

1 ***-1917/1.27* SECTION 1717.** 71.07 (9) (g) of the statutes is created to read:

2 71.07 (9) (g) No new claim may be filed under this subsection for a taxable year
3 that begins after December 31, 1999.

4 ***b0535/P1.5* SECTION 1719b.** 71.07 (9e) (f) of the statutes is amended to read:

5 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
6 amount of the claim under this subsection exceeds the taxes otherwise due under this
7 chapter or no taxes are due under this chapter, the amount of the claim not used to
8 offset taxes due shall be certified by the department of revenue to the department
9 of administration for payment by check, share draft or other draft drawn from the
10 appropriation under s. 20.835 (2) (f) or (kf).

11 ***b0678/5.11* SECTION 1719d.** 71.07 (10) of the statutes is amended to read:

12 71.07 (10) CREDITS NOT ALLOWED. The credits under s. 71.28 (4) and (5) may not
13 be claimed by partners, including partners of a publicly traded partnership treated
14 as a corporation under s. 71.22 (~~1~~) (1g), members of a limited liability company,
15 including members of a limited liability company treated as a corporation under s.
16 77.22 (~~1~~) (1g), or shareholders of a tax-option corporation.

17 ***b0438/2.4* SECTION 1719g.** 71.08 (1) (intro.) of the statutes is amended to
18 read:

19 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
20 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
21 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (2fd), (3m), (3s),
22 (6) and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m) and
23 (3) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m) and (3) and
24 subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the
25 tax under this section, there is imposed on that natural person, married couple filing

1 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax
2 computed as follows:

3 ***b0438/2.4* SECTION 1719m.** 71.10 (4) (gv) of the statutes is created to read:
4 71.10 (4) (gv) Sustainable urban development zone credit under s. 71.07 (2dy).

5 ***b0383/2.1* SECTION 1720m.** 71.10 (5) (am) of the statutes is created to read:
6 71.10 (5) (am) *Gray wolf as endangered or threatened species.* For purposes of
7 the part of the endangered resources program that provides for wildlife damage
8 control and the payments of claims for damage associated with endangered or
9 threatened species, the gray wolf shall be considered an endangered or threatened
10 species regardless of whether it is listed as endangered or threatened under s. 29.604
11 (3).

12 ***-1917/1.28* SECTION 1721.** 71.125 of the statutes is amended to read:

13 **71.125 Imposition of tax.** (1) Except as provided in sub. (2), the tax imposed
14 by this chapter on individuals and the rates under s. 71.06 (1), (1m), (1n), (1p) and
15 (2) shall apply to the Wisconsin taxable income of estates or trusts, except nuclear
16 decommissioning trust or reserve funds, and that tax shall be paid by the fiduciary.

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

22 ***b0669/1.2* SECTION 1721et.** 71.14 (3) (intro.) of the statutes is amended to
23 read:

24 71.14 (3) (intro.) Except as provided in sub. (2) and s. 71.04 (1) (b) 2., ~~trusts~~
25 ~~created by contract, declaration of trust or implication of law shall be considered~~

1 resident at the place where the trust is being administered. The following trusts
2 shall be considered to be administered in the state of domicile of the corporate trustee
3 of the trust at any time that the grantor of the trust is not a resident of this state and
4 subject to sub. (3m), only the following trusts, or portions of trusts, shall be
5 considered resident of this state:

6 *b0669/1.2* SECTION 1721ft. 71.14 (3) (a) of the statutes is amended to read:

7 71.14 (3) (a) ~~Trusts that have any assets invested in a common trust fund, as~~
8 ~~defined in section 584 of the internal revenue code, maintained by a bank or trust~~
9 ~~company domiciled in this state that is a member of the same affiliated group, as~~
10 ~~defined in section 1504 of the internal revenue code, as the corporate trustee the~~
11 ~~assets of which consist of property placed in the trust by a person who is a resident~~
12 ~~of this state at the time the property was placed in the trust if, at the time the assets~~
13 ~~were placed in the trust, the trust was irrevocable.~~

14 *b0669/1.2* SECTION 1721gt. 71.14 (3) (b) of the statutes is amended to read:

15 71.14 (3) (b) ~~Trusts Irrevocable trusts, the assets of which in whole or in part~~
16 ~~are managed, or about which investment decisions are made, by a corporation~~
17 ~~domiciled in this state if that corporation and the corporate trustee are members of~~
18 ~~the same affiliated group, as defined in section 1504 of the internal revenue code~~
19 ~~consist of property placed in the trust by a person who is a resident of this state at~~
20 ~~the time that the trust became irrevocable if, at the time the property was placed in~~
21 ~~the trust, the trust was revocable.~~

22 *b0669/1.2* SECTION 1721ht. 71.14 (3m) of the statutes is created to read:

23 71.14 (3m) A trust described under sub. (3):

24 (a) Is revocable if the person whose property constitutes the trust may revest
25 title to the property in that person.

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

3 ***-1917/1.29* SECTION 1722.** 71.17 (6) of the statutes is amended to read:

4 71.17 (6) FUNERAL TRUSTS. If a qualified funeral trust makes the election under
5 section 685 of the Internal Revenue Code for federal income tax purposes, that
6 election applies for purposes of this chapter and each trust shall compute its own tax
7 and shall apply the rates under s. 71.06 (1) ~~and~~, (1m), (1n) or (1p).

8 ***b0678/5.12* SECTION 1722b.** 71.195 of the statutes is amended to read:

9 **71.195 Definition.** In this subchapter, “partnership” includes limited liability
10 companies and other entities that are treated as partnerships under the Internal
11 Revenue Code, and “partnership” does not include publicly traded partnerships
12 treated as corporations under s. 71.22 ~~(1)~~ (1g).

13 ***b0438/2.5* SECTION 1722bd.** 71.21 (4) of the statutes is amended to read:

14 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
15 (2dj), (2dl), (2ds), (2dx), (2dy) and (3s) and passed through to partners shall be added
16 to the partnership’s income.

17 ***b0678/5.12* SECTION 1722be.** 71.22 (1) of the statutes is renumbered 71.22
18 (1g).

19 ***b0678/5.12* SECTION 1722c.** 71.22 (1d) of the statutes is created to read:

20 71.22 (1d) “Commercial domicile” means the location of a trade or business
21 from which the trade or business is principally managed in the United States,
22 regardless of whether the trade or business is organized under the laws of a foreign
23 country, the commonwealth of Puerto Rico or any territory or possession of the
24 United States. The location of the taxpayer’s trade or business at which the greatest

1 number of the taxpayer's employes work or are regularly connected, as of the last day
2 of the taxable year, is rebuttably presumed to be the taxpayer's commercial domicile.

3 ***b0677/3.1* SECTION 1722cd.** 71.22 (1r) of the statutes is created to read:

4 71.22 (1r) "Doing business" includes owning a direct or indirect interest in a
5 general or limited partnership or limited liability company that transacts in this
6 state for pecuniary gain.

