

LRB-2926

1999 DRAFTING REQUEST

Bill

Received: 04/16/99

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Revenue 266-5464

By/Representing: Carol

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - miscellaneous
Tax - individual income
Tax - corp. inc. and fran.

Extra Copies:

Became

Pre Topic:

No specific pre topic given

Topic:

update references to Internal Revenue Code

60649

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye	chanaman	jfrantze	_____	lrb_docadmin		S&L
	04/26/99	05/11/99	05/12/99	_____	05/12/99		Tax
	jkreye	chanaman		_____			
	06/2/99	06/2/99		_____			
/2			jfrantze	_____	lrb_docadmin		S&L
			06/2/99	_____	06/2/99		Tax

FE Sent For:

<END>

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/1	jkreye 04/26/99	chanaman 05/11/99	jfrantze 05/12/99	_____	lrb_docadmin 05/12/99		S&L Tax

FE Sent For:

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1?	jkreye	CMM 1	J 5/11	J/KM 5/12			

FE Sent For: 5/21

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Wisconsin Department of Revenue
IS&E Division
April 12, 1999

TITLE: Update References to the Internal Revenue Code for Individuals, Corporations, Exempt Organizations, Regulated Investment Companies, Real Estate Mortgage Investment Conduits, Real Estate Investment Trusts, Financial Asset Securitization Investment Trusts, Tax-Option (S) Corporations, and Insurance Companies

DESCRIPTION OF CURRENT LAW AND PROBLEM:

For taxable years that begin after December 31, 1997, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 1997, with certain exceptions. During 1998, Congress enacted Public Laws 105-178, 105-206, and 105-277, which make numerous changes to the Internal Revenue Code. To simplify the computation of net income for Wisconsin franchise and income tax purposes, the federal law changes should be adopted for Wisconsin purposes to apply at the same time as for federal purposes. See Attachment 1.

For property placed in service in taxable years beginning on or after January 1, 1998, taxpayers have the option of computing depreciation under either the Internal Revenue Code in effect for the taxable year for which the return is filed or the Internal Revenue Code as amended to December 31, 1997. For taxable years beginning on or after January 1, 1999, taxpayers should have the option of computing depreciation under either the Internal Revenue Code in effect for the taxable year for which the return is filed or the Internal Revenue Code as amended to December 31, 1998.

RECOMMENDATION FOR ACTION:

Update the definitions of "Internal Revenue Code" for individuals, corporations, exempt organizations, regulated investment companies, real estate mortgage investment conduits, real estate investment trusts, financial asset securitization investment trusts, tax-option (S) corporations, and insurance companies so that the federal law changes enacted through December 31, 1998, apply for Wisconsin purposes at the same time as for federal purposes.

FISCAL/ADMINISTRATIVE IMPACT:

Adopting federal law changes to apply for Wisconsin purposes at the same time as for federal purposes simplifies compliance with the law for taxpayers and the administration of the law.

DRAFTING INSTRUCTIONS:

Make the following changes to the Wisconsin statutes:

- ✓ 1. Repeal secs. 71.01(6)(e), 71.22(4)(e) and (4m)(c), 71.26(2)(b)5., 71.34(1g)(e), and 71.42(2)(d), Stats.
2. Amend the following sections of the Wisconsin Statutes to include references to Public Laws 105-206 and 105-277:
 - Sec. 71.01(6)(f), (g), (h), (i), (j), (k), and (l) *3 5 may need to clarify change to (l)*
 - Sec. 71.22(4)(a), (b), (c), (d), (e), and (k) *3 5*

- Sec. 71.22(4m)(~~b~~), (~~e~~), (~~f~~), (~~g~~), (~~h~~), (~~i~~), and (~~j~~)
- Sec. 71.26(2)(b)6., ~~7.~~, ~~8.~~, ~~9.~~, ~~10.~~, ~~11.~~, and ~~12.~~
- Sec. 71.34(1g)(~~m~~), (~~g~~), (~~h~~), (~~i~~), (~~j~~), (~~k~~), and (~~L~~)
- Sec. 71.42(2)(~~e~~), (~~f~~), (~~g~~), (~~h~~), (~~i~~), (~~j~~), and (~~k~~)

Note: Generally, each public law is referenced in 4 places in the definition of "Internal Revenue Code" for each year. However, each public law is referenced in 8 places in the definitions in sec. 71.26(2)(b).

3. Amend secs. 71.01(6)(~~m~~), 71.22(4)(~~m~~) and (4m)(~~k~~), 71.26(2)(b)13., 71.34(1g)(~~m~~), and 71.42(2)(~~L~~) of the Wisconsin Statutes to
- a. Limit each provision to taxable years that begin after December 31, 1997, and before January 1, 1999.
 - b. Include references to Public Laws 105-178, 105-206, and 105-277 (see the Note above).
 - c. Include language similar to the following at the end of each of these provisions:

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

4. Create secs. 71.01(6)(~~n~~), 71.22(4)(~~n~~) and (4m)(~~L~~), 71.26(2)(b)14., 71.34(1g)(~~n~~), and 71.42(2)(~~n~~) to provide a definition of "Internal Revenue Code" for taxable years that begin after December 31, 1998. (See secs. 71.01(6)(~~m~~), 71.22(4)(~~m~~) and (4m)(~~k~~), 71.26(2)(b)13., 71.34(1g)(~~m~~), and 71.42(2)(~~L~~) of the Wisconsin Statutes as they existed prior to the amendments in 3. Above for sample language.)

5. Since some of the technical corrections are retroactive to years beginning after 1983, add the following nonstatutory provision:

"ADOPTION OF FEDERAL INCOME TAX CHANGES. Changes to the Internal Revenue Code made by P.L. 105-206 and P.L. 105-277 apply to the definitions of "Internal Revenue Code" in chapter 71 of the statutes at the time that those changes apply for federal income tax purposes."

6. Change the references from "December 31, 1997" to "December 31, 1998" in the following statutory sections:

- ✓ Sec. 71.01(7r) ✓
 - ✓ Sec. 71.26(3)(y) ✓
 - ✓ Sec. 71.365(1m) ✓
 - ✓ Sec. 71.45(2)(a)(13) ✓
- depreciation deduction*

EFFECTIVE DATE OR INITIAL APPLICABILITY:

The amendments to the depreciation deductions should first apply for property placed in service in taxable years beginning on January 1, 1999.

