dg), (dn) and (dr)~~ and research expenses used in calculating the base
7 amount include research expenses incurred before the claimant is certified for tax
8 benefits under s. 560.765 (3), in a development zone, if the claimant submits with the
9 claimant's return a copy of the claimant's certification for tax benefits under s.
10 560.765 (3) and a statement from the department of commerce verifying the
11 claimant's qualified research expenses for research conducted exclusively in a
12 development zone. The rules under s. 73.03 (35) apply to the credit under this
13 subdivision. The rules under sub. (1di) (f) and (g) as they apply to the credit under
14 that subsection apply to claims under this subdivision. Section 41 (h) of the internal
15 revenue code does not apply to the credit under this subdivision.

16 ***-1689/4.8* SECTION 1736.** 71.29 (2) of the statutes is amended to read:

17 71.29 (2) WHO SHALL PAY. ~~Every~~ Except as provided in s. 71.255 (8), a
18 corporation subject to tax under s. 71.23 (1) or (2) and every virtually exempt entity
19 subject to tax under s. 71.125 or 71.23 (1) or (2) shall pay an estimated tax.

20 ***-1785/1.8* SECTION 1737.** 71.30 (3) (f) of the statutes is amended to read:

21 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
22 (1fd), farmland preservation credit and farmland preservation acreage credit under
23 subch. IX, farmland tax relief credit under s. 71.28 (2m) and estimated tax payments
24 under s. 71.29.

25 ***-1689/4.9* SECTION 1738.** 71.44 (1) (e) of the statutes is created to read:

1 71.44 (1) (e) A corporation that is a member of an affiliated group, as defined
2 in s. 71.255 (1) (a), and engaged in a unitary business, as defined in s. 71.255 (1) (g),
3 shall file a tax return under s. 71.255.

4 ***-1837/5.21*** **SECTION 1739.** 71.45 (3) (intro.) of the statutes is amended to
5 read:

6 71.45 (3) APPORTIONMENT. (intro.) ~~With~~ Except as provided in pars. (a) and (b),
7 with respect to domestic insurers not engaged in the sale of life insurance but which,
8 in the taxable year, have collected premiums written on subjects of insurance
9 resident, located or to be performed outside this state, there shall be subtracted from
10 the net income figure derived by application of sub. (2) (a) to arrive at Wisconsin
11 income constituting the measure of the franchise tax an amount calculated by
12 multiplying such adjusted federal taxable income by the arithmetic average of the
13 following 2 percentages:

14 ***-1837/5.22*** **SECTION 1740.** 71.45 (3) (a) of the statutes is amended to read:

15 71.45 (3) (a) The percentage of total premiums written on all property and risks
16 other than life insurance, wherever located during the taxable year, as reflects
17 premiums written on insurance, other than life insurance, where the subject of
18 insurance was resident, located or to be performed outside this state. For taxable
19 years beginning after December 31, 1999, the premiums percentage under this
20 paragraph is the only percentage applied to the apportionment calculations in this
21 paragraph and in sub. (3m).

22 ***-1837/5.23*** **SECTION 1741.** 71.45 (3) (b) of the statutes is renumbered 71.45

23 (3) (b) 1. and amended to read:

24 71.45 (3) (b) 1. The percentage of total payroll, exclusive of life insurance
25 payroll, paid everywhere in the taxable year as reflects such compensation paid

1 outside this state. The payroll percentage under this paragraph does not apply to
2 the apportionment calculations under this paragraph and under sub. (3m) for
3 taxable years beginning after December 31, 1999.

4 2. Compensation is paid outside this state if the individual's service is
5 performed entirely outside this state; or the individual's service is performed both
6 within and without this state, but the service performed within is incidental to the
7 individual's service without this state; or some service is performed without this
8 state and the base of operations, or if there is no base of operations, the place from
9 which the service is directed or controlled is without this state, or the base of
10 operations or the place from which the service is directed or controlled is not in any
11 state in which some part of the service is performed, but the individual's residence
12 is outside this state.

13 ***-1837/5.24* SECTION 1742.** 71.45 (3m) of the statutes is amended to read:

14 71.45 (3m) ARITHMETIC AVERAGE. The Except as provided in pars. (a) and (b),
15 the arithmetic average of the 2 percentages referred to in sub. (3) shall be applied to
16 the net income figure arrived at by the successive application of sub. (2) (a) and (b)
17 with respect to Wisconsin insurers to which sub. (2) (a) and (b) applies and which
18 have collected premiums written upon insurance, other than life insurance, where
19 the subject of such insurance was resident, located or to be performed outside this
20 state, to arrive at Wisconsin income constituting the measure of the franchise tax.

21 ***-1689/4.10* SECTION 1743.** 71.46 (3) of the statutes is repealed.

22 ***-0549/1.3* SECTION 1744.** 71.47 (1dj) (am) 3. of the statutes is amended to
23 read:

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

4 ***-0550/1.3*** **SECTION 1745.** 71.47 (1dx) (b) 4. of the statutes is amended to read:

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

11 ***-1785/1.9*** **SECTION 1746.** 71.47 (2) of the statutes is amended to read:

12 71.47 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
13 CREDIT. The farmland preservation credit and the farmland preservation acreage
14 credit under subch. IX may be claimed against taxes otherwise due.

15 ***-1837/5.25*** **SECTION 1747.** 71.47 (4) (a) of the statutes is amended to read:

16 71.47 (4) (a) *Credit.* Any corporation may credit against taxes otherwise due
17 under this chapter an amount equal to 5% of the amount obtained by subtracting
18 from the corporation's qualified research expenses, as defined in section 41 of the
19 internal revenue code, except that "qualified research expenses" includes only
20 expenses incurred by the claimant, incurred for research conducted in this state for
21 the taxable year, except that a taxpayer may elect the alternative computation under
22 section 41 (c) (4) of the Internal Revenue Code and that election applies until the
23 department permits its revocation and except that "qualified research expenses"
24 does not include compensation used in computing the credit under subs. (1dj) and
25 (1dx), the corporation's base amount, as defined in section 41 (c) of the internal

1 revenue code, except that gross receipts used in calculating the base amount means
2 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and,
3 (d), (dc), (dg), (dn) and (dr). Section 41 (h) of the internal revenue code does not apply
4 to the credit under this paragraph.

5 *~~1837/5.26~~* SECTION 1748. 71.47 (4) (am) of the statutes is amended to read:

6 71.47 (4) (am) *Development zone additional research credit.* In addition to the
7 credit under par. (a), any corporation may credit against taxes otherwise due under
8 this chapter an amount equal to 5% of the amount obtained by subtracting from the
9 corporation's qualified research expenses, as defined in section 41 of the internal
10 revenue code, except that "qualified research expenses" include only expenses
11 incurred by the claimant in a development zone under subch. VI of ch. 560, except
12 that a taxpayer may elect the alternative computation under section 41 (c) (4) of the
13 Internal Revenue Code and that election applies until the department permits its
14 revocation and except that "qualified research expenses" do not include
15 compensation used in computing the credit under sub. (1dj) nor research expenses
16 incurred before the claimant is certified for tax benefits under s. 560.765 (3), the
17 corporation's base amount, as defined in section 41 (c) of the internal revenue code,
18 in a development zone, except that gross receipts used in calculating the base amount
19 means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and
20 2. and, (d), (dc), (dg), (dn) and (dr) and research expenses used in calculating the base
21 amount include research expenses incurred before the claimant is certified for tax
22 benefits under s. 560.765 (3), in a development zone, if the claimant submits with the
23 claimant's return a copy of the claimant's certification for tax benefits under s.
24 560.765 (3) and a statement from the department of commerce verifying the
25 claimant's qualified research expenses for research conducted exclusively in a

1 development zone. The rules under s. 73.03 (35) apply to the credit under this
2 paragraph. The rules under sub. (1di) (f) and (g) as they apply to the credit under
3 that subsection apply to claims under this paragraph. Section 41 (h) of the internal
4 revenue code does not apply to the credit under this paragraph. No credit may be
5 claimed under this paragraph for taxable years that begin on January 1, 1998, or
6 thereafter. Credits under this paragraph for taxable years that begin before January
7 1, 1998, may be carried forward to taxable years that begin on January 1, 1998, or
8 thereafter.

9 ***-1689/4.11* SECTION 1749.** 71.48 of the statutes is amended to read:

10 **71.48 Payments of estimated taxes.** Sections Except as provided in s.
11 71.255 (8), ss. 71.29 and 71.84 (2) shall apply to insurers subject to taxation under
12 this chapter.

13 ***-1785/1.10* SECTION 1750.** 71.49 (1) (f) of the statutes is amended to read:

14 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
15 (1fd), farmland preservation credit and farmland preservation acreage credit under
16 subch. IX, farmland tax relief credit under s. 71.47 (2m) and estimated tax payments
17 under s. 71.48.

18 ***-1917/1.30* SECTION 1751.** 71.54 (1) (d) (intro.) of the statutes is amended to
19 read:

20 71.54 (1) (d) 1991 and thereafter to 1999. (intro.) The amount of any claim filed
21 in 1991 ~~and thereafter to 1999~~ and based on property taxes accrued or rent
22 constituting property taxes accrued during the previous year is limited as follows:

23 ***-1917/1.31* SECTION 1752.** 71.54 (1) (e) of the statutes is created to read:

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

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

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

11 3. No credit may be allowed if the household income of a claimant exceeds
12 \$20,290.