7 ***b0678/5.12* SECTION 1722ce.** 71.22 (3g) of the statutes is created to read:

8 71.22 (3g) "Intangible property" includes patents, copyrights, trademarks,
9 trade names, service names, service marks, logos, franchises, licenses, plans,
10 specifications, blueprints, processes, techniques, formulas, designs, layouts,
11 patterns, drawings, manuals, customer lists, contracts, technical know-how and
12 trade secrets. "Intangible property" does not include securities.

13 ***b0649/1.2* SECTION 1722d.** 71.22 (4) (e) of the statutes is repealed.

14 ***b0649/1.2* SECTION 1722e.** 71.22 (4) (f) of the statutes is amended to read:

15 71.22 (4) (f) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
16 (1g) and 71.42 (2), ~~internal revenue code~~ Internal Revenue Code, for taxable years
17 that begin after December 31, 1990, and before January 1, 1992, means the federal
18 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1990,
19 and as amended by P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding
20 section 1311 of P.L. 104-188, ~~and P.L. 105-34, P.L. 105-206 and P.L. 105-277,~~ and
21 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,
22 P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2),
23 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
24 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, P.L.
25 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, ~~and P.L.~~

1 105–34, P.L. 105–206 and P.L. 105–277. The ~~internal revenue code~~ Internal Revenue
2 Code applies for Wisconsin purposes at the same time as for federal purposes.
3 Amendments to the federal ~~internal revenue code~~ Internal Revenue Code enacted
4 after December 31, 1990, do not apply to this paragraph with respect to taxable years
5 beginning after December 31, 1990, and before January 1, 1992, except that
6 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 102–227,
7 P.L. 102–486, P.L. 103–66, P.L. 104–188, excluding section 1311 of P.L. 104–188, and
8 P.L. 105–34, P.L. 105–206 and P.L. 105–277 and changes that indirectly affect the
9 provisions applicable to this subchapter made by P.L. 102–227, P.L. 102–486, P.L.
10 103–66, P.L. 104–188, excluding section 1311 of P.L. 104–188, and P.L. 105–34, P.L.
11 105–206 and P.L. 105–277, apply for Wisconsin purposes at the same time as for
12 federal purposes.

13 ***b0649/1.2* SECTION 1722f.** 71.22 (4) (g) of the statutes is amended to read:
14 71.22 (4) (g) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
15 (1g) and 71.42 (2), “~~internal revenue code~~ Internal Revenue Code”, for taxable years
16 that begin after December 31, 1991, and before January 1, 1993, means the federal
17 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1991,
18 excluding sections 103, 104 and 110 of P.L. 102–227, and as amended by P.L.
19 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13101 (a) and (c) 1, 13171 and
20 13174 of P.L. 103–66, P.L. 104–188, excluding section 1311 of P.L. 104–188, and P.L.
21 105–34, P.L. 105–206 and P.L. 105–277, and as indirectly affected in the provisions
22 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding
23 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99–514
24 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
25 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.

1 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and
2 (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.
3 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277. The ~~internal revenue code~~
4 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
5 purposes. Amendments to the federal ~~internal revenue code~~ Internal Revenue Code
6 enacted after December 31, 1991, do not apply to this paragraph with respect to
7 taxable years beginning after December 31, 1991, and before January 1, 1993,
8 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.
9 102-318, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.
10 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that
11 indirectly affect the provisions applicable to this subchapter made by P.L. 102-318,
12 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and
13 P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for Wisconsin purposes at the
14 same time as for federal purposes.

15 ***b0649/1.2* SECTION 1722g.** 71.22 (4) (h) of the statutes is amended to read:
16 71.22 (4) (h) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
17 (1g) and 71.42 (2), "~~internal revenue code~~ Internal Revenue Code", for taxable years
18 that begin after December 31, 1992, and before January 1, 1994, means the federal
19 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1992,
20 excluding sections 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 103-66,
21 excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L.
22 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.
23 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected in the provisions
24 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding
25 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514

1 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
2 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.
3 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13101 (a) and
4 (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103–66, P.L. 103–465, P.L.
5 104–188, excluding section 1311 of P.L. 104–188, and P.L. 105–34, P.L. 105–206 and
6 P.L. 105–277. The ~~internal revenue code~~ Internal Revenue Code applies for
7 Wisconsin purposes at the same time as for federal purposes. Amendments to the
8 federal ~~internal revenue code~~ Internal Revenue Code enacted after
9 December 31, 1992, do not apply to this paragraph with respect to taxable years
10 beginning after December 31, 1992, and before January 1, 1994, except that
11 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 103–66,
12 P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, and P.L. 105–34,
13 P.L. 105–206 and P.L. 105–277 and changes that indirectly affect the provisions
14 applicable to this subchapter made by P.L. 103–66, P.L. 103–465, P.L. 104–188,
15 excluding section 1311 of P.L. 104–188, and P.L. 105–34, P.L. 105–206 and P.L.
16 105–277, apply for Wisconsin purposes at the same time as for federal purposes.

17 ***b0649/1.2* SECTION 1722h.** 71.22 (4) (i) of the statutes is amended to read:
18 71.22 (4) (i) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
19 (1g) and 71.42 (2), “~~internal revenue code~~ Internal Revenue Code”, for taxable years
20 that begin after December 31, 1993, and before January 1, 1995, means the federal
21 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1993,
22 excluding sections 103, 104 and 110 of P.L. 102–227 and sections 13113, 13150 (d),
23 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103–66, and as amended by P.L.
24 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7,
25 P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193 and,

1 P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected in the
2 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647
3 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of
4 P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
5 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and
6 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
7 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296,
8 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.
9 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L.
10 105-34, P.L. 105-206 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue
11 Code applies for Wisconsin purposes at the same time as for federal purposes.
12 Amendments to the federal ~~internal revenue code~~ Internal Revenue Code enacted
13 after December 31, 1993, do not apply to this paragraph with respect to taxable years
14 beginning after December 31, 1993, and before January 1, 1995, except that
15 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 103-296,
16 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.
17 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L.
18 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the
19 provisions applicable to this subchapter made by P.L. 103-296, P.L. 103-337, P.L.
20 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
21 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L.
22 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for
23 federal purposes.