PERSON TO CONTACT:

Carol Held, telephone (608) 266-5464

Prepared by: Carol Held
April 12, 1999

Summary of Federal Law Changes During 1998

Attachment

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
Public Law 105-178 — Transportation Equity Act for the 21st Century — June 9, 1998					
9001		Surface Transportation Revenue Act of 1998 amendments to IRC.	6/9/98	Yes	Noncode provision
9002	4041, 4051, 4071, 4081, 4221, 4481, 4482, 4483, 6156, 6412, & 9503	Highway-related taxes and trust fund extended.		No	Federal excise tax
9003	40, 4041, 4081, 4091, 6427	Tax benefits for alcohol fuels extended and modified.	1/1/01	No	Federal tax credit
9004	9503	Highway trust fund provisions modified.	10/1/98; taxes received after 9/30/97	No	Federal trust fund provision
9005	9503 & 9504	Aquatic resources trust fund provisions modified.	6/9/98	No	Federal trust fund provision
9006	4041, 6421, & 6427	1.25 cent tax rate on rail diesel fuel repealed.		No	Federal excise tax
9007		Additional qualified expenses available to non-Amtrak states.	8/5/97	No	Federal expenditures
9008		Effective date of new requirement for approved diesel or kerosene terminals delayed.	7/1/98; 7/1/00	No	Federal excise tax
9009	6421 & 6427	Simplified fuel tax refund procedures.	10/1/98	No	Federal refund provision
9010(a)	132(f)	No amount included in gross income of an employee solely because the employee may choose between any qualified transportation fringe and compensation which would otherwise be included in gross income.	Taxable years beginning after 12/31/97	Yes	
9010(b)	132(f)	Inflation adjustment relating to qualified transportation fringe applies only after 1999.	Taxable years beginning after 12/31/98	Yes	
9010(c)	132(f)	Maximum exclusion for employer-provided transit passes increased.	Taxable years beginning after 12/31/01	Yes	
9011	9503 & 9511	National recreational trails trust fund repealed.		No	Federal trust fund provision
9012		Identification of limited tax benefits subject to line item veto.	6/9/98	No	

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
Public Law 105-206 -- Internal Revenue Service Restructuring and Reform Act of 1998 -- July 22, 1998					
		Title amendments to IRC of 1986: waiver of estimated tax penalties for any payment due before the 30th day after 7/22/98, table of contents.	7/22/98	Yes, except for waiver of estimated tax provisions.	Noncode provision.
1001		Commissioner of IRS directed to reorganize IRS.	7/22/98	No	Federal tax administration
1002		IRS mission to focus on serving the public and meeting taxpayers' needs.	7/22/98	No	Federal tax administration
1101	4946(c), 6103(h), & 7802	IRS Oversight Board established. Disclosure of tax return information to Oversight Board restricted.	7/22/98	No	Federal tax administration
1102	6212(a), 6323(j), 6343(d), 7611, 7803, & 7811	Duties of IRS Commissioner and other officials. Deficiency notices to include notice of taxpayer's rights to contact a local IRS office. Authority to issue taxpayer assistance orders expanded.	7/22/98, with certain exceptions	No	Federal tax administration
1103	7608(b)	Treasury Inspector General for Tax Administration established.	180 days after 7/22/98	No	Federal tax administration
1104	6344(b) & 7804	Effect of reorganization on other IRS personnel.	7/22/98	No	Federal tax administration
1105	7217	Executive branch influence over taxpayer audits and other investigations prohibited.	Requests made after 7/22/98	No	Federal tax administration
1201		Improvements in personnel flexibilities relating to the IRS.	7/22/98	No	Federal tax administration
1202		Voluntary separation incentive payments authorized.	7/22/98	No	Federal tax administration
1203		Termination of employment for misconduct.	7/22/98	No	Federal tax administration
1204		Basis for evaluation of IRS employees.	Evaluations conducted on or after 7/22/98	No	Federal tax administration
1205		Employee training program.	Not more than 180 days after 7/22/98	No	Federal tax administration
2001	6011	Plan for promotion of electronic filing of tax and information returns.	Not more than 180 days after 7/22/98	No	Federal tax administration; however, it could affect information available to the state
2002	6071	Due date for certain information returns filed electronically extended to March 31. IRS to study effect of extending deadline for providing statements to taxpayers from January 31 to February 15.	Returns required to be filed after 12/31/99	No	Federal information return provision

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
2003	6061 & 7502(c)	Paperless electronic filing. IRS to develop procedures for electronic signatures. IRS to provide regulations regarding acknowledgment of electronic filing. IRS to establish procedures for filing any information electronically for taxable periods beginning after 12/31/99. IRS to make all forms, instructions, and publications for most recent 5 years available on the Internet for taxable periods beginning after 12/31/98. IRS to establish procedures for authorizing disclosure of return information electronically.	7/22/98	No	Federal tax administration; however, it could affect information available to the state
2004		IRS to develop procedures for return-free tax system for taxable years beginning after 2007.	7/22/98	No	Federal tax administration; however, it could affect information available to the state
2005		IRS to develop procedures for electronic access to taxpayer's account information by 12/31/06.	7/22/98	No	Federal tax administration
3000		Taxpayer Bill of Rights 3.	7/22/98	No	Noncode provision
3001	7491	Burden of proof shifts where taxpayer produces credible evidence.	Court proceedings arising in connection with examinations beginning after 7/22/98, or taxable periods or events beginning after 7/22/98	No	Federal tax administration
3101	7430 & 7431(c)	Authority to award costs and attorney's fees expanded.	Costs incurred and services performed more than 180 days after 7/22/98	No	Federal tax administration
3102	7456 & 7433	Civil damages for collection actions expanded.	Actions of IRS officers or employees after 7/22/98	No	Federal tax administration
3103	7436, 7443A, & 7463	Size of cases permitted on small case calendar increased from \$10,000 to \$50,000.	Proceedings commenced after 7/22/98	No	Federal tax administration
3104	7422 & 7479	Actions for refund with respect to certain estates which have elected the installment method of payment.	Claims for refund filed after 7/22/98	No	Federal tax administration; however, it may indirectly affect Wis. claims for refund
3105		Administrative appeal of adverse IRS determination of tax-exempt status of bond issue.	7/22/98	No	Bonds taxable for Wis.
3106	6525, 6503, & 7426	Civil action for release of erroneous lien.	7/22/98	No	Federal tax collection provision