13 *~~-0494/2.1~~* SECTION 1753. 71.54 (2) (a) (intro.) of the statutes is amended to
14 read:

15 71.54 (2) (a) (intro.) Property taxes accrued or rent constituting property taxes
16 accrued shall be reduced by one-twelfth for each month or portion of a month for
17 which the claimant received relief from any county under s. 59.53 (21) equal to or in
18 excess of \$400, participated in Wisconsin works under s. 49.147 (4) or (5) or 49.148
19 (1m) or received assistance under s. 49.19, except assistance received:

20 *~~-1785/1.11~~* SECTION 1754. 71.58 (8) of the statutes is amended to read:

21 71.58 (8) "Property taxes accrued" means property taxes, exclusive of special
22 assessments, delinquent interest and charges for service, levied on the farmland and
23 improvements owned by the claimant or any member of the claimant's household in
24 any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the
25 property by s. 79.10. "Property taxes accrued" shall not exceed ~~\$6,000~~ the amount

1 described as the maximum excessive property tax in s. 71.60 (1) (a). If farmland is
2 owned by a tax-option corporation, a limited liability company or by 2 or more
3 persons or entities as joint tenants, tenants in common or partners or is marital
4 property or survivorship marital property and one or more such persons, entities or
5 owners is not a member of the claimant's household, "property taxes accrued" is that
6 part of property taxes levied on the farmland, reduced by the tax credit under s.
7 79.10, that reflects the ownership percentage of the claimant and the claimant's
8 household. For purposes of this subsection, property taxes are "levied" when the tax
9 roll is delivered to the local treasurer for collection. If farmland is sold during the
10 calendar year of the levy the "property taxes accrued" for the seller is the amount of
11 the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing
12 agreement pertaining to the sale of the farmland, except that if the seller does not
13 reimburse the buyer for any part of those property taxes there are no "property taxes
14 accrued" for the seller, and the "property taxes accrued" for the buyer is the property
15 taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the
16 seller reimburses the buyer for part of the property taxes, the amount prorated to the
17 seller in the closing agreement. With the claim for credit under this subchapter, the
18 seller shall submit a copy of the closing agreement and the buyer shall submit a copy
19 of the closing agreement and a copy of the property tax bill.

20 ***-1785/1.12*** **SECTION 1755.** 71.59 (1) (a) of the statutes is amended to read:
21 71.59 (1) (a) Subject to the limitations provided in this subchapter and s. 71.80
22 (3) and (3m), a claimant may claim as a credit against Wisconsin income or franchise
23 taxes otherwise due, the amount derived under s. 71.60 or the amount derived under
24 s. 71.605, or both. If the allowable amount of claim exceeds the income or franchise
25 taxes otherwise due on or measured by the claimant's income or if there are no

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1 Wisconsin income or franchise taxes due on or measured by the claimant's income,
2 the amount of the claim not used as an offset against income or franchise taxes shall
3 be certified to the department of administration for payment to the claimant by
4 check, share draft or other draft drawn on the general fund.

5 ***-1785/1.13* SECTION 1756.** 71.59 (1) (b) (intro.) of the statutes is amended to
6 read:

7 71.59 (1) (b) (intro.) Every claimant under this ~~subchapter~~ section and s. 71.60
8 shall supply, at the request of the department, in support of the claim, all of the
9 following:

10 ***-1785/1.14* SECTION 1757.** 71.59 (1) (b) 5. of the statutes is created to read:

11 71.59 (1) (b) 5. A copy of a certificate of compliance, issued by the land
12 conservation committee of each of the counties that have jurisdiction over the
13 farmland, that certifies that the soil and water standards that apply to the farmland
14 under s. 92.105 (1), (2) and (3) are being met.

15 ***-1785/1.15* SECTION 1758.** 71.59 (1) (c) of the statutes is amended to read:

16 71.59 (1) (c) A farmland preservation agreement submitted under par. (b) 3.
17 shall contain provisions specified under s. 91.13 (8) including either a provision
18 requiring farming operations to be conducted in substantial accordance with a soil
19 and water conservation plan prepared under s. 92.104, 1997 stats., or a provision
20 requiring farming operations to be conducted in compliance with reasonable soil and
21 water conservation standards established under s. 92.105.

22 ***-1785/1.16* SECTION 1759.** 71.59 (1) (d) (intro.) of the statutes is amended to
23 read:

24 71.59 (1) (d) (intro.) The certificate of ~~the zoning authority~~ submitted under
25 par. (b) ~~3.~~ 5. shall certify:

1 ***-1785/1.17*** **SECTION 1760.** 71.59 (1) (d) 1. of the statutes is amended to read:

2 71.59 (1) (d) 1. That the lands are within the boundaries of an agricultural
3 zoning district which is part of an adopted ordinance meeting the standards of subch.
4 V of ch. 91 and certified under s. 91.06, 1997 stats.

5 ***-1785/1.18*** **SECTION 1761.** 71.59 (2) (intro.) of the statutes is amended to
6 read:

7 71.59 (2) **INELIGIBLE CLAIMS.** (intro.) No credit shall be allowed under this
8 ~~subchapter~~ section and s. 71.60:

9 ***-1785/1.19*** **SECTION 1762.** 71.59 (2) (b) of the statutes is amended to read:
10 71.59 (2) (b) If a notice of noncompliance with an applicable soil and water

11 conservation plan under s. 92.104, 1997 stats., is in effect with respect to the
12 claimant at the time the claim is filed.

13 ***-1785/1.20*** **SECTION 1763.** 71.59 (2) (d) of the statutes is amended to read:

14 71.59 (2) (d) For property taxes accrued on farmland zoned for exclusive
15 agricultural use under an ordinance certified under ~~subch. V of ch. 91 s. 91.06, 1997~~
16 stats., which is granted a special exception or conditional use permit for a use which
17 is not an agricultural use, as defined in s. 91.01 (1).

18 ***-1785/1.21*** **SECTION 1764.** 71.60 (1) (a) of the statutes is amended to read:

19 71.60 (1) (a) The amount of excessive property taxes shall be computed by
20 subtracting from property taxes accrued the amount of 7% of the 2nd \$5,000 of
21 household income plus 9% of the 3rd \$5,000 of household income plus 11% of the 4th
22 \$5,000 of household income plus 17% of the 5th \$5,000 of household income plus 27%
23 of the 6th \$5,000 of household income plus 37% of household income in excess of
24 \$30,000. The maximum excessive property tax which can be utilized is \$6,000 for

1 claims that are calculated under par. (b) and the maximum excessive property tax
2 which can be utilized is \$4,000 for claims that are calculated under par. (bm).

3 ***-1785/1.22*** SECTION 1765. 71.60 (1) (b) of the statutes is amended to read:

4 71.60 (1) (b) The Except as provided in par. (bm), the credit allowed under s.
5 71.59 and this subchapter section shall be limited to 90% of the first \$2,000 of
6 excessive property taxes plus 70% of the 2nd \$2,000 of excessive property taxes plus
7 50% of the 3rd \$2,000 of excessive property taxes. The maximum credit shall not
8 exceed \$4,200 for any claimant. The credit for any claimant shall be the greater of
9 either the credit as calculated under this subchapter as it exists at the end of the year
10 for which the claim is filed or as it existed on the date on which the farmland became
11 subject to a current agreement under subch. II ~~or III~~ of ch. 91 or under subch. III of
12 ch. 91, 1997 stats., using for such calculations household income and property taxes
13 accrued of the year for which the claim is filed.

14 ***-1785/1.23*** SECTION 1766. 71.60 (1) (bm) of the statutes is created to read:

15 71.60 (1) (bm) For new claims that are filed under s. 71.59 and this section that
16 relate to taxable years beginning after December 31, 2000, the credit allowed shall
17 be limited to 40% of the first \$2,000 of excessive property taxes plus 60% of the next
18 \$1,000 of excessive property taxes plus 70% of the next \$1,000 of excessive property
19 taxes. The maximum credit shall not exceed \$2,100 for any claimant who files a claim
20 to which this paragraph applies. The credit for any claimant shall be the greater of
21 either the credit as calculated under this subchapter as it exists at the end of the year
22 for which the claim is filed or as it existed on the date on which the farmland became
23 subject to a current certificate that is described in s. 71.59 (1) (b) 5., using for such
24 calculations household income and property taxes accrued of the year for which the
25 claim is filed.

1 *~~1785/1.24~~* SECTION 1767. 71.60 (1) (c) 1. to 3. of the statutes are amended
2 to read:

3 71.60 (1) (c) 1. If the farmland is located in a county which has a ~~certified~~ an
4 agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06, 1997 stats.,~~
5 at the close of the year for which credit is claimed and is in an area zoned by a county,
6 city or village for exclusive agricultural use under ch. 91 at the close of such year, the
7 amount of the claim shall be that as specified in par. (b).

8 2. If the farmland is subject to a transition area agreement under subch. II of
9 ch. 91 on July 1 of the year for which credit is claimed, or the claimant had applied
10 for such an agreement before July 1 of such year and the agreement has subsequently
11 been executed, and the farmland is located in a city or village which has a ~~certified~~
12 an exclusive agricultural use zoning ordinance certified under ~~subch. V of ch. 91 s.~~
13 91.06, 1997 stats., in effect at the close of the year for which credit is claimed, or in
14 a town which is subject to a ~~certified~~ county exclusive agricultural use zoning
15 ordinance certified under ~~subch. V of ch. 91 s. 91.06, 1997 stats.,~~ in effect at the close
16 of the year for which credit is claimed, the amount of the claim shall be that as
17 specified in par. (b).