24 ***b0649/1.2* SECTION 1722i.** 71.22 (4) (j) of the statutes is amended to read:

1 71.22 (4) (j) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
2 (1g) and 71.42 (2), “~~internal revenue code~~ Internal Revenue Code”, for taxable years
3 that begin after December 31, 1994, and before January 1, 1996, means the federal
4 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1994,
5 excluding sections 103, 104 and 110 of P.L. 102–227 and sections 13113, 13150 (d),
6 13171 (d), 13174 and 13203 (d) of P.L. 103–66, and as amended by P.L. 104–7, P.L.
7 104–188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104–188, P.L.
8 104–191, P.L. 104–193 ~~and~~, P.L. 105–34, P.L. 105–206 and P.L. 105–277, and as
9 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
10 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
11 (b) (2) and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L.
12 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
13 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
14 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
15 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
16 excluding sections 1202, 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L.
17 104–193 ~~and~~, P.L. 105–34, P.L. 105–206 and P.L. 105–277. The ~~internal revenue code~~
18 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
19 purposes. Amendments to the federal ~~internal revenue code~~ Internal Revenue Code
20 enacted after December 31, 1994, do not apply to this paragraph with respect to
21 taxable years beginning after December 31, 1994, and before January 1, 1996,
22 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.
23 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311 and 1605 of P.L. 104–188,
24 P.L. 104–191, P.L. 104–193 ~~and~~, P.L. 105–34, P.L. 105–206 and P.L. 105–277 and
25 changes that indirectly affect the provisions applicable to this subchapter made by

1 P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of P.L.
2 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.
3 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

4 *b0649/1.2* SECTION 1722j. 71.22 (4) (k) of the statutes is amended to read:

5 71.22 (4) (k) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
6 (1g) and 71.42 (2), "~~internal revenue code~~ Internal Revenue Code", for taxable years
7 that begin after December 31, 1995, and before January 1, 1997, means the federal
8 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1995,
9 excluding sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d),
10 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188,
11 excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191,
12 P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
13 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
14 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
15 (b) (2) and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
16 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
17 excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
18 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
19 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
20 excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191,
21 P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277. The
22 ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin purposes at the
23 same time as for federal purposes. Amendments to the federal ~~internal revenue code~~
24 Internal Revenue Code enacted after December 31, 1995, do not apply to this
25 paragraph with respect to taxable years beginning after December 31, 1995, and

1 before January 1, 1997, except that changes to the Internal Revenue Code made by
2 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188,
3 P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L.
4 105-277 and changes that indirectly affect the provisions applicable to this
5 subchapter made by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and
6 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.
7 105-206 and P.L. 105-277, apply for Wisconsin purposes at the same time as for
8 federal purposes.

9 *b0649/1.2* **SECTION 1722k.** 71.22 (4) (L) of the statutes is amended to read:
10 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
11 (1g) and 71.42 (2), “~~internal revenue code~~ Internal Revenue Code”, for taxable years
12 that begin after December 31, 1996, and before January 1, 1998, means the federal
13 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1996,
14 excluding sections 103, 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171
15 (d), 13174 and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311
16 and 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33 and, P.L. 105-34, P.L.
17 105-206 and P.L. 105-277, and as indirectly affected in the provisions applicable to
18 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803
19 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of P.L. 99-514 and section
20 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
21 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
22 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
23 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
24 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
25 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.

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

11 ***b0649/1.2* SECTION 1722L.** 71.22 (4) (m) of the statutes is amended to read:
12 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
13 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
14 December 31, 1997, and before January 1, 1999, means the federal Internal Revenue
15 Code as amended to December 31, 1997, excluding sections 103, 104 and 110 of P.L.
16 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66 and
17 sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as
18 amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277, and as indirectly affected
19 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
20 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823
21 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
22 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
23 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
24 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L.
25 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections

1 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
2 104–193, P.L. 105–33 and, P.L. 105–34, P.L. 105–178, P.L. 105–206 and P.L. 105–277.
3 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
4 federal purposes. Amendments to the federal Internal Revenue Code enacted after
5 December 31, 1997, do not apply to this paragraph with respect to taxable years
6 beginning after December 31, 1997, and before January 1, 1999, except that changes
7 to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206 and P.L. 105–277
8 and changes that indirectly affect the provisions applicable to this subchapter made
9 by P.L. 105–178, P.L. 105–206 and P.L. 105–277 apply for Wisconsin purposes at the
10 same time as for federal purposes.

11 *b0649/1.2* SECTION 1722m. 71.22 (4) (n) of the statutes is created to read:
12 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
13 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
14 December 31, 1998, means the federal Internal Revenue Code as amended to
15 December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102–227, sections
16 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66 and sections 1123 (b),
17 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected in the
18 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647
19 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2) and 823 (c) (2) of
20 P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
21 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and
22 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
23 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
24 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
25 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.

1 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206 and P.L. 105–277. The Internal
2 Revenue Code applies for Wisconsin purposes at the same time as for federal
3 purposes. Amendments to the federal Internal Revenue Code enacted after
4 December 31, 1998, do not apply to this paragraph with respect to taxable years
5 beginning after December 31, 1998.

6 ***b0649/1.2* SECTION 1722n.** 71.22 (4m) (c) of the statutes is repealed.

7 ***b0649/1.2* SECTION 1722p.** 71.22 (4m) (d) of the statutes is amended to read:

8 71.22 (4m) (d) For taxable years that begin after December 31, 1990, and
9 before January 1, 1992, “~~internal revenue code~~ Internal Revenue Code”, for
10 corporations that are subject to a tax on unrelated business income under s. 71.26
11 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended
12 to December 31, 1990, and as amended by P.L. 102–227, P.L. 102–486, P.L. 103–66,
13 P.L. 104–188, excluding section 1311 of P.L. 104–188, ~~and P.L. 105–34, P.L. 105–206~~
14 ~~and P.L. 105–277~~, and as indirectly affected in the provisions applicable to this
15 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
16 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, P.L. 102–486, P.L. 103–66,
17 P.L. 104–188, excluding section 1311 of P.L. 104–188, ~~and P.L. 105–34, P.L. 105–206~~
18 ~~and P.L. 105–277~~. The ~~internal revenue code~~ Internal Revenue Code applies for
19 Wisconsin purposes at the same time as for federal purposes. Amendments to the
20 ~~internal revenue code~~ Internal Revenue Code enacted after December 31, 1990, do
21 not apply to this paragraph with respect to taxable years beginning after
22 December 31, 1990, and before January 1, 1992, except that changes to the ~~internal~~
23 ~~revenue code~~ Internal Revenue Code made by P.L. 102–227, P.L. 102–486, P.L.
24 103–66, P.L. 104–188, excluding section 1311 of P.L. 104–188, ~~and P.L. 105–34, P.L.~~
25 ~~105–206 and P.L. 105–277~~, and changes that indirectly affect the provisions

1 applicable to this subchapter made by P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L.
2 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and
3 P.L. 105-277, apply for Wisconsin purposes at the same time as for federal purposes.