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
3201	6601(c), 6015, 6230(c), & 7421(a)	Relief from joint and several liability on joint return.	Any liability for tax arising after 7/22/98 and any liability for tax arising on or before such date but remaining unpaid as of such date. The 2-year period under §6015 shall not expire before the date which is 2 years after the date of the first collection activity after 7/22/98.	No	Federal tax collection provision
3202	6511	Statute of limitations on filing refund claims suspended during periods of financial disability.	Periods of disability before, on, or after 7/22/98 but not to any claim for credit or refund which, without regard to this amendment, is barred by the operation of any law or rule of law as of the 7/22/98	No	Federal statute of limitations provision
3301	6601(f) & 6621(d)	Interest rate differential eliminated on overlapping periods of interest on tax overpayments and underpayments.	Interest for periods beginning after 7/22/98, with certain exceptions	No	Federal interest provision
3302	6621(a)	Overpayment interest rate payable to taxpayers other than corporations increased.	Interest for the 2nd and succeeding calendar quarters beginning after 7/22/98	No	Federal interest provision
3303	6651	Penalty on individual's failure to pay for months during period of installment agreement mitigated.	Determining additions to the tax for months beginning after 12/31/99	No	Federal underpayment penalty provision
3304	6656	Taxpayer may designate periods to which deposits of tax apply; failure to deposit penalty mitigated.	Deposits required to be made after the 180th day after 7/22/98, with certain exceptions	No	Federal tax administration
3305	6404	Interest and certain penalties suspended where IRS fails to contact and individual taxpayer within a 1-year period (18-month period for taxable years beginning before 1/1/04)	Taxable years ending after 7-22-98	No	Federal interest provision
3306	6751	Procedural requirements for imposition of penalties and additions to tax.	Notices issued and penalties assessed after 12/31/00	No	Federal penalty provision
3307	6672(b)	Personal delivery of notice of penalty.	7-22-98	No	Federal penalty provision
3308	6631	IRS must provide notice of interest charges.	Notices issued after 12/31/00	No	Federal interest provision

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
3309	6404	Interest on underpayments by taxpayers in Presidentially declared disaster areas abated.	Disasters declared after 12/31/97, with respect to taxable years beginning after 12/31/97	No	Federal interest provision
3401	6320, 6330, & 7443	Notice and opportunity for hearing upon filing of notice of lien; notice and opportunity for hearing before levy. Review by special trial judges allowed.	Collection actions initiated after the date which is 180 days after 7/22/98	No	Federal tax collection provisions
3411	7525	Confidentiality privileges relating to taxpayer communications with tax practitioners.	Communications made on or after 7/22/98	No	Federal confidentiality provision
3412	7602	Use of financial status or economic reality examination techniques to determine the existence of unreported income limited.	7/22/98	No	Federal audit provision
3413	7213, 7603, 7612, & 7613	Circumstances under which tax-related computed software source code may be analyzed is limited. Safeguards to ensure protection of trade secrets and other confidential information.	Summonses issued, and software acquired, after 7/22/98, with certain exceptions	No	Federal audit provision
3414		IRS employees may not threaten to audit any taxpayer in an attempt to coerce lip reporting alternative commitment agreements.	7/22/98	No	Federal tax administration
3415	7609	Taxpayers allowed motion to quash all third-party summonses.	Summonses served after 7/22/98	No	Federal tax administration
3416	7603	Service of summonses to third-party recordkeepers permitted by mail.	Summonses served after 7/22/98	No	Federal tax administration
3417	7602	IRS must notify taxpayer before contacting third parties regarding the determination or collection of a tax liability.	Contacts made after the 180th day after 7/22/98	No	Federal tax administration
3421	6334	IRS Commissioner to develop and implement an approval process for liens, levies, and seizures.	7/22/98, with certain exceptions	No	Federal tax collection provision
3431	6334	Certain levy exemption amounts increased.	Levies issued after 7/22/98	No	Federal tax collection provision
3432	6343	Release of levy upon agreement that amount is uncollectible.	Levies imposed after 12/31/99	No	Federal tax collection provision
3433	6331	Levy prohibited during pendency of refund proceedings.	Unpaid tax attributable to taxable periods beginning after 12/31/98	No	Federal tax collection provision
3434	7429	Approval required for jeopardy and termination assessments and jeopardy levies. Taxpayer must be notified within 5 days of information upon which IRS relied.	Taxes assessed and levies made after 7/22/98	No	Federal tax collection provision
3435	6323	Amount of certain property on which lien not valid increased. Treatment of passbook loans expanded.	7/22/98	No	Federal tax collection provision
3436	7210	Early withdrawal tax waived for IRS levies on employer-sponsored retirement plans or IRAs	Distributions after 12/31/99	Yes	Federal tax collection provision

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
3441	6335(e)	Sales of seized property: at less than minimum bid prohibited.	Sales made after 7/22/98	No	Federal tax collection provision
3442	6340	Accounting to taxpayer for sales of seized property.	Seizures occurring after 7/22/98	No	Federal tax collection provision
3443		IRS to implement a uniform asset disposal mechanism within 2 years.	7/22/98	No	Federal tax collection provision
3444	6331	IRS's administrative procedures for seizure of taxpayer's property codified.	7/22/98	No	Federal tax collection provision
3445	6334	Procedures for seizure of residences and businesses.	7/22/98	No	Federal tax collection provision
3461	6501 & 6502	Procedures relating to extensions of statute of limitations for assessment or collection by agreement.	Requests to extend the period of limitations made after 12/31/99, with certain exceptions	No	Federal tax administration
3462	6159, 6331, & 7122	Standards for evaluation of offers-in-compromise. Levy prohibited while offer-in-compromise pending or installment agreement pending or in effect. Administrative review required for rejections of offers-in-compromise and installment agreements.	Proposed offers-in-compromise and installment agreements submitted after 7/22/98; suspension of collection by levy applies to offers-in-compromise pending on or made after 12/31/99	No	Federal tax collection provision
3463	6213	Notice of deficiency to specify deadlines for filing tax court petition.	Notices mailed after 12/31/98	No	Federal tax administration
3464	6213 & 6512	Refund or credit of overpayment before final determination.	7/22/98	No	Federal tax administration
3465	7123 & 7124	IRS procedures relating to appeals of examinations and collections.	7/22/98	No	Federal tax administration
3466	6304	Application of certain fair debt collection procedures.	7/22/98	No	Federal tax administration
3467	6159	Guaranteed availability of installment agreements.	7/22/98	No	Federal tax collection provision
3468		Prohibition on requests to taxpayers to give up rights to bring actions.	7/22/98	No	Federal tax administration
3501		IRS required to provide explanation of joint and several liability to taxpayers.	Not later than 180 days after 7/22/98	No	Federal tax administration
3502		IRS required to provide explanation of taxpayers' rights in interviews with the IRS.	Not later than 180 days after 7/22/98	No	Federal tax administration
3503		IRS required to disclose criteria for selecting taxpayer's for examination	Not later than 180 days after 7/22/98	No	Federal tax administration
3504		IRS required to provide explanations of appeals and collection process.	Not later than 180 days after 7/22/98	No	Federal tax administration