18 3. If the claimant or any member of the claimant's household owns farmland
19 which is ineligible for credit under subd. 1. or 2. but was subject to a farmland
20 preservation agreement under subch. III of ch. 91, 1997 stats., on July 1 of the year
21 for which credit is claimed, or the owner had applied for such an agreement before
22 July 1 of such year and the agreement has subsequently been executed, and if the
23 owner has applied by the end of the year in which conversion under s. 91.41, 1997
24 stats., is first possible for conversion of the agreement to a transition area agreement
25 under subch. II of ch. 91, and the transition area agreement has subsequently been

1 executed, and the farmland is located in a city or village which has a ~~certified~~ an
2 exclusive agricultural use zoning ordinance certified under ~~subch. V of ch. 91 s.~~
3 91.06, 1997 stats., in effect at the close of the year for which credit is claimed, or in
4 a town which is subject to a ~~certified~~ county exclusive agricultural use zoning
5 ordinance certified under ~~subch. V of ch. 91 s. 91.06, 1997 stats.~~, in effect at the close
6 of the year for which credit is claimed, the amount of the claim shall be that specified
7 in par. (b).

8 ***-1785/1.25* SECTION 1768.** 71.60 (1) (c) 5. to 8. of the statutes are amended
9 to read:

10 71.60 (1) (c) 5. If the claimant or any member of the claimant's household owns
11 farmland which is ineligible for credit under subs. 1. to 4. but was subject to a
12 farmland preservation agreement under subch. III of ch. 91, 1997 stats., on July 1
13 of the year for which credit is claimed, or the owner had applied for such an
14 agreement before July 1 of such year and the agreement has subsequently been
15 executed, and if the owner has applied by the end of the year in which conversion
16 under s. 91.41, 1997 stats., is first possible for conversion of the agreement to an
17 agreement under subch. II of ch. 91, and the agreement under subch. II of ch. 91 has
18 subsequently been executed, the amount of the claim shall be limited to 80% of that
19 specified in par. (b).

20 6. If the farmland is located in an agricultural district under a ~~certified~~ county
21 agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06, 1997 stats.~~,
22 at the close of the year for which credit is claimed, and is located in an area zoned for
23 exclusive agricultural use under a ~~certified~~ town ordinance certified under ~~subch. V~~
24 ~~of ch. 91 s. 91.06, 1997 stats.~~, at the close of such year, the amount of the claim shall
25 be the amount specified in par. (b).

1 6m. If the farmland is located in an agricultural district under a ~~certified~~
2 county agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06,~~
3 1997 stats., at the close of the year for which credit is claimed, and is located in an
4 area zoned for exclusive agricultural use under a ~~certified~~ county or town ordinance
5 certified under ~~subch. V of ch. 91 s. 91.06, 1997 stats.~~, for part of a year but not at
6 the close of that year because the farmland became subject to a city or village
7 extraterritorial zoning ordinance under s. 62.23 (7a), the amount of the claim shall
8 be equal to the amount that the claim would have been under this section if the
9 farmland were subject to a certified county or town exclusive agricultural use
10 ordinance at the close of the year.

11 7. If the farmland is located in an area zoned for exclusive agricultural use
12 under a ~~certified~~ county, city or village ordinance certified under ~~subch. V of ch. 91~~
13 s. 91.06, 1997 stats., at the close of the year for which credit is claimed, but the county
14 in which the farmland is located has not adopted an agricultural preservation plan
15 under subch. IV of ch. 91, 1997 stats., by the close of such year, the amount of the
16 claim shall be limited to 70% of that specified in par. (b).

17 8. If the farmland is subject to a farmland preservation agreement under subch.
18 III of ch. 91, 1997 stats., on July 1 of the year for which credit is claimed or the
19 claimant had applied for such an agreement before July 1 of such year and the
20 agreement has subsequently been executed, the amount of the claim shall be limited
21 to 50% of that specified in par. (b).

22 *~~1785/1.26~~* SECTION 1769. 71.60 (2) of the statutes is renumbered 71.60 (2)
23 (a) and amended to read:

24 71.60 (2) (a) If For taxable years beginning before January 1, 2001, if the
25 farmland is subject to a ~~certified~~ an ordinance certified under ~~subch. V of ch. 91 s.~~

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1 91.06, 1997 stats., or an agreement under subch. II of ch. 91, in effect at the close of
2 the year for which the credit is claimed, the amount of the claim is 10% of the property
3 taxes accrued or the amount determined under sub. (1), whichever is greater.

4 ***-1785/1.27* SECTION 1770.** 71.60 (2) (b) of the statutes is created to read:

5 71.60 (2) (b) For taxable years beginning after December 31, 2000, if the
6 farmland is subject to a certificate of compliance that is described under s. 71.59 (1)
7 (b) 5. and that is in effect at the close of the year for which the credit is claimed, the
8 amount of the claim is 10% of the property taxes accrued or the amount determined
9 under sub. (1), whichever is greater.

10 ***-1785/1.28* SECTION 1771.** 71.605 of the statutes is created to read:

11 **71.605 Farmland preservation acreage credit. (1) DEFINITIONS.** In this
12 section:

13 (a) "Development rights" means a holder's nonpossessory interest in farmland
14 that imposes a limitation or affirmative obligation the purpose of which is to retain
15 or protect natural, scenic or open space values of farmland, assuring the availability
16 of farmland for agricultural, forest, wildlife habitat or open space use, protecting
17 natural resources or maintaining or enhancing air or water quality.

18 (b) "Nonprofit entity" means an entity that is described in section 501 (c) (3) of
19 the Internal Revenue Code and is exempt from federal income tax under section 501
20 (a) of the Internal Revenue Code.

21 (c) "Political subdivision" means a city, village, town or county.

22 (2) **CALCULATION.** If the claimant sells, donates or otherwise transfers the
23 development rights to farmland for which a credit is claimed under this section to the
24 state or to a political subdivision, or to a nonprofit entity, the credit may be calculated
25 as follows:

1 (a) If farming rights are retained on such farmland, the credit shall be 50 cents
2 for each acre that the claimant sells, donates or otherwise transfers.

3 (b) If farming rights are not retained on such farmland, the credit shall be 30
4 cents for each acre that the claimant sells, donates or otherwise transfers.

5 **(3) LIMITATIONS.** (a) If a claimant sells, donates or otherwise transfers
6 development rights under sub. (2) to a nonprofit entity, the credit under this section
7 may not be claimed unless the entity enters into a signed agreement with the
8 department of agriculture, trade and consumer protection that contains all of the
9 following:

10 1. Standards for the management of the farmland, the development rights to
11 which are to be acquired.

12 2. A prohibition against using the development rights to the farmland which
13 are to be acquired as security for any debt unless the department of agriculture, trade
14 and consumer protection approves the incurring of the debt.

15 3. A clause that any subsequent sale, donation or other transfer of the
16 development rights to the farmland which are to be acquired is subject to pars. (b)
17 and (e).

18 (b) The nonprofit entity may subsequently sell, donate or otherwise transfer
19 the acquired development rights to the farmland to the state or to a city, village, town
20 or county, or to a 3rd party other than a creditor if the 3rd party is also a nonprofit
21 entity, except that a sale, donation or transfer to another nonprofit entity may occur
22 only if all of the following apply:

23 1. The department of agriculture, trade and consumer protection approves the
24 subsequent sale, donation or transfer.

1 2. The party to whom the development rights are sold, donated or transferred
2 enters into a new contract with the department of agriculture, trade and consumer
3 protection under par. (a).

4 (c) The nonprofit entity may subsequently sell, donate or transfer the acquired
5 development rights to satisfy a debt or other obligation if the department of
6 agriculture, trade and consumer protection approves the sale, donation or transfer.

7 (d) The nonprofit entity may subsequently develop the property, with the
8 written consent of the owner of the property and with the written consent of the
9 department of agriculture, trade and consumer protection, in a way that retains or
10 protects natural, scenic or open space values of farmland, assuring the availability
11 of farmland for agricultural, forest, wildlife habitat or open space use, protecting
12 natural resources or maintaining or enhancing air or water quality.

13 (e) If the nonprofit entity violates any essential provision of the contract, the
14 development rights that were acquired shall vest in the state.

15 (f) The instrument conveying the development rights to the nonprofit entity
16 shall state the interest of the state under par. (e). The contract entered into under
17 par. (a) and the instrument of conveyance shall be recorded in the office of the register
18 of deeds of each county in which the farmland is located.

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19 (i) If a claimant sells, donates or otherwise transfers development rights under
20 sub. (2) to a political subdivision, the political subdivision may develop the farmland
21 only in a way that is consistent with a comprehensive plan under s. 66.0295.

22 (i) ~~***NOTE: Par. (i) may not remain in this draft if LRB-1256 is removed from the bill.~~

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23 (fm) The credit under this section may be claimed only by the person who owns
24 the farmland when the development rights are initially transferred as described in
sub. (2).

1 (g) The credit under this section may not be claimed until the claimant files
2 with the register of deeds of each county in which the farmland is located the
3 certificate that verifies that the development rights to the farmland have been
4 transferred as described in sub. (2).

5 (h) Section 71.59 (2) (a) and (e), to the extent that it applies to the credit under
6 ss. 71.59 and 71.60, applies to the credit under this section.

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7 (4) SUNSET. No new claims may be filed under this section for taxable years that
8 begin after December 31, 2002.

9 ***-1785/1.29* SECTION 1772.** 71.61 (6) of the statutes is created to read:

10 71.61 (6) SUNSET. (a) For claims that are filed under s. 71.59 and computed
11 under s. 71.60 for taxable years that begin after December 31, 2000, based on
12 property taxes that are accrued in the previous calendar year, ss. 71.59 (1) (b) 3. and
13 (d) 1. to 4. and 71.60 (1) (c) do not apply.

14 (b) No new claims may be filed under s. 71.59 and computed under s. 71.60 for
15 taxable years that begin after December 31, 2002.