4 *b0649/1.2* SECTION 1722q. 71.22 (4m) (e) of the statutes is amended to read:

5 71.22 (4m) (e) For taxable years that begin after December 31, 1991, and
6 before January 1, 1993, "~~internal revenue code~~ Internal Revenue Code", for
7 corporations that are subject to a tax on unrelated business income under s. 71.26
8 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended
9 to December 31, 1991, excluding sections 103, 104 and 110 of P.L. 102-227, and as
10 amended by P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a)
11 and (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.
12 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected
13 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
14 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
15 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.
16 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13171 and 13174 of P.L.
17 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.
18 105-206 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue Code
19 applies for Wisconsin purposes at the same time as for federal purposes.
20 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after
21 December 31, 1991, do not apply to this paragraph with respect to taxable years
22 beginning after December 31, 1991, and before January 1, 1993, except that
23 changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L. 102-318,
24 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and
25 P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the

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

5 ***b0649/1.2* SECTION 1722r.** 71.22 (4m) (f) of the statutes is amended to read:

6 71.22 (4m) (f) For taxable years that begin after December 31, 1992, and before
7 January 1, 1994, "~~internal revenue code~~ Internal Revenue Code", for corporations
8 that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means
9 the federal ~~internal revenue code~~ Internal Revenue Code as amended to
10 December 31, 1992, excluding sections 103, 104 and 110 of P.L. 102-227, and as
11 amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,
12 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
13 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly
14 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
15 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
16 P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.
17 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,
18 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
19 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277. The ~~internal~~
20 ~~revenue code~~ Internal Revenue Code applies for Wisconsin purposes at the same
21 time as for federal purposes. Amendments to the ~~internal revenue code~~ Internal
22 Revenue Code enacted after December 31, 1992, do not apply to this paragraph with
23 respect to taxable years beginning after December 31, 1992, and before
24 January 1, 1994, except that changes to the ~~internal revenue code~~ Internal Revenue
25 Code made by P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L.

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

6 *b0649/1.2* SECTION 1722s. 71.22 (4m) (g) of the statutes is amended to read:
7 71.22 (4m) (g) For taxable years that begin after December 31, 1993, and
8 before January 1, 1995, "~~internal revenue code~~ Internal Revenue Code", for
9 corporations that are subject to a tax on unrelated business income under s. 71.26
10 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended
11 to December 31, 1993, excluding sections 103, 104 and 110 of P.L. 102-227 and
12 sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, and
13 as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding
14 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
15 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
16 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
17 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
18 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
19 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
20 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465,
21 P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311
22 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.
23 105-277. The ~~internal revenue code~~ Internal Revenue Code applies for Wisconsin
24 purposes at the same time as for federal purposes. Amendments to the ~~internal~~
25 ~~revenue code~~ Internal Revenue Code enacted after December 31, 1993, do not apply

1 to this paragraph with respect to taxable years beginning after December 31, 1993,
2 and before January 1, 1995, except that changes to the ~~internal revenue code~~
3 Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
4 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
5 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.
6 105-277 and changes that indirectly affect the provisions applicable to this
7 subchapter made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding
8 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
9 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for
10 Wisconsin purposes at the same time as for federal purposes.

11 *b0649/1.2* SECTION 1722t. 71.22 (4m) (h) of the statutes is amended to read:
12 71.22 (4m) (h) For taxable years that begin after December 31, 1994, and
13 before January 1, 1996, "~~internal revenue code~~ Internal Revenue Code", for
14 corporations that are subject to a tax on unrelated business income under s. 71.26
15 (1) (a), means the federal ~~internal revenue code~~ Internal Revenue Code as amended
16 to December 31, 1994, excluding sections 103, 104 and 110 of P.L. 102-227 and
17 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as
18 amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605
19 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.
20 105-277, and as indirectly affected in the provisions applicable to this subchapter
21 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
22 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.
23 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
24 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
25 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311 and 1605 of

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

14 *b0649/1.2* SECTION 1722u. 71.22 (4m) (i) of the statutes is amended to read:
15 71.22 (4m) (i) For taxable years that begin after December 31, 1995, and before
16 January 1, 1997, "~~internal revenue code~~ Internal Revenue Code", for corporations
17 that are subject to a tax on unrelated business income under s. 71.26 (1) (a), means
18 the federal ~~internal revenue code~~ Internal Revenue Code as amended to
19 December 31, 1995, excluding sections 103, 104 and 110 of P.L. 102-227 and sections
20 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by
21 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188,
22 P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L.
23 105-277, and as indirectly affected in the provisions applicable to this subchapter
24 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
25 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.

1 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
2 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
3 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and
4 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.
5 105-206 and P.L. 105-277. The ~~internal revenue code~~ Internal Revenue Code
6 applies for Wisconsin purposes at the same time as for federal purposes.
7 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after
8 December 31, 1995, do not apply to this paragraph with respect to taxable years
9 beginning after December 31, 1995, and before January 1, 1997, except that
10 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections
11 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
12 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly
13 affect the provisions applicable to this subchapter made by P.L. 104-188, excluding
14 sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193,
15 P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for Wisconsin
16 purposes at the same time as for federal purposes.

17 *b0649/1.2* SECTION 1722v. 71.22 (4m) (j) of the statutes is amended to read:

18 71.22 (4m) (j) For taxable years that begin after December 31, 1996, and before
19 January 1, 1998, "Internal Revenue Code", for corporations that are subject to a tax
20 on unrelated business income under s. 71.26 (1) (a), means the federal Internal
21 Revenue Code as amended to December 31, 1996, excluding sections 103, 104 and
22 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
23 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188
24 and as amended by P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and
25 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,

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

16 *b0649/1.2* SECTION 1722w. 71.22 (4m) (k) of the statutes is amended to read:
17 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and
18 before January 1, 1999, "Internal Revenue Code", for corporations that are subject
19 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
20 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,
21 104 and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203
22 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
23 104-188, and as amended by P.L. 105-178, P.L. 105-206 and P.L. 105-277, and as
24 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
25 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.

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

14 *b0649/1.2* **SECTION 1722x.** 71.22 (4m) (L) of the statutes is created to read:
15 71.22 (4m) (L) For taxable years that begin after December 31, 1998, “Internal
16 Revenue Code”, for corporations that are subject to a tax on unrelated business
17 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended
18 to December 31, 1998, excluding sections 103, 104 and 110 of P.L. 102–227, sections
19 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, and sections 1123
20 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, and as indirectly affected
21 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
22 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
23 102–227, excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L.
24 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
25 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.

1 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
2 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
3 105–206 and P.L. 105–277. The Internal Revenue Code applies for Wisconsin
4 purposes at the same time as for federal purposes. Amendments to the Internal
5 Revenue Code enacted after December 31, 1998, do not apply to this paragraph with
6 respect to taxable years beginning after December 31, 1998.