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
3505	6402	IRS required to provide explanation of reason for refund disallowance.	Disallowances after the 180th day after 7/22/98	No	Federal tax administration
3506		IRS required to provide annual statements regarding installment agreements.	Not later than 7/1/00	No	Federal tax administration
3507	6231(a)	IRS required to provide notification to all partners within 30 days of change in tax matters partner.	Selections of tax matters partners made after 7/22/98	No	Federal tax administration
3508		IRS required to provide explanation in individual income tax instruction booklets of the conditions under which information may be disclosed to any party outside the IRS.	7/22/98	No	Federal tax administration
3509	6110	IRS required to provide for public inspection of "Chief Counsel Advice," including electronically.	Chief Counsel advice issued more than 90 days after 7/22/98, with certain exceptions and transitional rules	No	Federal tax administration
3601	7526	IRS may make grants to provide matching funds for the development, expansion, or continuation of qualified low-income taxpayer clinics.	7/22/98	No	Federal tax administration
3701		IRS required to maintain records of taxpayer complaints of misconduct by IRS employees on an individual basis.	Not later than 1/1/00	No	Federal tax administration
3702	6103	Disclosure of IRS records to National Archives and Records Administration.	Requests made by the U.S. Archivist after 7/22/98	No	Federal confidentiality provision
3703		IRS to establish rules for payment of taxes	7/22/98	No	Federal tax administration
3704	7805	Clarification of authority of Secretary relating to the making of elections.	7/22/98	Yes	
3705		IRS to establish procedure for IRS employee contacts with taxpayers	60 days after 7/22/98, with certain exceptions	No	Federal tax administration
3706		Use of pseudonyms by IRS employees.	Requests made after 7/22/98	No	Federal tax administration
3707		Prohibits IRS from designating taxpayers as illegal tax protesters	7-22-98, with certain exceptions	No	Federal tax administration
3708	6103(f)	Permits disclosure of confidential tax information to Congress by whistleblowers	7-22-98	No	Federal confidentiality provision
3709		IRS required to list local telephone numbers and addresses in telephone books	As soon as practicable after 7-22-98	No	Federal tax administration
3710	6109(a)	Identification of return preparers	7-22-98	No	Federal tax administration

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
3711	6103(f) & 6402	Offset of past-due, legally enforceable state income tax obligations against overpayments. Disclosure of certain information to states requesting refund offsets.	Refunds payable under IRC §6402 after 12/31/99	No	Federal offset provision; however, state may apply to IRS
3712	6050S	Reporting requirements in connection with education tax credit.	Returns required to be filed for taxable years beginning after 12/31/98	No	Federal information reporting provision
3801		Study of administration of penalties and interest.	Not later than 1 year after 7/22/98	No	Federal studies
3802		Study of confidentiality of tax return information.	Not later than 18 months after 7/22/98	No	Federal studies
3803		Study of noncompliance with IRS laws by taxpayers.	Not later than 1 year after 7/22/98	No	Federal study
3804		Study of payments made for detection of underpayments and fraud.	Not later than 1 year after 7/22/98	No	Federal study
4001	8021	Duties of the Joint Committee on Taxation expanded.	7/22/98	No	Federal tax administration
4002	8022(3)	Coordinated oversight reports by Joint Committee on Taxation.	7/22/98	No	Federal tax administration
4011		IRS should place high priority on Y2K changes.	7/22/98	No	Federal tax administration
4021		IRS should provide Congress with an independent view of tax administration and the administrability of pending amendments to the IRC.	7/22/98	No	Federal tax administration
4022		IRS to conduct each year after 1998 an analysis of the sources of complexity in administration of the federal tax laws, and report the results by each March. Joint Committee on Taxation to include a tax complexity analysis with certain legislation	Legislation considered on or after 1/1/99	No	Federal tax administration
5001	1(b), 1223, & 1235(a)	Lower capital gains rates apply to property held more than 1 year.	Taxable years ending after 12/31/97, 1/1/98	Generally, no	This change generally applies to individuals, and Wisconsin modification
5002	119(b)	Exclusion of meals for certain employees clarified.	Taxable years beginning before, on, or after 7/22/98	Yes	
5003		Clarification that "most-favored nation" treatment means "normal trade relations"	Terminology used before, on, or after 7/22/98	Yes	Noncode provision
6001		Tax Technical Corrections Act of 1998.	Immediately before any other provisions of this Act	Yes	Noncode provision

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6002		Definitions of 1986 Code and 1997 Act (Taxpayer Relief Act of 1997)	7/22/98	Yes	Noncode provision
6003(a)	24(d)	Clarifies computation of child tax credit.	Taxable years beginning after 12/31/97	No	Federal tax credit
6003(b)	32(m)	Clarifies computation of supplemental child credit.	Taxable years beginning after 12/31/97	No	Federal tax credit
6004(a)	6050S(a) & 6724(d)	Clarifies the reporting requirements under the HOPE and Lifetime Learning credits.	Expenses paid after 12/31/97 in taxable years ending after that date for education furnished in academic period beginning after that date	No	Federal information reporting provision
6004(b)	221(d) & (e)	Clarifies that for purposes of the student loan interest deduction the indebtedness must be incurred by the taxpayer, solely to pay qualified higher education expenses. Authorizes the IRS to issue regulations regarding the calculation of the 60-month period in the case of consolidated loans.	Any qualified loan incurred on or before 8/5/97 but only with respect to any loan interest payment due and paid after 12/31/97 and the portion of the 60-month period after 12/31/97	Yes	Technical correction
6004(c)	135(g) & 529(e) & (e)	Coordinates the definition of an eligible educational institution for purposes of qualified state tuition programs with that used for the exclusion for U.S. savings bonds used for higher education expenses. Clarifies the tax-free rollover provision for education savings bonds.	Distributions after 12/31/97 for education furnished in academic period beginning after that date	Yes	Technical correction
6004(d)	72(e), 135(g) & (d), 530(b) & (d), & 4973(f)	Clarifies rules regarding education IRAs, tax-free rollovers, changes in designated beneficiary, and application of 10% tax on certain distributions.	Taxable years beginning after 12/31/97	Yes	Technical correction
6004(e)	170(e)	Clarifies rules for contributions of computer technology and equipment to elementary and secondary schools.	Taxable years beginning after 12/31/97 and before 1/1/01	Yes	Technical correction
6004(f)	108(f)	Clarifies treatment of cancellation of certain student loans.	Discharges of indebtedness after 8/5/97	Yes	Technical correction
6004(g)	42(i), 49(b), 50(a), 1347D, 1397E, & 1397F	Clarifies credit allowed to holders of qualified zone academy bonds.	Obligations issued after 12/31/97	No	Federal tax credit
6005(a)	219(g)	Clarifies the contribution limitations for active participants in IRAs.	Taxable years beginning after 12/31/97	Yes	Technical correction
6005(b)	408A(c), (d), & (f) & 4973(b) & (f)	Clarifies conversions of IRAs to Roth IRAs and contribution limits.	Taxable years beginning after 12/31/97	Yes	Technical correction
6005(c)	72(i), 402(c), 403(b)	Denial of tax-free rollover treatment for hardship distributions.	Distributions made after 12/31/98	Yes	Technical correction