16 ***-1917/1.32* SECTION 1773.** 71.64 (9) (b) of the statutes is renumbered 71.64
17 (9) (b) (intro.) 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), subject to s. 71.07 (5m) (e). The tables shall be extended to cover from zero to
5 10 withholding exemptions, shall assume that the payment of wages in each pay
6 period will, when multiplied by the number of pay periods in a year, reasonably
7 reflect the annual wage of the employe from the employer and shall be based on the
8 further assumption that the annual wage will be reduced for allowable deductions
9 from gross income. The department may determine the length of the tables and a
10 reasonable span for each bracket. In preparing the tables the department shall
11 adjust all withholding amounts not an exact multiple of 10 cents to the next highest
12 figure that is a multiple of 10 cents. The department shall also provide instructions
13 with the tables for withholding with respect to quarterly, semiannual and annual pay
14 periods.

15 ***-1917/1.33* SECTION 1774.** 71.64 (9) (b) 2. of the statutes is created to read:

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

20 ***-1917/1.34* SECTION 1775.** 71.67 (4) (a) of the statutes is amended to read:

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

1 ***-1917/1.35*** SECTION 1776. 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 ***-0762/1.1*** SECTION 1777. 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 ***-1689/4.12*** SECTION 1778. 71.84 (2) (a) of the statutes is amended to read:

20 71.84 (2) (a) Except as provided in s. 71.29 (7), in the case of any underpayment
21 of estimated tax under s. 71.255, 71.29 or 71.48 there shall be added to the aggregate
22 tax for the taxable year interest at the rate of 12% per year on the amount of the
23 underpayment for the period of the underpayment. For corporations, except as
24 provided in par. (b), “period of the underpayment” means the time period from the
25 due date of the instalment until either the 15th day of the 3rd month beginning after

1 71.93 (1) (a) 3. An amount that the department of health and family services
2 may recover under s. 49.45 (2) (a) 10. or 49.497, if the department of health and
3 family services has certified the amount under s. 49.85.

4 ***-2023/1.19*** SECTION 78. 73.01 (1) (b) of the statutes is amended to read:

5 73.01 (1) (b) ~~“Small claims” is a matter in which~~ “Summary proceeding” means
6 a matter in which the amount in controversy, including any penalty, after the
7 department of revenue takes its final action on the petition for redetermination is
8 less than ~~\$2,500~~ \$100,000 unless the commission on its own motion determines that
9 the case not be heard as a ~~small claims case~~ summary proceeding, or unless the
10 department of revenue ~~determines or a party petitioning for review alleges that the~~
11 case involves a constitutional issue or alleges that the case has statewide
12 significance.

13 ***-2023/1.20*** SECTION 79. 73.01 (3) (a) of the statutes is amended to read:

14 73.01 (3) (a) ~~The time and place of meetings and hearings~~ Hearings of the
15 commission shall be at times designated by the chairperson ~~and held in any of the~~
16 following cities: Appleton, Eau Claire, LaCrosse, Madison, Milwaukee and Wausau.
17 Rooms for hearings outside the city of Madison shall be provided under s. 73.07. All
18 hearings held in Milwaukee shall be held in the southeast district office of the
19 department of natural resources. The commission shall maintain permanent
20 hearing rooms in Madison.

21 ***-2023/1.21*** SECTION 80. 73.01 (4) (a) of the statutes is amended to read:

22 73.01 (4) (a) Subject to the provisions for judicial review contained in s. 73.015,
23 the commission shall be the final authority for the hearing and determination of all
24 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.
25 70.11 (21), 70.38 (4) (a), 70.397, 70.64, 70.75, 70.85 and 70.995 (8), s. 76.38 (12) (a),

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1 the end of the taxable year or the date of payment, whichever is earlier. If 90% of the
2 tax shown on the return is not paid by the 15th day of the 3rd month following the
3 close of the taxable year, the difference between that amount and the estimated taxes
4 paid, along with any interest due, shall accrue delinquent interest under s. 71.91 (1)
5 (a).

6 ***-1098/3.25* SECTION 1779.** 71.93 (1) (a) 3. of the statutes is amended to read:

7 71.93 (1) (a) 3. An amount that the department of health and family services
8 may recover under s. 49.45 (2) (a) 10. or 49.497, if the department of health and
9 family services has certified the amount under s. 49.85.

10 ***-2023/1.19* SECTION 1780.** 73.01 (1) (b) of the statutes is amended to read:

11 73.01 (1) (b) ~~“Small claims” is a matter in which~~ “Summary proceeding” means
12 a matter in which the amount in controversy, including any penalty, after the
13 department of revenue takes its final action on the petition for redetermination is
14 less than ~~\$2,500~~ \$100,000 unless the commission on its own motion determines that
15 the case not be heard as a ~~small claims case~~ summary proceeding, or unless the
16 department of revenue ~~determines~~ or a party petitioning for review alleges that the
17 case involves a constitutional issue or alleges that the case has statewide
18 significance.

19 ***-2023/1.20* SECTION 1781.** 73.01 (3) (a) of the statutes is amended to read:

20 73.01 (3) (a) ~~The time and place of meetings and hearings~~ Hearings of the
21 commission shall be at times designated by the chairperson ~~and held in any of the~~
22 following cities: Appleton, Eau Claire, LaCrosse, Madison, Milwaukee and Wausau.
23 Rooms for hearings outside the city of Madison shall be provided under s. 73.07. All
24 hearings held in Milwaukee shall be held in the southeast district office of the

1 department of natural resources. The commission shall maintain permanent
2 hearing rooms in Madison.

3 ***-2023/1.21* SECTION 1782.** 73.01 (4) (a) of the statutes is amended to read:

4 73.01 (4) (a) Subject to the provisions for judicial review contained in s. 73.015,
5 the commission shall be the final authority for the hearing and determination of all
6 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.
7 70.11 (21), 70.38 (4) (a), 70.397, 70.64, 70.75, 70.85 and 70.995 (8), s. 76.38 (12) (a),
8 1993 stats., ss. 76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (6) (b), 78.01, 78.22,
9 78.40, 78.555, 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76 and 139.78,
10 subch. XIV of ch. 71 and subch. VII of ch. 77. Whenever with respect to a pending
11 appeal there is filed with the commission a stipulation signed by the department of
12 revenue and the adverse party, under s. 73.03 (25), agreeing to an affirmance,
13 modification or reversal of the department's position with respect to some or all of the
14 issues raised in the appeal, the commission shall enter an order affirming or
15 modifying in whole or in part, or canceling the assessment appealed from, or allowing
16 in whole or in part or denying the petitioner's refund claim, as the case may be,
17 pursuant to and in accordance with the stipulation filed. No responsibility shall
18 devolve upon the commission, respecting the signing of an order of dismissal as to
19 any pending appeal settled by the department without the approval of the
20 commission.

21 ***-2023/1.22* SECTION 1783.** 73.01 (4) (am) of the statutes is amended to read:

22 73.01 (4) (am) Whenever it appears to the commission or, in respect to hearings
23 conducted by one commissioner, to that commissioner that proceedings have been
24 instituted or maintained by the taxpayer primarily for delay or that the taxpayer's
25 position in those proceedings is frivolous or groundless, the commission or

1 commissioner may assess the taxpayer an amount not to exceed ~~\$1,000~~ \$5,000 at the
2 same time that the deficiency is assessed. Those damages shall be paid upon notice
3 from the department of revenue and shall be collected as a part of the tax.

4 ***-2023/1.23* SECTION 1784.** 73.01 (4) (b) of the statutes is amended to read:

5 73.01 (4) (b) Any matter required to be heard by the commission may be heard
6 by any member of the commission or its hearing examiner and reported to the
7 commission, and hearings of matters pending before it shall be assigned to members
8 of the commission or its hearing examiner by the chairperson. Unless a majority of
9 the commission decides that the full commission should decide a case, cases other
10 than ~~small claims cases~~ summary proceedings shall be decided by a panel of 3
11 members assigned by the chairperson prior to the hearing. If the parties have agreed
12 to an oral decision, the member or members conducting the hearing may render an
13 oral decision. Hearings shall be open to the public and all proceedings shall be
14 conducted in accordance with rules of practice and procedure prescribed by the
15 commission. ~~Small claims cases, except a commissioner hearing a summary~~
16 proceeding shall have the same discretion as a judge under s. 802.12 (2) to order the
17 parties to select a settlement alternative as provided in s. 802.12 (1). Summary
18 proceedings shall be decided by one commissioner assigned by the chairperson prior
19 to the hearing.

20 ***-2023/1.24* SECTION 1785.** 73.01 (4) (dn) of the statutes is amended to read:

21 73.01 (4) (dn) In connection with the hearing of any matter required to be heard
22 and decided by the commission, except appeals arising under s. 70.64 or ch. 76, the
23 chairperson or any member of the commission assigned to hear the matter may, ~~with~~
24 ~~the consent of the parties,~~ render an oral decision. In ~~small claims cases~~ summary
25 proceedings, the presiding commissioner, ~~without consent of the parties, either~~

1 render an oral decision at the close of the hearing or provide a written decision to all
2 parties within 2 weeks after the hearing. Decisions in ~~small claims cases~~ summary
3 proceedings are not precedents. Any party may appeal such oral decision as provided
4 in s. 73.015. Oral decisions constitute notice for purposes of determining the time
5 in which appeals may be taken. Provisions of this section or ch. 227 in conflict with
6 this paragraph do not apply to decisions rendered under this paragraph.