7 ***b0677/3.1* SECTION 1722y.** 71.23 (1) of the statutes is amended to read:

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

18 ***-1837/5.9* SECTION 1729.** 71.25 (6) of the statutes is renumbered 71.25 (6)
19 (intro) and amended to read:

20 71.25 (6) ALLOCATION AND SEPARATE ACCOUNTING AND APPORTIONMENT FORMULA.
21 (intro.) Corporations engaged in business within and without the state shall be taxed
22 only on such income as is derived from business transacted and property located
23 within the state. The amount of such income attributable to Wisconsin may be
24 determined by an allocation and separate accounting thereof, when the business of
25 such corporation within the state is not an integral part of a unitary business, but

1 the department of revenue may permit an allocation and separate accounting in any
2 case in which it is satisfied that the use of such method will properly reflect the
3 income taxable by this state. In all cases in which allocation and separate accounting
4 is not permissible, the determination shall be made in the following manner: for all
5 businesses except financial organizations, public utilities, railroads, sleeping car
6 companies, car line companies and corporations or associations that are subject to
7 a tax on unrelated business income under s. 71.26 (1) (a) there shall first be deducted
8 from the total net income of the taxpayer the part thereof (less related expenses, if
9 any) that follows the situs of the property ~~or the residence of the recipient. The.~~
10 Except as provided in subs. (9d) and (9g), the remaining net income shall be
11 apportioned to Wisconsin this state by use of an apportionment fraction composed
12 of a sales factor under sub. (9) representing 50% of the fraction, a property factor
13 under sub. (7) representing 25% of the fraction and a payroll factor under sub. (8)
14 representing 25% of the fraction. the following:

15 ***b0678/5.16* SECTION 1729b.** 71.25 (6) (a) of the statutes is created to read:

16 71.25 (6) (a) For taxable years beginning after December 31, 2000, and before
17 January 1, 2002, an apportionment fraction composed of a sales factor under sub. (9)
18 representing 63% of the fraction, a property factor under sub. (7) representing 18.5%
19 of the fraction and a payroll factor under sub. (8) representing 18.5% of the fraction.

20 ***b0678/5.16* SECTION 1729c.** 71.25 (6) (b) of the statutes is created to read:

21 71.25 (6) (b) For taxable years beginning after December 31, 2001, and before
22 January 1, 2003, an apportionment fraction composed of a sales factor under sub. (9)
23 representing 85% of the fraction, a property factor under sub. (7) representing 7.5%
24 of the fraction and a payroll factor under sub. (8) representing 7.5% of the fraction.

25 ***b0678/5.16* SECTION 1729d.** 71.25 (6) (c) of the statutes is created to read:

1 71.25 (6) (c) For taxable years beginning after December 31, 2002, an
2 apportionment fraction composed of the sales factor under sub. (9).

3 ***-1837/5.10* SECTION 1730.** 71.25 (7) (intro.) of the statutes is amended to
4 read:

5 71.25 (7) PROPERTY FACTOR. (intro.) For purposes of sub. (5) and for taxable
6 years beginning before January 1, 2003:

7 ***-1837/5.11* SECTION 1731.** 71.25 (8) (intro.) of the statutes is amended to
8 read:

9 71.25 (8) PAYROLL FACTOR. (intro.) For purposes of sub. (5) and for taxable years
10 beginning before January 1, 2003:

11 ***-1837/5.12* SECTION 1732.** 71.25 (9) (d) of the statutes is amended to read:

12 71.25 (9) (d) Sales, other than sales of tangible personal property, are in this
13 state if the income-producing activity is performed in this state. If the
14 income-producing activity is performed both in and outside this state the sales shall
15 be divided between those states having jurisdiction to tax such business in
16 proportion to the direct costs of performance incurred in each such state in rendering
17 this service. Services performed in states which do not have jurisdiction to tax the
18 business shall be deemed to have been performed in the state to which compensation
19 is allocated by sub. (8). This paragraph does not apply to taxable years beginning
20 after December 31, 1999.

21 ***-1837/5.13* SECTION 1733.** 71.25 (9) (dc) of the statutes is created to read:

22 71.25 (9) (dc) For taxable years beginning after December 31, 1999, sales,
23 rents, royalties, and other income from real property, and the receipts from the lease
24 or rental of tangible personal property are attributed to the state in which the
25 property is located.

1 ***-1837/5.14*** **SECTION 1734.** 71.25 (9) (dg) of the statutes is created to read:

2 71.25 (9) (dg) For taxable years beginning after December 31, 1999, receipts
3 from the lease or rental of moving property including but not limited to motor
4 vehicles, rolling stock, aircraft, vessels, or mobile equipment are included in the
5 numerator of the sales factor under par. (a) to the extent that the property is used
6 in this state. The use of moving property in this state is determined as follows:

7 1. The use of a motor vehicle or rolling stock in this state is determined by
8 multiplying the gross receipts from the lease or rental of the motor vehicle or rolling
9 stock by a fraction having as a numerator the number of miles traveled within this
10 state by the motor vehicle or rolling stock while leased or rented in the taxable year
11 and having as a denominator the total number of miles traveled by the motor vehicle
12 or rolling stock while leased or rented in the taxable year.

13 2. The use of an aircraft in this state is determined by multiplying the gross
14 receipts from the lease or rental of the aircraft by a fraction having as a numerator
15 the number of landings of the aircraft in this state while leased or rented in the
16 taxable year and having as a denominator the total number of landings of the aircraft
17 while leased or rented in the taxable year.

18 3. The use of a vessel or mobile equipment in this state is determined by
19 multiplying the gross receipts from the lease or rental of the vessel or mobile
20 equipment by a fraction having as a numerator the number of days that the vessel
21 or mobile equipment is in this state while leased or rented in the taxable year and
22 having as a denominator the total number of days that the vessel or mobile
23 equipment is leased or rented in the taxable year.

24 4. If the taxpayer does not know the location of moving property while such
25 property is leased or rented in the taxable year, the moving property is used in the

1 state in which such property is located at the time the lessee or renter takes
2 possession of the property.

3 ***b0678/5.18* SECTION 1735.** 71.25 (9) (dn) of the statutes is created to read:

4 71.25 (9) (dn) For taxable years beginning after December 31, 1999, gross
5 royalties and gross income received for the use of intangible property are attributed
6 to this state if any of the following applies:

7 1. The purchaser of intangible property uses the intangible property in the
8 production, fabrication or manufacturing of a product that is sold to a customer who
9 is located in this state.

10 2. The purchaser of intangible property uses the intangible property in the
11 printing or publication of materials that are sold to a customer who is located in this
12 state.

13 3. The purchaser of intangible property uses the intangible property in the
14 operation of a trade or business at a location in this state.

15 4. The purchaser of intangible property is billed for the purchase of the
16 intangible property at a location in this state.

17 5. The taxpayer is not subject to income tax in the state in which the intangible
18 property is used but the taxpayer's commercial domicile is in this state.

19 ***b0678/5.18* SECTION 1736.** 71.25 (9) (dr) of the statutes is created to read:

20 71.25 (9) (dr) 1. For taxable years beginning after December 31, 1999, receipts
21 from a service are attributed to the state where the purchaser of the service received
22 the benefit of the service. The benefit of a service is received in this state if any of
23 the following applies:

24 a. The service relates to real property that is located in this state.

1 b. The service relates to tangible personal property that is located in this state
2 at the time that the service is received.

3 c. The service is provided to a person who is located in this state.

4 d. The service is provided to a person doing business in this state.

5 e. The service is performed at a location in this state.

6 2. If the purchaser of a service receives the benefit of a service in more than one
7 state, the receipts from the performance of the service are included in the numerator
8 of the sales factor under par. (a) according to the portion of the service received in this
9 state. If the state where a purchaser received the benefit of a service cannot be
10 determined, the benefit of a service is received in the state where the purchaser, in
11 the regular course of the purchaser's business, ordered the service. If the state where
12 a purchaser ordered a service cannot be determined, the benefit of the service is
13 received in the state where the purchaser, in the regular course of the purchaser's
14 business, receives a bill for the service.