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6005(d)	1(h), 55(b), 57(a), 1223, & 1235(a)	Clarifies the changes in the capital gains tax rates for individuals.	Taxable years ending after 5/6/97	No	Federal tax rates
6005(c)	21(b) & (c)	Clarifies and amends exclusion of gain on sale of principal residence.	Sales and exchanges after 5/6/97	Yes	
6005(f)	1045(c) & (b)	Clarifies rollover of gain from sale of qualified stock.	Sales after 8/5/97	Yes	Technical correction
6006(a)	55(c)	Clarifies exemption from alternative minimum tax for small corporations.	Taxable years beginning after 12/31/97	No	No Wis. corporate alternative minimum tax
6006(b)	168(c)	Allows taxpayers to elect to use alternative minimum tax depreciation for regular tax purposes.	Property placed in service after 12/31/98	Yes	
6007(a)	2631(c)	Clarifies the indexing of the generation-skipping tax exemption.	Estates of decedents dying and gifts made after 12/31/97	Yes	Technical correction
6007(b)	2033A & 2057	Coordinates the family-owned business exclusion with the unified credit.	Estates of decedents dying after 12/31/97	Yes	Technical correction
6007(c)	6166(b)	Clarifies reduced rate of interest on deferred estate taxes.	Estates of decedents dying after 12/31/97, with certain exceptions	No	Federal interest rate
6007(d)	7479(a)	Clarifies declaratory judgments relating to eligibility of estate for deferred estate taxes.	Estates of decedents dying after 8/5/97	No	Federal tax administration
6007(e)	2001(d), 2504, & 6501(c)	Clarifies prohibition on the revaluation of gifts for estate tax purposes after the expiration of the statute of limitations.	Gifts made after 8/5/97, except the modification of the statute of limitations applies to gifts made in taxable years ending after 8/5/97	Yes	Technical correction
6007(f)	1(e), 641, 1301(e), 2031(c), & 6103(c)	Clarifies repeal of throwback rules applicable to certain domestic trusts.	Distributions in taxable years beginning after 8/5/97, and sales or exchanges after 8/5/97	No	Federal tax rates
6007(g)	2031(c)	Clarifies estate tax exclusion for qualified conservation easement.	Estates of decedents dying after 12/31/97	Yes	Technical correction
6008(a)	1400(b)	Clarifies District of Columbia enterprise zone.	8/5/97	Yes	Technical correction
6008(b)	1400(a)	Clarifies limitations on tax-exempt DC economic development bonds.	Bonds issued during the period beginning on 1/1/98 and ending 12/31/02	No	Bonds taxable for Wis.
6008(c)	1400B	Clarifies exclusion for qualified capital gains from DC zone assets.	8/5/97	Yes	Technical correction

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6008(d)	23, 25(e), & 1400C	Clarifies definition of first-time homebuyer.	8/5/97	No	Federal tax credit
6009(a)	5041(b)	Clarifies tax treatment of hard cider	10/1/97	No	Federal excise tax
6009(b)	7704(e)	Clarifies that the additional tax on 1987 partnerships that elect not to be treated as a publicly traded partnership is to be paid by the partnership and provides that underpayment penalties will apply.	Taxable years beginning after 7/22/98	No	Federal tax
6009(c)	280F(a)	Clarifies the depreciation limits for purpose-built passenger vehicles.	Property placed in service after 8/5/97 and before 1/1/05	Yes	Technical correction
6009(d)	6103(d)	Corrects provisions relating to combined employment tax reporting demonstration project.	8/5/97	No	Federal study
6009(e)		Clarifies definition of a non-Amtrak state.	8/5/97	No	Federal tax and refund provision
6010(a)	475(f) & 1259(b) & (d)	Clarifies exception from constructive sales rules for certain debt positions.	Constructive sales after 6/8/97 with certain exceptions	Yes	Technical correction
6010(b)	1059(g)	Clarifies tax treatment of certain extraordinary dividends	Distributions after 5/3/95, with transitional rules	Yes	Technical correction
6010(c)	351(e), 355(e), & 368(a)	Clarifies the treatment of certain corporate distributions	Distributions after 4/16/97 pursuant to a plan which involves an acquisition described in IRC 855(e)(2)(A)(ii), with certain exceptions	Yes	Technical correction
6010(d)	304(b)	Clarifies tax treatment of redemptions involving related corporations.	Distributions and acquisitions after 6/8/97, with transitional rules	Yes	Technical correction
6010(e)	351(g) & 354(a)	Clarifies treatment of transferor in transfers of preferred stock treated as boot.	Transactions after 6/8/97, with transitional rules	Yes	Technical correction
6010(f)	6331(b)	Clarifies continuing levy on certain payments.	Levies issued after 8/5/97	No	Federal tax collection provision
6010(g)	4041(d), 6421(c), & 9502(b)	Corrects provisions relating to airport and airway trust fund taxes.	10/1/97, with transitional rules	No	Federal excise taxes
6010(h)	4082(d), 4101(c), & 7232	Corrects provisions relating to kerosene taxed as fuel	7/1/98, with transitional rules	No	Federal excise taxes
6010(i)	4251(d)	Clarifies application of communications tax to prepaid telephone cards.	Amounts paid in calendar months beginning more than 60 days after 8/5/97	No	Federal excise taxes