7 ***-2023/1.25* SECTION 1786.** 73.01 (4) (e) (intro.) of the statutes is amended to
8 read:

9 73.01 (4) (e) (intro.) Except as provided in par. (dn), the commission in each case
10 heard by it shall, irrespective of ch. 227, make a decision in writing accompanied by
11 findings of fact and conclusions of law. The commission may issue an opinion in
12 writing in addition to its findings of fact and decision. The decision or order of the
13 commission shall become final and shall be binding upon the petitioner and upon the
14 department of revenue for that case unless an appeal is taken from the decision or
15 order of the commission under s. 73.015. Except in respect to ~~small claims~~ summary
16 proceedings decisions, if the commission construes a statute adversely to the
17 contention of the department of revenue:

18 ***-1186/4.36* SECTION 1787.** 73.03 (35) of the statutes is amended to read:

19 73.03 (35) To deny a portion of a credit claimed under s. 71.07 (2dd), (2de), (2di),
20 (2dj), (2dL), (2dr), (2ds) or (2dx), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) or
21 (4) (am) or 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) or (4) (am) if granting the
22 full amount claimed would violate ~~the a~~ requirement under s. ~~560.797(4)(e)~~ 560.785
23 or would bring the total of the credits granted to that claimant under s. ~~560.797(4)~~
24 ~~(e), or the total of the credits granted to that claimant under~~ all of those subsections,
25 over the limit for that claimant under s. 560.768, 560.795 (2) (b) or 560.797 (5) (b).

1 *~~0424/1.7~~* **SECTION 1788.** 73.03 (56) of the statutes is created to read:

2 73.03 (56) To prepare and submit the report required under s. 66.46 (13).

3 *~~2105/1.35~~* **SECTION 1789.** 73.0301 (1) (d) 2. of the statutes is amended to
4 read:

5 73.0301 (1) (d) 2. A license issued by the department of health and family
6 services under s. 48.66 (1) (a) to a child welfare agency, group home, shelter care
7 facility or day care center, as required by s. 48.60, 48.625, 48.65 or 938.22 (7).

8 *~~2030/2.2~~* **SECTION 1790.** 73.0305 of the statutes is amended to read:

9 **73.0305 Revenue limits calculations.** The department of revenue shall
10 ~~annually~~ determine and certify to the state superintendent of public instruction, no
11 later than the 4th Monday in June, the allowable rate of increase for the limit
12 imposed under ~~subch. VII of ch. 121 s. 121.91 (2m) (d)~~. For that limit, the allowable
13 rate of increase is the percentage change in the consumer price index for all urban
14 consumers, U.S. city average, between the preceding March 31 and the 2nd
15 preceding March 31, as computed by the federal department of labor.

16 *~~0775/1.1~~* **SECTION 1791.** 73.09 (4) (c) of the statutes is amended to read:

17 73.09 (4) (c) Recertification is contingent upon submission of a ~~notarized~~ an
18 application for renewal, at least 60 days before the expiration date of the current
19 certificate, attesting to the completion of the requirements specified in par. (b).
20 Persons applying for renewal on the basis of attendance at the meetings called by the
21 department under s. 73.06 (1) and by meeting continuing education requirements
22 shall submit a \$20 recertification fee with their applications. The department may,
23 upon good cause, accept an application for renewal up to one year after the expiration
24 of the current certificate if the applicant has complied with the requirements
25 specified in par. (b).

1 ***-0764/1.1*** **SECTION 1792.** 73.13 of the statutes is created to read:

2 **73.13 Compromising nondelinquent taxes.** (1) In this section, “tax”
3 means an amount that is owed to this state under s. 66.75 (1m) (f) 3. or ch. 71, 72,
4 76, 77, 78 or 139, that is not delinquent, and any addition to tax, interest, penalties,
5 costs or other liability in respect to those amounts.

6 (2) Any taxpayer may petition the department of revenue to compromise the
7 taxpayer’s taxes including the costs, penalties and interest. The petition shall set
8 forth a sworn statement of the taxpayer and shall be in a form that the department
9 prescribes. The department may examine the petitioner under oath concerning the
10 matter and may require the taxpayer to provide the department with financial
11 statements and any other information requested by the department that is related
12 to the petition. If the department finds that the taxpayer is unable to pay the taxes,
13 costs, penalties and interest in full, the department shall determine the amount that
14 the taxpayer is able to pay and shall enter an order reducing the taxes, costs,
15 penalties and interest in accordance with the determination. The order shall provide
16 that the compromise is effective only if paid within 10 days of the date on which the
17 order is issued. The department or its collection agents, upon receipt of the order,
18 shall accept payment in accordance with the order. Upon payment the department
19 shall credit the unpaid portion of the principal amount of the taxes and make
20 appropriate record of the unpaid amount of penalties, costs, and interest accrued to
21 the date of the order. If within 3 years of the date of the compromise order the
22 department ascertains that the taxpayer has an income or property sufficient to
23 enable the taxpayer to pay the remainder of the tax including costs, penalties and
24 interest, the department shall reopen the matter and order the payment in full of the
25 taxes, costs, penalties and interest. Before the entry of the order, a written notice

1 shall be given to the taxpayer advising of the intention of the department to reopen
2 the matter and fixing a time and place for the appearance of the taxpayer if the
3 taxpayer desires a hearing. Upon entry of the order the department shall make an
4 appropriate record of the principal amount of the taxes, penalties, costs and interest
5 ordered to be paid. Such taxes shall be immediately due and payable and shall
6 thereafter be subject to the interest provided by s. 71.82 (2), as that subsection
7 applies to delinquent income and franchise taxes under s. 71.82, and to the
8 delinquent account fee described in s. 73.03 (33m), and the department shall
9 immediately proceed to collect the taxes together with the unpaid portion of
10 penalties, costs, and interest accrued to the date of the compromise order and the fee
11 described in s. 73.03 (33m).

12 *~~0769/1.1~~* SECTION 1793. 74.41 (1) (intro.) of the statutes is amended to read:

13 74.41 (1) SUBMISSION OF REFUNDED OR RESCINDED TAXES TO DEPARTMENT. (intro.)

14 By ~~October 1~~ September 15 of each year, the clerk of a taxation district may submit
15 to the department of revenue, on a form prescribed by the department of revenue, a
16 listing of all general property taxes on the district's tax roll which, subject to sub. (2),
17 meet any of the following conditions:

18 *~~1431/2.1~~* SECTION 1794. 75.105 (3) of the statutes is amended to read:

19 75.105 (3) ADMINISTRATION. Upon the cancellation of all or a portion of real
20 property taxes under sub. (2), the county treasurer shall execute and provide to the
21 owner of the property a statement identifying the property for which taxes have been
22 canceled and shall enter on the tax certificate the date upon which the taxes were
23 canceled and the amount of taxes canceled. The county treasurer shall charge back
24 to the taxation district that included the tax-delinquent real property on its tax roll

1 any or all of the amount of taxes canceled and shall include the amount of taxes
2 canceled as a special charge in the next tax levy against the taxation district.

3 ***-1005/1.1*** SECTION 1795. 75.17 of the statutes is created to read:

4 **75.17 Transfer of contaminated land to a municipality.** (1) In this
5 section:

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

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

8 (2) If a county does not take a tax deed for property that is subject to a tax
9 certificate and that is contaminated by a hazardous substance, within 2 years after
10 the expiration of the redemption period that is described under s. 75.14 (1) and
11 specified in s. 74.57 (2) (a) and (b) (intro.), the county shall take a tax deed for such
12 property upon receiving a written request to do so from the municipality in which the
13 property is located. The county may then retain ownership of the property or, if the
14 county does not wish to retain ownership of the property, the county shall transfer
15 ownership of the property to the municipality, for no consideration, within 180 days
16 after receiving the written request from the municipality.

17 ***-0756/3.2*** SECTION 1796. 76.025 (1) of the statutes is amended to read:

18 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and
19 all real and personal property of the company used or employed in the operation of
20 its business, except excluding property that is exempt from the property tax under
21 s. 70.11 (39), such motor vehicles as are exempt under s. 70.112 (5), computerized
22 equipment exempt under s. 70.11 (40) and treatment plant and pollution abatement
23 equipment exempt under s. 70.11 (21) (a). The taxable property shall include all title
24 and interest of the company referred to in such property as owner, lessee or
25 otherwise, and in case any portion of the property is jointly used by 2 or more

1 companies, the unit assessment shall include and cover a proportionate share of that
2 portion of the property jointly used so that the assessments of the property of all
3 companies having any rights, title or interest of any kind or nature whatsoever in any
4 such property jointly used shall, in the aggregate, include only one total full value
5 of such property.

6 ***-0756/3.3* SECTION 1797.** 76.03 (1) of the statutes is amended to read:

7 76.03 (1) The property, both real and personal, including all rights, franchises
8 and privileges used in and necessary to the prosecution of the business ~~and including~~
9 ~~property that is exempt from the property tax under s. 70.11 (39)~~ of any company
10 enumerated in s. 76.02 shall be deemed personal property for the purposes of
11 taxation, and shall be valued and assessed together as a unit.

12 ***-0778/1.1* SECTION 1798.** 76.39 (2) of the statutes is amended to read:

13 76.39 (2) There is levied annually a gross earnings tax in lieu of all property
14 taxes on the car line equipment of a car line company equal to ~~3%~~ 2.5% of the gross
15 earnings in this state. Every railroad company operating in this state shall, upon
16 making payment to each car line company for use of its cars, withhold ~~3%~~ 2.5% of the
17 amount constituting the gross earnings in this state of such car line company.

18 ***-0756/3.4* SECTION 1799.** 76.81 of the statutes is amended to read:

19 **76.81 Imposition.** There is imposed a tax on the real property of, and the
20 tangible personal property of, every telephone company, excluding property that is
21 exempt from the property tax under s. 70.11 (39), motor vehicles that are exempt
22 under s. 70.112 (5) ~~and~~, treatment plant and pollution abatement equipment that is
23 exempt under s. 70.11 (21) (a) and computerized equipment that is exempt under s.
24 70.11 (40). Except as provided in s. 76.815, the rate for the tax imposed on each
25 description of real property and on each item of tangible personal property is the net

1 rate for the prior year for the tax under ch. 70 in the taxing jurisdictions where the
2 description or item is located.