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

19 ***b0678/5.18* SECTION 1736b.** 71.25 (9) (ds) of the statutes is created to read:

20 71.25 (9) (ds) 1. For taxable years beginning after December 31, 1999, the gate
21 receipts from professional sporting events are attributed to the state in which the
22 taxpayer's sports facility is located. Gate receipts include the taxpayer's in-state
23 gate receipts and the taxpayer's share of out-of-state gate receipts.

24 2. For taxable years beginning after December 31, 1999, radio and television
25 receipts received by the taxpayer from a professional sports association contract with

1 a communications network are attributed to this state in proportion to the number
2 of events held in this state in which the taxpayer's team is a participant and that are
3 related to the contract compared to the total number of events in which the
4 taxpayer's team is a participant and that are related to the contract.

5 ***b0678/5.18* SECTION 1736c.** 71.25 (9) (dt) of the statutes is created to read:

6 71.25 (9) (dt) 1. For taxable years beginning after December 31, 1999, the gross
7 receipts from radio and television broadcasting, including advertising revenue, are
8 attributed to this state in proportion to the audience in this state as compared to the
9 total audience.

10 2. For taxable years beginning after December 31, 1999, the gross receipts from
11 newspapers and magazines, including advertising revenue, are attributed to this
12 state in proportion to the circulation in this state as compared to the total circulation.

13 ***b0678/5.18* SECTION 1736d.** 71.25 (9) (dw) of the statutes is created to read:

14 71.25 (9) (dw) 1. Except as provided in subds. 2. and 3., if a person doing
15 business in this state and outside this state owns a business that is subject to
16 apportionment under sub. (6) or s. 71.04 (4) and a business that is a subject to
17 apportionment under sub. (10), the person shall apportion income as provided under
18 sub. (6) or s. 71.04 (4).

19 2. A person who has filed a tax return and who has reported income on the
20 return as apportioned under subd. 1 may request permission from the department
21 to use an alternative apportionment method in the next taxable year, if the person
22 receives at least 50% of the person's total gross receipts in a taxable year from a
23 business described under sub. (10) (c). If the department grants permission to a
24 person to use an alternative apportionment method under this subdivision, the
25 person may not use the alternative method, and shall apportion income under subd.

1 1., if the person receives less than 50% of the person's total gross receipts in a taxable
2 year from a business described under sub. (10) (c).

3 3. The department may require that a person who is subject to apportionment
4 under this subsection use an alternative apportionment method to accurately reflect
5 income that is attributable to this state.

6 ***-1837/5.17* SECTION 1737.** 71.25 (9) (e) (title) of the statutes is repealed.

7 ***-1837/5.18* SECTION 1738.** 71.25 (9) (f) (title) of the statutes is repealed.

8 ***b0678/5.19* SECTION 1738g.** 71.25 (9d) of the statutes is created to read:

9 71.25 (9d) FINANCIAL ORGANIZATIONS. (a) *Definitions.* In this subsection:

10 1. "Billing address" means the address to which a taxpayer under this
11 subsection sends a notice, statement or bill to the taxpayer's customer.

12 2. "Credit card" includes a debit card and a travel and entertainment card.

13 3. "Credit card reimbursement fee" means the fee that a taxpayer receives from
14 a merchant's bank because a person to whom the taxpayer has issued a credit card
15 has paid for merchandise or services sold by the merchant with the credit card.

16 4. "Financial organization" means a bank; a savings bank; a bank holding
17 company; a savings and loan association; a trust company; a credit union, except a
18 credit union that is exempt from taxes under s. 71.26 (1) (a); a production credit
19 association; or an agency or branch of a foreign depository; whether chartered under
20 the laws of this state, another state or territory, the laws of the United States or the
21 laws of a foreign county. "Financial organization" includes a corporation that derives
22 at least 50% of its total gross income from finance leases, including direct finance
23 leases and leverage leases as defined by rule, and a corporation that derives at least
24 50% of its total gross income from an activity that a financial organization performs,
25 except that "financial organization" does not include an insurance company that is

1 taxable under s. 71.43 or a real estate broker, securities dealer or broker–dealer that
2 is taxable under s. 71.26.

3 5. “Loan” means any extension of credit or creation of debt that results from
4 direct negotiations between the taxpayer under this subsection and the taxpayer’s
5 customer; the purchase, in whole or in part, of an extension of credit; and
6 participations, syndications and leases that are considered loans for federal income
7 tax purposes. “Loan” does not include loans under section 595 of the Internal
8 Revenue Code; futures or forward contracts; options; notional principal contracts;
9 credit card receivables; purchased credit card relationships; noninterest bearing
10 balances that are due from depository institutions; cash items in the process of
11 collection; federal funds sold; securities; assets held in a trading account; and
12 interest in any mortgage–backed or assets–backed security.

13 6. “Merchant discount” means a fee or discount that is charged to a merchant
14 for accepting a credit card as payment for merchandise or services that are sold to
15 the credit card holder.

16 7. “State” means a state of the United States, the District of Columbia, the
17 commonwealth of Puerto Rico or a territory or possession of the United States.

18 8. “Taxpayer” means a financial organization that is subject to apportionment
19 under this subsection.

20 (b) *Apportionment.* For taxable years beginning after December 31, 1999, a
21 financial organization that does business in this state and outside this state shall
22 apportion its net business income as provided in this subsection. A taxpayer that is
23 subject to this subsection shall apportion its nonbusiness income under sub. (5) (b)
24 and shall deduct the net business income that follows the situs of its property from
25 its total net business income. The taxpayer’s remaining net business income shall

1 be apportioned to this state by multiplying the remaining net business income by an
2 apportionment fraction that has as a numerator the gross receipts of the taxpayer
3 in this state during the taxable year and that has a denominator the taxpayer's total
4 gross receipts during the taxable year. The following sources of a taxpayer's business
5 income are subject to apportionment:

6 1. 'Gross receipts from the lease of real property.' Gross receipts from the lease,
7 rental or sublease of real property owned by the taxpayer shall be apportioned under
8 sub. (9) (dc).

9 2. 'Gross receipts from the lease of tangible personal property.' Gross receipts
10 from the lease, rental or sublease of tangible personal property owned by the
11 taxpayer shall be apportioned under sub. (9) (dc) and (dg).

12 3. 'Gross interest from loans secured by real property.' The numerator of the
13 apportionment fraction includes gross interest, fees or penalties from loans that are
14 secured by real property if the real property is located in this state at the time the
15 loan is secured and if the value of the real property represents at least 50% of the
16 aggregate value of the collateral that is used to secure the loan. If the real property
17 that is used to secure a loan is located in this state and in another state or a foreign
18 country, the gross interest, fees or penalties from the loan are included in the
19 numerator of the apportionment fraction, if at least 50% of the fair market value of
20 the real property is located within this state or if the loan borrower is located in this
21 state.