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6010(j)	512(b)	Clarifies that unrelated taxable income rules apply to second-tier subsidiaries.	Taxable years beginning after 8/5/97, with transitional rules	Yes	Technical correction
6010(k)	853 & 901(k)	Clarifies holding period requirement for credit for certain foreign taxes.	Dividends paid or accrued more than 30 days after 8/5/97	No	Federal tax credit
6010(l)	6611(e)	Clarifies interest on underpayments not reduced by foreign tax credit carrybacks.	Foreign tax credit carrybacks arising in taxable years beginning after 8/5/97	No	Federal penalty provision
6010(m)	751(c)	Clarifies allocation of basis among properties distributed by partnership.	Distributions after 8/5/97	Yes	Technical correction
6010(n)	39(a)	Clarifies taxable years to which unused credits may be carried.	Credits arising in taxable years beginning after 12/31/97	No	Wis. has its own credit carryover provisions
6010(o)	264 & 6724(d)	Clarifies denial of deduction for certain amounts paid in connection with insurance.	Contracts issued after 6/8/97 in taxable years ending after that date.	Yes	Technical correction
6010(p)	32(c) & 6213(e)	Clarifies provisions relating to the earned income credit.	Taxable years beginning after 12/31/97, for penalty, taxable years beginning after 12/31/96	Yes, except penalty provisions	Technical correction
6010(q)		Clarifies treatment of exception from installment sales rules for sales of property by a manufacturer to a dealer.	Taxable years beginning more than 1 year after 8/5/97	Yes	Noncode provision
6010(r)	664(d)	Clarifies limitation on non-charitable distributions.	Transfers in trust after 6/18/97	Yes	Technical correction
6011(a)	59(a)	Corrects reference relating to election to use simplified §904 limitation for alternative minimum tax.	Taxable years beginning after 12/31/97	No	Federal tax credit
6011(b)	1297(e) & 1298(b)	Clarifies attribution rules under the PFIC provisions and treatment of PFIC option holders.	Taxable years of U.S. persons beginning after 12/31/97, and taxable years of foreign corporations ending with or within such taxable years of U.S. persons	Yes	Technical correction
6011(c)	675(f), 1291(d), & 1296(d)	Clarifies interaction between the PFIC provisions and other mark-to-market rules.	Taxable years of U.S. persons beginning after 12/31/97, and taxable years of foreign corporations ending with or within such taxable years of U.S. persons	Yes	Technical correction

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6011(d)	1297(e) & (f)	Corrects numbering of PFIC provisions.	8/5/97	Yes	Technical correction
6011(c)	991 & 6013	Corrects references relating to repeal of excise tax on transfers to foreign entities.	8/5/97	No	Technical correction
6011(f)	6038(a) & (e)	Clarifies information reporting rules for controlled foreign partnerships.	Annual accounting periods beginning after 8/5/97	No	Federal information reporting provision
6011(e)	6038B	Corrects references in provisions relating to information reporting for transfers of property to foreign partnerships.	Transfers made after 8/5/97, with election for retroactive effect	No	Federal information reporting provision
6012(a)	162(e)	Clarifies treatment of traveling expenses of certain federal employees engaged in criminal investigations.	Amounts paid or incurred with respect to taxable years ending after 8/5/97	Yes	Technical correction
6012(b)	6103, 6311(e), 6724(d), & 7431	Clarifies payment of tax by commercially acceptable means.	9 months after 8/5/97	No	Federal tax administration
6012(c)	774(d)	Corrects reference relating to special rules for electing large partnerships.	Partnership taxable years beginning after 12/31/97	Yes	Technical correction
6012(d)	6724(c)	Clarifies penalty provisions for failure to meet magnetic media filing requirements for partnerships having more than 100 partners.	Partnership taxable years beginning after 12/31/97	No	Federal penalty provision
6012(e)		Clarifies effective date of partnership provisions.	Partnership taxable years beginning after 12/31/97	Yes	Noncode provision
6012(f)	6211(c)	Clarifies reference in definition of a deficiency.	Partnership taxable years ending after 8/5/97	No	Federal tax administration
6012(g)	857(d)	Modifies distribution rules for REITs.	Taxable years beginning after 8/5/97	Yes	Technical correction
6012(h)	7430(b)	Corrects reference regarding the awarding of administrative costs.	Civil actions or proceedings commenced after 8/5/97	No	Federal tax administration
6013(a)	645, 646, 2652(b), & 2654(b)	Clarifies provisions relating to treatment of certain revocable trusts as part of estate.	Estates of decedents dying after 8/5/97	Yes	Technical correction
6013(b)	685	Clarifies treatment of funeral trusts.	Taxable years ending after 8/5/97	Yes	Technical correction

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6014(a)	5054(a) & 5056	Clarifies treatment of beer imported in bulk.	1st day of 1st calendar quarter that begins at least 180 days after 8/5/97	No	Federal excise tax
6014(h)	5043(a), 5044(a), & 5364	Clarifies treatment of wine imported in bulk.	1st day of 1st calendar quarter that begins at least 180 days after 8/5/97	No	Federal excise tax
6014(c)	4052(f)	Clarifies retail tax on heavy trucks.	1/1/98	No	Federal excise tax
6014(d)	4091(a)	Clarifies credit or refund for tax-paid aviation fuel purchased by registered producer of aviation fuel.	Fuel acquired by the producer after 9/30/97	No	Federal excise tax
6014(e)	7430(c)	Clarifies application of net worth requirements for awards of litigation costs.	Proceedings commenced after 8/5/97	No	Federal tax administration
6015(a)	408(p)	Corrects reference relating to SIMPLE retirement accounts.	Years beginning after 12/31/96	Yes	Technical correction
6015(b)		Clarifies application of certain nondiscrimination rules to state and local governments.	Governmental plans are treated as meeting the requirements for all taxable years beginning before 8/5/97	Yes	Technical correction
6015(c)		Clarifies the scope of the exclusion of certain disability benefits received by former police officers or firefighters.	Amounts received in calendar year 1989, 1990, or 1991	No	Special legislation required
6015(d)	404(a)	Corrects references relating to gratuitous transfers for the benefit of employees.	Transfers made by trusts to or for the use of an employee stock ownership plan after 8/5/97	Yes	Technical correction
6015(e)	9811(c) & (f)	Corrects reference relating to implementing the Newborns and Mothers Health Protection Act of 1996 and the Mental Health Parity Act of 1996.	Group health plans for plan years beginning on or after 1/1/98	Yes	Technical correction
6016(a)	408(p)	Clarifies the treatment of SIMPLE plans and SIMPLE IRAs in the case of mergers, acquisitions, and dispositions. Clarifies the treatment of Indian tribal governments.	Taxable years beginning after 12/31/96, 8/20/96	Yes	Technical correction
6016(b)	6427(d)	Clarifies amendments relating to airport and airway trust fund excise taxes.	8/27/96	No	Federal excise tax
6017	6427(i)	Provides simplified fuel tax refund procedures.	10/1/98	No	Federal excise tax
6018(a)		Corrects reference relating to employment tax status of fishermen.	Payments made after 12/31/97	Yes	Technical correction
6018(b)	408(d)	Clarifies treatment of SIMPLE plans.	Taxable years beginning after 12/31/96	Yes	Technical correction