3 ***-0623/1.1* SECTION 1800.** 77.25 (21) of the statutes is created to read:

4 77.25 (21) Of a time-share property, as defined in s. 707.02 (32).

5 ***-0623/1.2* SECTION 1801.** 77.255 of the statutes is amended to read:

6 **77.255 Exemptions from return.** No return is required with respect to
7 conveyances exempt under s. 77.25 (1), (2r), (4) ~~or~~, (11) or (21) from the fee imposed
8 under s. 77.22. No return is required with respect to conveyances exempt under s.
9 77.25 (2) unless the transferor is also a lender for the transaction.

10 ***-0623/1.3* SECTION 1802.** 77.51 (4) (c) 6. of the statutes is amended to read:

11 77.51 (4) (c) 6. Charges associated with time-share property that is taxable,
12 or that at the time of the charges would be taxable, under s. 77.52 (2) (a) 1. or 2.

13 ***-0623/1.4* SECTION 1803.** 77.52 (2) (a) 1. of the statutes is amended to read:

14 77.52 (2) (a) 1. The furnishing of rooms or lodging to transients by hotelkeepers,
15 motel operators and other persons furnishing accommodations that are available to
16 the public, irrespective of whether membership is required for use of the
17 accommodations, including the furnishing of rooms or lodging through the sale of a
18 all time-share property, as including that defined in s. 707.02 (32), ~~if the use of the~~
19 ~~rooms or lodging is not fixed at the time of sale as to the starting day or the lodging~~
20 ~~unit~~. In this subdivision, “transient” means any person residing for a continuous
21 period of less than one month in a hotel, motel or other furnished accommodations
22 available to the public. In this subdivision, “hotel” or “motel” means a building or
23 group of buildings in which the public may obtain accommodations for a
24 consideration, including, without limitation, such establishments as inns, motels,
25 tourist homes, tourist houses or courts, lodging houses, rooming houses, summer

SECTION 1803

1 camps, apartment hotels, resort lodges and cabins and any other building or group
2 of buildings in which accommodations are available to the public, except
3 accommodations, including mobile homes as defined in s. 66.058 (1) (d), rented for
4 a continuous period of more than one month and accommodations furnished by any
5 hospitals, sanatoriums, or nursing homes, or by corporations or associations
6 organized and operated exclusively for religious, charitable or educational purposes
7 provided that no part of the net earnings of such corporations and associations inures
8 to the benefit of any private shareholder or individual. In this subdivision, “one
9 month” means a calendar month or 30 days, whichever is less, counting the first day
10 of the rental and not counting the last day of the rental.

11 *~~0622/1.1~~ **SECTION 1804.** 77.60 (2) (intro.) of the statutes is amended to read:

12 77.60 (2) (intro.) Delinquent sales and use tax returns shall be subject to a \$10
13 \$30 late filing fee unless the return was not timely filed because of the death of the
14 person required to file or unless the return was not timely filed ~~because of a~~
15 ~~reasonable~~ due to good cause and not ~~because of~~ due to neglect. The fee shall not
16 apply if the department has failed to issue a seller’s permit or a use tax registration
17 within 30 days of the receipt of an application for a seller’s permit or use tax
18 registration accompanied by the fee established under s. 73.03 (50), if the person does
19 not hold a valid certificate under s. 73.03 (50), and the security required under s.
20 77.61 (2) has not been placed with the department. Delinquent sales and use taxes
21 shall bear interest at the rate of 1.5% per month until paid. The taxes imposed by
22 this subchapter shall become delinquent if not paid:

23 *~~1672/3.2~~ **SECTION 1805.** 77.76 (3) of the statutes is amended to read:

24 77.76 (3) From the appropriation under s. 20.835 (4) (g) the department shall
25 distribute ~~98.5%~~ 98.25% of the county taxes reported for each enacting county, minus

1 SECTION 1. 84.013 (3) (zb) of the statutes is created to read:

2 84.013 (3) (zb) USH 41 extending from 1.5 miles south of Frog Pond Road in

3 Oconto County to 1.3 miles north of Schacht Road in Marinette County.

4 (END)

Ins. 637-24

Added
per PEN
2-9-99
4 p.m.

1 the county portion of the retailers' discounts, to the county and shall indicate the
2 taxes reported by each taxpayer, no later than the end of the 3rd month following the
3 end of the calendar quarter in which such amounts were reported. In this subsection,
4 the "county portion of the retailers' discount" is the amount determined by
5 multiplying the total retailers' discount by a fraction the numerator of which is the
6 gross county sales and use taxes payable and the denominator of which is the sum
7 of the gross state and county sales and use taxes payable. The county taxes
8 distributed shall be increased or decreased to reflect subsequent refunds, audit
9 adjustments and all other adjustments of the county taxes previously distributed.
10 Interest paid on refunds of county sales and use taxes shall be paid from the
11 appropriation under s. 20.835 (4) (g) at the rate paid by this state under s. 77.60 (1)
12 (a). The county may retain the amount it receives or it may distribute all or a portion
13 of the amount it receives to the towns, villages, cities and school districts in the
14 county. Any county receiving a report under this subsection is subject to the duties
15 of confidentiality to which the department of revenue is subject under s. 77.61 (5).

16 *~~1672/3.3~~* SECTION 1806. 77.76 (4) of the statutes is amended to read:

17 77.76 (4) There shall be retained by the state 1.5% of the taxes collected under
18 ~~this subchapter for taxes imposed by special districts under s. 77.705 and 1.75% of~~
19 the taxes collected for taxes imposed by counties under s. 77.70 to cover costs
20 incurred by the state in administering, enforcing and collecting the tax. All interest
21 and penalties collected shall be deposited and retained by this state in the general
22 fund.

23 *~~1490/2.1~~* SECTION 1807. 77.996 (2) (i) of the statutes is created to read:

24 (24) 77.996 (2) (i) Formal wear rental firms.

25 *~~1585/1.4~~* SECTION 1808. 84.106 of the statutes is created to read:

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SECTION 1808

1 **84.106 Scenic byways program.** (1) DESIGNATION. The department shall
2 develop, implement and administer a program to designate highways, as defined in
3 s. 340.01 (22), or portions of highways in this state that have outstanding scenic,
4 historic, cultural, natural, recreational or archeological qualities as scenic byways.
5 The department may seek designation by the federal government of a highway
6 designated as a scenic byway under this section as a national scenic byway or as an
7 All-American Road.

8 (2) RULES. The department shall promulgate rules under this section
9 consistent with 23 USC 162 and regulations established under that section.

10 ***-0305/1.1* SECTION 1809.** 84.30 (2m) of the statutes is created to read:

11 **84.30 (2m) CONDITIONAL USES AND SPECIAL EXCEPTIONS NOT CONSIDERED.** No uses
12 of real property that are authorized by special zoning permission, including uses by
13 conditional use, special exception, zoning variance or conditional permit, may be
14 considered when determining whether the area is a business area.

15 ***-1024/1.1* SECTION 1810.** 84.30 (3) (c) (intro.) of the statutes is amended to
16 read:

17 **84.30 (3) (c) (intro.)** Signs advertising activities conducted on the property on
18 which they are located if such on-property signs comply with applicable federal law
19 and the June 1961 agreement between the department and the federal highway
20 administrator relative to control of advertising adjacent to interstate highways.
21 ~~Additionally, any such sign located outside the incorporated area of a city or village~~
22 ~~shall comply with the following criteria~~ No on-property sign may be erected in a
23 location where it constitutes a traffic hazard. If the department issues permits for
24 outdoor advertising signs, the department is not required to issue permits for

1 on-property signs that conform to the requirements of this paragraph. On-property
2 signs may be illuminated, subject to the following restrictions:

3 ***-1024/1.2* SECTION 1811.** 84.30 (3) (c) 1. to 3. of the statutes are repealed and
4 recreated to read:

5 84.30 (3) (c) 1. Signs which contain, include or are illuminated by any flashing,
6 intermittent or moving light or lights are prohibited, except electronic signs
7 permitted by rule of the department.

8 2. Signs which are not effectively shielded as to prevent beams or rays of light
9 from being directed at any portion of the traveled ways of the interstate or
10 federal-aid primary highway and which are of such intensity or brilliance as to cause
11 glare or to impair the vision of the driver of any motor vehicle, or which otherwise
12 interfere with any driver's operation of a motor vehicle, are prohibited.

13 3. No sign may be so illuminated that it interferes with the effectiveness of or
14 obscures an official traffic sign, device or signal.

15 ***-1024/1.3* SECTION 1812.** 84.30 (3) (c) 5. of the statutes is repealed.

16 ***-1432/7.47* SECTION 1813.** 84.59 (2) of the statutes is amended to read:

17 84.59 (2) The department may, under s. ~~18.56~~ 18.561 (5) and (9) (j) or 18.562
18 (3) and (5) (e), deposit in a separate and distinct fund outside the state treasury, in
19 an account maintained by a trustee, revenues derived under s. 341.25. The revenues
20 deposited are the trustee's revenues in accordance with the agreement between this
21 state and the trustee or in accordance with the resolution pledging the revenues to
22 the repayment of revenue obligations issued under this section.

23 ***-1014/2.1* SECTION 1814.** 84.59 (6) of the statutes is amended to read:

24 84.59 (6) ~~Revenue obligations may be contracted by the~~ The building
25 commission may contract revenue obligations when it reasonably appears to the

1 building commission that all obligations incurred under this section can be fully paid
2 from moneys received or anticipated and pledged to be received on a timely basis.
3 Revenue Except as provided in this subsection, the principal amount of revenue
4 obligations issued under this section shall may not exceed \$1,348,058,900 in
5 principal amount, excluding obligations issued to refund outstanding revenue
6 obligations. Not more than \$1,255,499,900 of the \$1,348,058,900 may
7 \$1,435,165,900 and may be used for transportation facilities under s. 84.01 (28) and
8 major highway projects under ss. 84.06 and 84.09. In addition to the foregoing limit
9 on principal amount, the building commission may contract revenue obligations
10 under this section as the building commission determines is desirable to refund
11 outstanding revenue obligations contracted under this section and to pay expenses
12 associated with revenue obligations contracted under this section.