22 4. 'Gross interest from loans.' The numerator of the apportionment fraction
23 includes gross interest, fees or penalties from loans that are not secured by real
24 property, if the loan borrower is located in this state.

1 5. ‘Sale of loans.’ The numerator of the apportionment fraction includes income
2 from the sale of loans and income under section 1286 of the Internal Revenue Code.
3 The income that is included in the numerator is determined as follows:

4 a. The gross receipts from the sale of loans secured by real property is
5 multiplied by a fraction that has as a numerator the amount included in the
6 numerator under subd. 3. and that has as a denominator the total amount of interest,
7 fees and penalties from loans that are secured by real property.

8 b. The net gains from the sale of loans that are not secured by real property is
9 multiplied by a fraction that has as a numerator the amount included in the
10 numerator under subd. 4. and that has as a denominator the total amount of interest,
11 fees and penalties from loans that are not secured by real property.

12 6. ‘Credit card receivables.’ The numerator of the apportionment fraction
13 includes gross interest, fees or penalties from credit card receivables and gross
14 receipts from fees charged to credit card holders, if the billing address of the credit
15 card holder is in this state.

16 7. ‘Gross receipts from the sale of credit card receivables.’ The numerator of
17 the apportionment fraction includes gross receipts from the sale of credit card
18 receivables, multiplied by a fraction that has as a numerator the amount included
19 in the numerator under subd. 6. and that has as a denominator the total amount of
20 interest, fees and penalties that are charged to credit card holders.

21 8. ‘Credit card reimbursement fees.’ The numerator of the apportionment
22 fraction includes credit card reimbursement fees, multiplied by a fraction that has
23 as a numerator the amount included in the numerator under subd. 6. and that has
24 as a denominator the total amount of interest, fees and penalties that are charged
25 to credit card holders.

1 9. ‘Gross receipts from a merchant discount.’ The numerator of the
2 apportionment fraction includes gross receipts from a merchant discount if the
3 merchant’s business is principally managed from a location in this state. The gross
4 receipts from a merchant discount shall not include credit card holder charge backs.
5 The amount of gross receipts from a merchant discount shall not be reduced by
6 interchange transaction fees or by a credit card reimbursement fee.

7 10. ‘Loan servicing fees.’ a. The numerator of the apportionment fraction
8 includes loan servicing fees derived from loans that are secured by real property,
9 multiplied by a fraction that has as a numerator the amount included in the
10 numerator under subd. 3. and that has as a denominator the total amount of interest,
11 fees and penalties from loans that are secured by real property. The numerator of
12 the apportionment fraction also includes loan servicing fees derived from loans that
13 are not secured by real property, multiplied by a fraction that has as a numerator the
14 amount included in the numerator under subd. 4. and that has as a denominator the
15 total amount of interest, fees and penalties from loans that are not secured by real
16 property.

17 b. If the taxpayer receives loan servicing fees for servicing a loan, the
18 numerator of the apportionment fraction shall include such fees if the borrower of
19 the loan is located in this state.

20 11. ‘Gross income from investment banking services.’ The numerator of the
21 apportionment fraction includes gross income, including commissions, management
22 fees or underwriting fees, earned from investment banking services if the purchaser
23 of the services is located in this state.

24 12. ‘Gross receipts from other services.’ The gross receipts from services that
25 are not described under subds. 1. to 11. shall be apportioned under sub. (9) (dr).

1 13. ‘Other sales.’ Sales under sub. (9) that are not apportioned under this
2 subsection shall be apportioned under sub. (9).

3 (c) *Receipts not taxed.* Fifty percent of the gross receipts of the taxpayer that
4 are apportioned under this subsection to a state in which the taxpayer is not taxable
5 is included in the numerator of the apportionment fraction under par. (b), if the
6 taxpayer’s commercial domicile is in this state.

7 ***b0678/5.19* SECTION 1738k.** 71.25 (9g) of the statutes is created to read:

8 71.25 (9g) **BROKERS–DEALER AND UNDERWRITERS.** (a) *Definitions.* In this
9 subsection:

10 1. “Billing address” has the meaning given in sub. (9d) (a) 1.

11 2. “Brokerage commission” includes sales fees on agency or principal
12 transactions.

13 3. “Broker–dealer” means a person who does business as a broker of securities
14 or commodities. “Broker–dealer” does not include a sales agent; a bank, savings
15 institution or trust company that enters a securities or commodities transaction as
16 an agent; a executor, guardian or conservator who enters a securities or commodities
17 transaction as an agent for another; or a person who purchases or sells the person’s
18 own securities or commodities.

19 4. “Taxpayer” means a broker–dealer or an underwriter who is subject to
20 apportionment under this subsection.

21 5. “Underwriter” means a person who guarantees to provide a definite sum of
22 money by a definite date to a corporate or government entity in exchange for
23 securities; who markets a corporate or government security offering to the public; or
24 who buys a security offering for a specified price and sells the security offering to the
25 public.

1 (b) *Apportionment.* For taxable years beginning after December 31, 1999, a
2 broker–dealer or an underwriter who does business in this state and outside this
3 state shall apportion its net business income as provided under this subsection. A
4 taxpayer that is subject to this subsection shall apportion its nonbusiness income
5 under sub. (5) (b) and shall deduct the net business income that follows the situs of
6 its property from its total net business income. The taxpayer’s remaining net
7 business income shall be apportioned to this state by multiplying the remaining net
8 business income by an apportionment fraction that has as a numerator the gross
9 receipts of the taxpayer in this state during the taxable year and that has a
10 denominator the taxpayer’s total gross receipts during the taxable year. The
11 following sources of a taxpayer’s business income are subject to apportionment:

12 1. ‘Security brokerage services.’ The numerator of the apportionment fraction
13 includes gross brokerage commissions and total margin interest paid on behalf of
14 brokerage accounts owned by customers, if the billing address of the customer is in
15 this state.

16 2. ‘Underwriting services.’ The numerator of the apportionment fraction
17 includes gross income, including commissions, management fees or underwriting
18 fees, earned from underwriting services if the purchaser of the services is located in
19 this state.

20 3. ‘Other services.’ The numerator of the apportionment fraction includes gross
21 income, including commissions or management fees, earned from providing
22 investment research, management services or financial services to a customer, if the
23 customer’s billing address is in this state.

24 4. ‘Other sales.’ Sales under sub. (9) that are not apportioned under this
25 subsection shall be apportioned under sub. (9).

1 (c) *Receipts not taxed.* Fifty percent of the gross receipts of the taxpayer that
2 are apportioned under this subsection to a state in which the taxpayer is not taxable
3 are included in the numerator of the apportionment fraction under par. (b), if the
4 taxpayer's commercial domicile is in this state.

5 ***b0678/5.19* SECTION 1738m.** 71.25 (10) (title) of the statutes is amended to
6 read:

7 71.25 (10) (title) RAILROADS, ~~FINANCIAL ORGANIZATIONS~~ TELECOMMUNICATIONS
8 COMPANIES AND PUBLIC UTILITIES.