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6018(c)	414(q)	Clarifies definition of "highly compensated employee" for purposes of the nondiscrimination provisions of qualified retirement plans.	Years beginning in 1996	Yes	Technical correction
6018(d)		Clarifies transitional rule relating to underpayments as a result of changes to depreciation provisions.	8/20/96	No	Federal penalty provision
6018(e)		Clarifies imposition of floor stocks taxes on aviation fuel.	8/20/96	No	Federal excise tax
6018(f)	23(b) & 219(e)	Clarifies adoption credit carry-forward.	Taxable years beginning after 12/31/96	No	Federal tax credit
6018(g)	679(e)	Clarifies rules relating to transfers to charitable trusts.	Transfers of property after 2/6/95	Yes	Technical correction
6018(h)		Provisions effective as if included in provisions of Small Business Job Protection Act of 1996 to which they relate.		Yes	Noncode provision
6019	6103 (c) & 6104	Religious and apostolic organizations excluded from certain public disclosure provisions.	7/22/98	No	Federal tax administration
6020	196(c)	Deduction allowed for unused Social Security tax credit.	Taxes paid after 12/31/93	Yes	Technical correction
6021	32(c)	Clarifies earned income credit rules.	Returns the due date for which is more than 30 days after 8/22/96; taxable years beginning after 12/31/90	Yes	Technical correction
6022	6401(b)	Clarifies treatment of alternative minimum tax credit.	Taxable years beginning after 12/31/86	No	Federal tax credit
6023(1)	45A(b)	Corrects work opportunity credit reference.	7/22/98	No	Federal tax credit
6023(2)	59(b)	Corrects Puerto Rico economic activity credit reference.	7/22/98	No	Federal tax credit
6023(3)	72(n)	Corrects provision relating to annuities under retired serviceman's family protection plan.	7/22/98	Yes	Technical correction
6023(4)	72(t)	Corrects provision relating to tax on early distributions from qualified retirement plans.	7/22/98	Yes	Technical correction
6023(5)	142(f)	Corrects provision relating to exempt facility bonds.	7/22/98	No	Bonds taxable by Wis.
6023(6)	501(n)	Corrects provision relating to charitable risk pools.	7/22/98	Yes, except for corporations	Technical correction

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6023(7)	501(c)	Corrects provision relating to hospitals participating in provider-sponsored organizations.	7/22/98	Yes, except for corporations	Technical correction
6023(8)	512(b)	Corrects provision relating to amounts derived from foreign corporations for purposes of unrelated business income.	7/22/98	Yes	Technical correction
6023(9)	543(d)	Corrects provision relating to personal holding company income.	7/22/98	Yes	Technical correction
6023(10)	871(f)	Corrects provision relating to annuities received by nonresident aliens.	7/22/98	Yes	Technical correction
6023(11)	1017(e)	Corrects provision relating to discharge of indebtedness.	7/22/98	Yes	Technical correction
6023(12)	1250(d)	Corrects provision relating to involuntary conversions.	7/22/98	Yes	Technical correction
6023(13)	5121(a)	Corrects provision relating to wages for employment tax purposes.	7/22/98	Yes	Technical correction
6023(14)	3401(a)	Corrects provision relating to wages for withholding tax purposes.	7/22/98	No	Federal withholding tax
6023(15)	3401(a)	Corrects provision relating to wages for withholding tax purposes.	7/22/98	No	Federal withholding tax
6023(16)	4092(b) & 6427(q)	Corrects provision relating to fuel taxes.	7/22/98	No	Federal excise tax
6023(17)	4221(c) & 4222(d)	Corrects provisions relating to retail excise taxes.	7/22/98	No	Federal excise tax
6023(18)	4973	Corrects provision relating to tax on excess contributions to tax-favored accounts and annuities.	7/22/98	Yes	Technical correction
6023(19)	4975	Corrects provision relating to tax on prohibited transactions.	7/22/98	Yes	Technical correction
6023(20)	6039(a)	Corrects provision relating to information returns for certain options.	7/22/98	No	Federal information reporting provision
6023(21)	6050R(b)	Corrects provision relating to returns for reporting certain purchases of fish.	7/22/98	No	Federal information reporting provision
6023(22)	6103(h)	Corrects provision relating to disclosure of information from tax returns.	7/22/98	No	Federal confidentiality provision
6023(23)	6416(b)	Corrects provision relating to certain excise taxes.	7/22/98	No	Federal excise tax
6023(24)	34(b) & 6421	Corrects provision relating to credits and refunds for gasoline used for nonhighway or exempt purposes.	7/22/98	No	Federal tax credit
6023(25)	6427(f)	Corrects provision relating to fuels not used for taxable purposes.	7/22/98	No	Federal tax credit
6023(26)	6427	Corrects provision relating to fuels not used for taxable purposes.	7/22/98	No	Federal tax credit