13 ***-1454/1.1* SECTION 1815.** 85.02 of the statutes is renumbered 85.02 (1).

14 ***-1454/1.2* SECTION 1816.** 85.02 (2) of the statutes is created to read:

15 85.02 (2) The department may assist or coordinate highway corridor land use
16 planning that identifies future land uses, use densities and site layouts that are
17 appropriate to land adjacent to a highway and that maintain the safety and function
18 of the highway. The department may assist or coordinate information activities
19 related to highway project development.

20 ***-1454/1.3* SECTION 1817.** 85.022 (1) (n) of the statutes is created to read:

21 85.022 (1) (n) Land use issues relating to transportation.

22 ***-1016/1.1* SECTION 1818.** 85.024 (2) of the statutes is amended to read:

23 85.024 (2) The department shall administer a bicycle and pedestrian facilities
24 program to award grants of assistance to political subdivisions for the planning,
25 development or construction of bicycle and pedestrian facilities. Annually, the The

1 department shall award from the appropriation under s. 20.395 (2) (nx) grants to
2 political subdivisions under this section. A political subdivision that is awarded a
3 grant under this section shall contribute matching funds equal to at least 25% of the
4 amount awarded under this section. ~~The department shall select grant recipients~~
5 ~~annually beginning in 1994 from applications submitted to the department on or~~
6 ~~before April 1 of each year.~~

7 ***-1887/1.1* SECTION 1819.** 85.08 (4m) (h) of the statutes is created to read:

8 85.08 (4m) (h) *Interest rate.* The department, by rule, shall establish the rate
9 of interest applicable to loans under this subsection.

10 ***-0169/1.3* SECTION 1820.** 85.12 (3) of the statutes is created to read:

11 85.12 (3) The department may contract with any local governmental unit, as
12 defined in s. 16.97 (7), to provide that local governmental unit with services under
13 this section.

14 ***-1615/1.1* SECTION 1821.** 85.135 of the statutes is created to read:

15 **85.135 Fees for certain court orders suspending or revoking an**
16 **operating privilege.** The department shall, by rule, develop and implement a
17 system for charging circuit courts and municipal courts for each order of the court
18 suspending or revoking an operating privilege under s. 345.47 (1), 800.09 (1) (c),
19 800.095 (4) (b) 4., 938.17 (2) (d), 938.34 (8) or 938.343 (2) solely for failure to pay a
20 forfeiture imposed for violating an ordinance that is unrelated to the violator's
21 operation of a motor vehicle. The amount of the fee may not exceed the cost of
22 processing the order. The department may not process an order of a court suspending
23 or revoking an operating privilege under s. 345.47 (1), 800.09 (1) (c), 800.095 (4) (b)
24 4., 938.17 (2) (d), 938.34 (8) or 938.343 (2) until the court has paid the fee required
25 under this section, if any, to the department.

1 ***-0887/1.2*** **SECTION 1822.** 85.20 (1) (g) of the statutes is amended to read:

2 85.20 (1) (g) “Operating expenses” mean costs accruing to an urban mass
3 transit system by virtue of its operations, including costs to subsidize fares paid by
4 disabled persons for transportation within the urban area of the eligible applicant,
5 and maintenance. For a publicly owned system, operating expenses do not include
6 profit, return on investment or depreciation as costs. If a local public body contracts
7 for the services of a privately owned system on the basis of competitive bids,
8 operating expenses may include as costs depreciation on the facilities and equipment
9 that the privately owned system acquired without benefit of public financial
10 assistance, profit and return on investment. If a local public body contracts for the
11 services of a privately owned system on the basis of negotiated procurement,
12 operating expenses may include as costs depreciation on the facilities and equipment
13 that the privately owned system acquired without benefit of public financial
14 assistance. In an urban area which is served exclusively by shared-ride taxicab
15 systems, operating expenses may include costs to subsidize reasonable fares paid by
16 all users for transportation within the urban area of the eligible applicant.

17 ***-0887/1.3*** **SECTION 1823.** 85.20 (3) (cr) of the statutes is amended to read:

18 85.20 (3) (cr) To conduct a management performance audit of all urban mass
19 transit systems participating in the program at least once every 5 years. If a
20 management performance audit is required of all urban mass transit systems
21 participating in the program, an eligible applicant served exclusively by a
22 shared-ride taxicab system may be exempted from an audit if the eligible applicant
23 voluntarily complies with s. 85.20 (4m) (b).

24 ***-0887/1.4*** **SECTION 1824.** 85.20 (4m) (a) (intro.) of the statutes is amended
25 to read:

1 85.20 (4m) (a) (intro.) ~~An amount shall be allocated~~ Except as provided in s.
2 85.20 (4m) (b) 2., the department shall allocate to each eligible applicant ~~to ensure~~
3 ~~that the sum of state and federal aids for the projected operating expenses of each~~
4 ~~eligible applicant's urban mass transit system is~~ an amount equal to a uniform
5 percentage, established by the department, of the projected operating expenses of
6 ~~the~~ each eligible applicant's urban mass transit system for the calendar year. The
7 department shall make allocations as follows:

8 *~~0887/1.5~~* **SECTION 1825.** 85.20 (4m) (a) 1., 2., 3., 4. and 5. of the statutes are
9 repealed.

10 *~~0887/1.6~~* **SECTION 1826.** 85.20 (4m) (a) 6. b. of the statutes is amended to
11 read:

12 85.20 (4m) (a) 6. b. For the purpose of making allocations under subd. 6. a., the
13 amounts for aids are ~~\$60,984,900 in calendar year 1998 and \$63,119,300 in calendar~~
14 ~~year 1999~~ and \$65,012,900 in calendar year 2000 and thereafter. These amounts,
15 to the extent practicable, shall be used to determine the uniform percentage in the
16 particular calendar year.

17 *~~0887/1.7~~* **SECTION 1827.** 85.20 (4m) (a) 6. c. of the statutes is created to read:

18 85.20 (4m) (a) 6. c. The sum of state aids allocated under this section and
19 federal mass transit aids provided for the projected operating expenses of an urban
20 mass transit system that has annual operating expenses in excess of \$20,000,000
21 may not exceed 50% of the sum of the projected operating expenses of the urban mass
22 transit system. Only federal mass transit aid that the federal government provides
23 directly to the eligible applicant or to the urbanized area served by the mass transit
24 system or that the department allocates under this section may be counted under
25 this subd. 6. c.

1 ***-0887/1.8*** **SECTION 1828.** 85.20 (4m) (a) 7. a. of the statutes is amended to
2 read:

3 85.20 (4m) (a) 7. a. From the appropriation under s. 20.395 (1) (hr), the uniform
4 percentage for each eligible applicant served by an urban mass transit system
5 operating within an urban area having a population as shown in the 1990 federal
6 decennial census of at least 50,000 or receiving federal mass transit aid for such area,
7 and not specified in subd. 6. This subd. 7. a. does not apply after December 31, 1999.

8 ***-0887/1.9*** **SECTION 1829.** 85.20 (4m) (a) 7. b. of the statutes is amended to
9 read:

10 85.20 (4m) (a) 7. b. For the purpose of making allocations under subd. 7. a., the
11 amounts for aids are \$17,799,600 in calendar year 1998 and \$18,422,500 in calendar
12 year 1999 ~~and thereafter~~. These amounts, to the extent practicable, shall be used to
13 determine the uniform percentage in the particular calendar year.

14 ***-0887/1.10*** **SECTION 1830.** 85.20 (4m) (a) 7m. of the statutes is created to
15 read:

16 85.20 (4m) (a) 7m. a. Beginning on January 1, 2000, from the appropriation
17 under s. 20.395 (1) (hr), the uniform percentage determined by the department for
18 each eligible applicant not described in subd. 6. In allocating state aid under this
19 subdivision, the department shall determine the amount of federal aid available for
20 operating expenses. If the department determines that federal aid is available for
21 an eligible applicant's operating expenses, the department may require the eligible
22 applicant to accept that federal aid as a condition of receiving state aid under this
23 section.

24 b. Except as provided in subd. 7m. c., for the purpose of making allocations
25 under subd. 7m. a., the amounts for aids are \$24,100,400 in calendar year 2000 and

1 thereafter. These amounts, to the extent practicable, shall be used to determine the
2 uniform percentage in the particular calendar year. Except as provided in subd. 7m.
3 c., the sum of state aid and federal aid allocated under this section to an eligible
4 applicant may not exceed 65% of an eligible applicant's projected operating expenses.

5 c. For an eligible applicant served by a mass transit system operating within
6 an urbanized area that has a population, as shown in the 1990 federal decennial
7 census, of 50,000 or more or that is eligible for only federal mass transit aid for such
8 areas, the sum of state aid and federal aid allocated under this section for calendar
9 years 2000 and 2001 may not exceed 60% of the projected operating expenses. For
10 an eligible applicant served by a mass transit system that operates both partly
11 within an urbanized area that has a population of 50,000 or more, as shown in the
12 1990 federal decennial census, or that is eligible for federal mass transit aid for
13 urbanized areas having that population and that operates partly in areas other than
14 urbanized areas and is eligible for federal mass transit aid for providing service to
15 those other areas, the sum of state aid and federal aid allocated under this section
16 for the portion of the projected operating expenses of the eligible applicant's mass
17 transit system associated with service within an urbanized area or eligible for
18 federal mass transit aid for service within urbanized areas may not exceed 60% of
19 the projected operating expenses of that service for calendar years 2000 and 2001.
20 This subd. 7m. c. does not apply after December 31, 2001.

21 ***-0887/1.11* SECTION 1831.** 85.20 (4m) (a) 8. a. of the statutes is amended to
22 read:

23 85.20 (4m) (a) 8. a. From the appropriation under s. 20.395 (1) (hs), the uniform
24 percentage for each eligible applicant served by an urban mass transit system
25 operating within an area having a population as shown in the 1990 federal decennial

1 census of less than 50,000 or receiving federal mass transit aid for such area. This
2 subd. 8. a. does not apply after December 31, 1999.

3 ***-0887/1.12* SECTION 1832.** 85.20 (4m) (a) 8. b. of the statutes is amended to
4 read:

5 85.20 (4m) (a) 8. b. For the purpose of making allocations under subd. 8. a., the
6 amounts for aids are \$4,807,600 in calendar year 1998 and \$4,975,900 in calendar
7 year 1999 ~~and thereafter~~. These amounts, to the extent practicable, shall be used to
8 determine the uniform percentage in the particular calendar year.

9 ***-0887/1.13* SECTION 1833.** 85.20 (4m) (b) 1. of the statutes is amended to
10 read:

11 85.20 (4m) (b) 1. Except as provided in subd. 2., each eligible applicant shall
12 provide a local contribution, exclusive of user fees, toward operating expenses in an
13 amount equal to at least ~~20% of state aid allocations to that eligible applicant under~~
14 this section 10% of the eligible applicant's operating expenses.

15 ***-0887/1.14* SECTION 1834.** 85.20 (4m) (b) 2. of the statutes is amended to
16 read:

17 85.20 (4m) (b) 2. ~~Subdivision 1. does not apply to an~~ Except as provided in this
18 subdivision, an eligible applicant that is served exclusively by a shared-ride taxicab
19 system is not required to meet the requirements of subd. 1. For calendar year 2000,
20 the department may not increase the amount of state aid allocated under this section
21 to an eligible applicant that is served exclusively by a shared-ride taxicab system
22 beyond the amount allocated to that eligible applicant for calendar year 1999, unless
23 the eligible applicant provides a local contribution, exclusive of user fees, toward
24 operating expenses in an amount equal to at least 5% of the eligible applicant's
25 operating expenses. Beginning with calendar year 2001, the department may not

1 increase the amount of state aid allocated under this section to an eligible applicant
2 that is served exclusively by a shared-ride taxicab system beyond the amount
3 allocated to that eligible applicant during the preceding calendar year, unless the
4 eligible applicant complies with the requirements of subd. 1. This subdivision does
5 not prohibit the department from allocating aid under this section to an eligible
6 applicant served exclusively by a shared-ride taxicab system in its first year of
7 service.

8 ***-0887/1.15*** SECTION 1835. 85.20 (4m) (em) 3. of the statutes is amended to
9 read:

10 85.20 (4m) (em) 3. Five times the amount of an eligible applicant's required
11 local contribution under par. (b) 1. This subdivision does not apply after December
12 31, 1999.

13 ***-0887/1.16*** SECTION 1836. 85.20 (6) (c) of the statutes is created to read:

14 85.20 (6) (c) Disclose to the department the amount of federal aid over which
15 the eligible applicant has spending discretion and that the eligible applicant intends
16 to apply towards operating expenses for a calendar year.

17 ***-0887/1.17*** SECTION 1837. 85.20 (6) (d) of the statutes is created to read:

18 85.20 (6) (d) Accept federal aid, if directed by the department to accept that aid.
19 This paragraph applies only to eligible applicants described in sub. (4m) (a) 7m.

20 ***-0886/1.1*** SECTION 1838. 85.22 (2) (am) (intro.) of the statutes is amended
21 to read:

22 85.22 (2) (am) (intro.) "Eligible applicant" means any applicant that meets
23 eligibility requirements for federal assistance under 49 USC Appendix 1612 (b) (2)
24 and is one of the following:

1 *~~0886/1.2~~* **SECTION 1839.** 85.22 (4) of the statutes is renumbered 85.22 (4) (a)
2 (intro.) and amended to read:

3 85.22 (4) (a) (intro.) Commencing with the highest ranked application and to
4 the extent that state moneys are available, the department shall offer to each eligible
5 applicant an amount of state aid such that the sum of federal and state aid received
6 by an applicant does not exceed 80% any of the following:

7 1. The percentage, specified by the department by rule, of the estimated capital
8 project costs.

9 (b) State aids available under this section shall not be available for operating
10 purposes.

11 *~~0886/1.3~~* **SECTION 1840.** 85.22 (4) (a) 2. of the statutes is created to read:
12 85.22 (4) (a) 2. For the specific type or category of capital equipment for which
13 aid is paid, the percentage of the estimated capital costs that are eligible for federal
14 aid.

15 *~~1055/1.2~~* **SECTION 1841.** 85.50 of the statutes is repealed.

16 *~~0120/1.1~~* **SECTION 1842.** 85.515 of the statutes, as created by 1997
17 Wisconsin Act 84, is amended to read:

18 **85.515 Implementation of 1997 Wisconsin Act 84.** If the secretary
19 determines that the changes to the department's computerized information systems
20 made necessary by 1997 Wisconsin Act 84 will be operational before May 1, 2000
21 2001, the secretary shall publish a notice in the Wisconsin Administrative Register
22 that states the date on which the changes to the department's computerized
23 information system will begin operating, and that the clearly states which portion
24 of revisions to the operator's license suspension and revocation law made by 1997
25 Wisconsin Act 84 will become effective on that date.

1 *~~1432/7.48~~* SECTION 1843. 85.52 (5) (c) of the statutes is amended to read:
2 85.52 (5) (c) The department of administration may, under s. ~~18.56~~ 18.561 (5)
3 and (9) (j) or 18.562 (3) and (5) (e), deposit in a separate and distinct fund in the state
4 treasury or in an account maintained by a trustee outside the state treasury, any
5 portion of the revenues derived under s. 25.405 (2). The revenues deposited with a
6 trustee outside the state treasury are the trustee's revenues in accordance with the
7 agreement between this state and the trustee or in accordance with the resolution
8 pledging the revenues to the repayment of revenue obligations issued under this
9 subsection.

10 *~~0881/1.1~~* SECTION 1844. 86.30 (2) (a) 1. of the statutes is amended to read:
11 86.30 (2) (a) 1. Except as provided in pars. (b), (d) and (dm) and s. 86.303, the
12 amount of transportation aids payable by the department to each county shall be the
13 aids amount calculated under subd. 2. and to each municipality shall be the aids
14 amount calculated under subd. 2. or 3., whichever is greater. If the amounts
15 calculated for a municipality under subd. 2. or 3. are the same, transportation aids
16 to that municipality shall be paid under subd. 2.

****NOTE: Do you really want the amounts to be the same? Or do you want aids payable under subd. 2. if the amounts calculated under subd. 2. or 3. are within a specified range, say \$100? It seems unlikely that the amounts calculated will ever be the same.

17 *~~0881/1.2~~* SECTION 1845. 86.30 (2) (a) 3. f. of the statutes is repealed.
18 *~~0881/1.3~~* SECTION 1846. 86.30 (2) (a) 3. g. of the statutes is amended to read:
19 86.30 (2) (a) 3. g. In calendar ~~year~~ years 1998 and ~~thereafter~~ 1999, \$1,596.
20 *~~0881/1.4~~* SECTION 1847. 86.30 (2) (a) 3. h. of the statutes is created to read:
21 86.30 (2) (a) 3. h. In calendar year 2000 and thereafter, \$1,644.
22 *~~0883/1.1~~* SECTION 1848. 86.30 (2) (b) 1. of the statutes is amended to read:

SECTION 1848

1 86.30 (2) (b) 1. Except as provided under par. (d) and s. 86.303 (5), no
2 municipality whose aid is determined under par. (a) 2. may receive an increase in its
3 annual transportation aid payment in excess of 15% of its last previous calendar year
4 aid payment or a decrease in its annual transportation aid payment in excess of ~~5%~~
5 2% of its last previous calendar year transportation aid payment.

6 *~~0883/1.2~~* **SECTION 1849.** 86.30 (2) (b) 1g. of the statutes is amended to read:

7 86.30 (2) (b) 1g. Except as provided under par. (d) and s. 86.303 (5), no
8 municipality whose aid is determined under par. (a) 3. may receive a decrease in its
9 annual transportation aid payment in excess of ~~5%~~ 2% of its last previous calendar
10 year transportation aid payment.

11 *~~0881/1.5~~* **SECTION 1850.** 86.30 (9) (b) of the statutes is amended to read:

12 86.30 (9) (b) For the purpose of calculating and distributing aids under sub. (2),
13 the amounts for aids to counties are ~~\$70,644,200 in calendar year 1997 and~~
14 ~~\$78,744,300 in calendar year~~ years 1998 and 1999 and \$81,106,600 in calendar year
15 2000 and thereafter. These amounts, to the extent practicable, shall be used to
16 determine the statewide county average cost-sharing percentage in the particular
17 calendar year.

18 *~~0881/1.6~~* **SECTION 1851.** 86.30 (9) (c) of the statutes is amended to read:

19 86.30 (9) (c) For the purpose of calculating and distributing aids under sub. (2),
20 the amounts for aids to municipalities are ~~\$222,255,300 in calendar year 1997 and~~
21 ~~\$247,739,100 in calendar year~~ years 1998 and 1999 and \$254,784,900 in calendar
22 year 2000 and thereafter. These amounts, to the extent practicable, shall be used to
23 determine the statewide municipal average cost-sharing percentage in the
24 particular calendar year.