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
6023(27)	6501(m)	Corrects provision relating to deficiencies attributable to election of certain credits.	7/22/98	No	Federal tax administration
6023(28)	7702B(c)	Corrects provision relating to treatment of long term care insurance.	7/22/98	Yes	Technical correction
6023(29)	7434(b)	Corrects provision relating to civil damages for fraudulent filing of information returns.	7/22/98	No	Federal information reporting provision
6023(30)	7872(f)	Corrects provision relating to below market interest rate loans.	7/22/98	Yes	Technical correction
6023(31)	9502(e)	Corrects provision relating to airport and airway trust fund.	7/22/98	No	Federal trust fund provision
7001	404(a)	Except as otherwise provided, amendments to this subtitle shall apply to taxable years beginning after 7/22/98, with transitional rules.	7/22/98	Yes	
7002		Definition of deferred compensation defined.	7/22/98	Yes	
7003		Exception for certain RPLs from the treatment of suspended entities terminated.	7/22/98	Yes	
7004		Certain non-qualified annuities eligible for marital deduction treatment.	7/22/98	Yes	
8001		Adjusted gross income limit modified for conversions to Roth IRA.	12/31/04	Yes	
9001 - 9015		Identification of limited tax benefits subject to line item veto.	7/22/98	No	
Public Law 105-277		TEA 21 Restoration Act		No	
1000		Research credit extended from July 1, 1998, through June 30, 1999.	10/21/98	Yes	Noncode provision.
1001	41(h) & 45C(b)(1)	Research credit extended from July 1, 1998, through June 30, 1999.	Amounts paid or incurred after 6/30/98	No	Federal credit, IRC §41(h) excluded for Wisconsin
1002	51(c)(4)	Work opportunity credit extended from July 1, 1998, through June 30, 1999.	Wages paid or incurred to individuals who began work for the employer after 6/30/98	No	Federal credit
1003	51A(f)	Welfare-to-work credit extended from April 30, 1999, through June 30, 1999.	Wages paid or incurred to individuals who began work before 7/1/99	No	Federal credit

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
2013	172	5-year net operating loss carryback permitted for farming losses.	Net operating losses for taxable years beginning after 12/31/97	No	Wisconsin law prohibits net operating loss carrybacks
2021	146	Volume cap on private activity bonds increased.	Calendar years after 1998	No	Wisconsin taxes state and municipal bond interest
2022		Secretary of Treasury required to study depreciation recovery periods and methods.	10/21/98	No	Federal study
2023		Exemption from social security taxes for students employed by state schools, colleges, or universities.	Services performed after 6/30/00	No	Social security tax provision
3001	532 & 534	Liquidating distributions (RLCs and REITs) are receivable by the RLC or REIT if treated as taxable dividends to the recipient corporation.	Distributions after 5/21/98	Yes	
3002	4132(a)	Rotavirus gastroenteritis vaccine is taxable.	Sales after 10/21/98	No	Federal excise tax provision
3003	6213	Mathematical error assessment procedures clarified and expanded.	Taxable years ending after 10/21/98	No	Federal penalty provision
3004	172(f)	Definition of specified liability loss, which is allowed a 10-year carryback period, clarified.	Net operating losses arising in taxable years ending after 10/21/98	No	Wisconsin law prohibits net operating loss carrybacks
4001		Technical corrections to 1997 and 1998 Acts.	10/21/98	Yes	Noncode provision
4002(a)	6103(h)	Correction relating to disclosure of return information.	7/22/98	No	Federal confidentiality provision
4002(b)	7491(a)	The burden of proof provision doesn't apply to a qualified revocable trust with respect to liability for tax for any taxable year ending the date of the decedent's death and before the applicable date.	Court proceedings arising in connection with examinations commencing after 7/22/98, or with taxable periods or events beginning or occurring after 7/22/98	No	Federal tax administration
4002(c)	6015(e) & 7421(a)	Innocent spouse provisions clarified.	Any liability for tax arising after 7/22/98 and any liability for tax arising on or before 7/22/98 but remaining unpaid as of 7/22/98	No	Federal tax collection provision
4002(d)		Effective date of amendments relating to the elimination of the interest rate differential modified.	Interest for periods beginning before 7/22/98, subject to any applicable statute of limitation not having expired	No	Federal interest provision

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
4003(h)	172(b)	Treatment of net operating losses arising from certain eligible losses clarified.	Net operating losses for taxable years beginning after 8/5/97	No	Wisconsin has its own net operating loss carryover provisions
4003(i)	264(f)	Denial of deduction for certain amounts paid in connection with insurance clarified.	Contracts issued after 6/8/97 in taxable years ending after that date	Yes	Technical correction
4003(j)	954(e)	Treatment of foreign personal holding company income clarified.	First full taxable year of a foreign corporation beginning after 12/31/97 and before 1/1/99 and to taxable years of US shareholders with or within which such taxable year of such foreign corporation ends	Yes, except for regular corporations	Technical correction
4003(k)	6311(d)	Payment of tax by commercially acceptable means clarified.	9 months after 8/5/97	No	Federal administrative provision
4003(l)		Amendments take effect as if included in P.L. 105-32.		Yes	Noncode provision
4004	67(b), 68(c), 172(d), & 873(b)	Amendments to the treatment of nonbusiness casualty and theft losses.	For purposes of net operating losses and nonresident aliens, taxable years beginning after 12/31/83, for miscellaneous itemized deductions, taxable years beginning after 12/31/86; for the overall limitation on itemized deductions, taxable years beginning after 12/31/90	Yes	
4005		Amendments relating to withholding taxes from social security benefits and allocating the credits of withholding between the trust funds and the general fund	Benefits paid on or after the first day of the second month beginning after 10/21/98	No	Noncode provision
4006(a)	6103(j) & (r)	Disclosure of tax return information to the Department of Agriculture.	Requests made on or after 10/21/98	No	Federal confidentiality provision
4006(b)	9503(f)	Amendment relating to the highway trust fund	10/1/98	No	Federal trust fund provision
4006(c)	51(d), 56(a), 2031(c), & 6693(a)	Clerical amendments.	10/21/98	Yes	Technical correction

Act Section	Code Section	Description of Change	Effective Date	Applicable for Wis. if IRC Adopted?	Comments
5301.2		<p>For an individual on the cash method of reporting, a qualified prize option is a prize that is reported as taxable income in the year in which the qualified prize is received, or the year in which the prize is first received, whichever is later.</p>	<p>Any prize to which a person first becomes entitled after 10/21/98, and applicable to a prize to which the person became entitled before 10/21/98 if the person has the option of receiving a single cash payment during the 12-month period beginning 7/1/99.</p>	Yes	

Note: A "Yes" in the "Apply for Wis.?" column means that if the federal law change is adopted without exception, the provision would affect the computation of Wisconsin net income or a Wisconsin tax credit that is referenced to the Internal Revenue Code.

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6/11/99 Kelsie Dosty 1:45

- change date for lottery prize
payment option from Jan 1, 2001 to
Dec. 31, 2000