9 ***b0678/5.19* SECTION 1738n.** 71.25 (10) (a) of the statutes is amended to read:

10 71.25 (10) (a) In this section, "financial organization" means any bank, trust
11 company, savings bank, industrial bank, land bank, safe deposit company, private
12 banker, savings and loan association, credit union, cooperative bank, small loan
13 company, sales finance company, investment company, brokerage house,
14 underwriter or any type of insurance company. This paragraph does not apply to
15 taxable years beginning after December 31, 1999.

16 ***b0678/5.19* SECTION 1738p.** 71.25 (10) (c) of the statutes is amended to read:

17 71.25 (10) (c) The net business income of railroads, sleeping car companies, car
18 line companies, financial organizations, telecommunications companies and public
19 utilities requiring apportionment shall be apportioned pursuant to rules of the
20 department of revenue, but the income taxed is limited to the income derived from
21 business transacted and property located within the state. For taxable years
22 beginning after December 31, 1999, the net business income of financial
23 organizations shall be apportioned under sub. (9d).

24 ***b0678/5.19* SECTION 1738r.** 71.25 (11) of the statutes is amended to read:

1 **71.25 (11) DEPARTMENT MAY WAIVE FACTOR.** Where, in the case of any corporation
2 engaged in business within and without the state of Wisconsin and required to
3 apportion its income as provided in sub. (6), it shall be shown to the satisfaction of
4 the department of revenue that the use of any one of the 3 factors provided in sub.
5 (6) gives an unreasonable or inequitable final average ratio because of the fact that
6 such corporation does not employ, to any appreciable extent in its trade or business
7 in producing the income taxed, the factors made use of in obtaining such ratio, this
8 factor may, with the approval of the department of revenue, be omitted in obtaining
9 the final average ratio which is to be applied to the remaining net income. This
10 subsection does not apply to taxable years beginning after December 31, 2002.

11 ***b0677/3.2* SECTION 1738s.** 71.25 (15) of the statutes is created to read:

12 **71.25 (15) PARTNERSHIPS AND LIMITED LIABILITY COMPANIES.** (a) A general or
13 limited partner's share of the numerator and denominator of a partnership's
14 apportionment fractions under this section are included in the numerator and
15 denominator of the general or limited partner's apportionment fractions under this
16 section.

17 (b) If a limited liability company is considered by the department of revenue
18 to be a partnership, for tax purposes, a member's share of the numerator and
19 denominator of a limited liability company's apportionment fractions under this
20 section are included in the numerator and denominator of the member's
21 apportionment fractions under this section.

22 ***-0030/2.112* SECTION 1740.** 71.26 (1) (b) of the statutes is amended to read:

23 **71.26 (1) (b) Political units.** Income received by the United States, the state
24 and all counties, cities, villages, towns, school districts, technical college districts,

1 joint local water authorities created under s. 66.0735, family care districts under s.
2 46.2895 or other political units of this state.

3 *b0438/2.6* SECTION 1740c. 71.26 (2) (a) of the statutes is amended to read:

4 71.26 (2) (a) *Corporations in general.* The “net income” of a corporation means
5 the gross income as computed under the internal revenue code as modified under
6 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
7 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed
8 under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) ~~and~~, (1dx) and (1dy) and not
9 passed through by a partnership, limited liability company or tax-option corporation
10 that has added that amount to the partnership’s, limited liability company’s or
11 tax-option corporation’s income under s. 71.21 (4) or 71.34 (1) (g) plus the amount
12 of losses from the sale or other disposition of assets the gain from which would be
13 wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise
14 disposed of at a gain and minus deductions, as computed under the internal revenue
15 code as modified under sub. (3), plus or minus, as appropriate, an amount equal to
16 the difference between the federal basis and Wisconsin basis of any asset sold,
17 exchanged, abandoned or otherwise disposed of in a taxable transaction during the
18 taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

19 *b0649/1.3* SECTION 1740d. 71.26 (2) (b) 5. of the statutes is repealed.

20 *b0649/1.3* SECTION 1740e. 71.26 (2) (b) 6. of the statutes is amended to read:

21 71.26 (2) (b) 6. For taxable years that begin after December 31, 1990, and
22 before January 1, 1992, for a corporation, conduit or common law trust which
23 qualifies as a regulated investment company, real estate mortgage investment
24 conduit or real estate investment trust under the ~~internal revenue code~~ Internal
25 Revenue Code as amended to December 31, 1990, and as amended by P.L. 102–227,

1 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and,
2 P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly affected in the
3 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
4 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
5 P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and
6 P.L. 105-34, P.L. 105-206 and P.L. 105-277, “net income” means the federal
7 regulated investment company taxable income, federal real estate mortgage
8 investment conduit taxable income or federal real estate investment trust taxable
9 income of the corporation, conduit or trust as determined under the ~~internal revenue~~
10 ~~code~~ Internal Revenue Code as amended to December 31, 1990, and as amended by
11 P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.
12 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277 and as indirectly affected
13 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
14 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
15 102-227, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.
16 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, except that property that,
17 under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable
18 years 1983 to 1986 under the ~~internal revenue code~~ Internal Revenue Code as
19 amended to December 31, 1980, shall continue to be depreciated under the ~~internal~~
20 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1980, and except
21 that the appropriate amount shall be added or subtracted to reflect differences
22 between the depreciation or adjusted basis for federal income tax purposes and the
23 depreciation or adjusted basis under this chapter of any property disposed of during
24 the taxable year. The ~~internal revenue code~~ Internal Revenue Code as amended to
25 December 31, 1990, and as amended by P.L. 102-227, P.L. 102-486, P.L. 103-66, P.L.

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

17 ***b0649/1.3* SECTION 1740f.** 71.26 (2) (b) 7. of the statutes is amended to read:
18 71.26 (2) (b) 7. For taxable years that begin after December 31, 1991, and
19 before January 1, 1993, for a corporation, conduit or common law trust which
20 qualifies as a regulated investment company, real estate mortgage investment
21 conduit or real estate investment trust under the ~~internal revenue code~~ Internal
22 Revenue Code as amended to December 31, 1991, excluding sections 103, 104 and
23 110 of P.L. 102–227, and as amended by P.L. 102–318, P.L. 102–486, P.L. 103–66,
24 excluding sections 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103–66, P.L. 104–188,
25 excluding section 1311 of P.L. 104–188, ~~and P.L. 105–34, P.L. 105–206 and P.L.~~

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

1 purposes and the depreciation or adjusted basis under this chapter of any property
2 disposed of during the taxable year. The ~~internal revenue code~~ Internal Revenue
3 Code as amended to December 31, 1991, excluding sections 103, 104 and 110 of P.L.
4 102-227, and as amended by P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
5 sections 13101 (a) and (c) 1, 13171 and 13174 of P.L. 103-66, P.L. 104-188, excluding
6 section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277, and
7 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,
8 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
9 P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
10 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13171 and
11 13174 of P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.
12 105-34, P.L. 105-206 and P.L. 105-277 applies for Wisconsin purposes at the same
13 time as for federal purposes. Amendments to the ~~internal revenue code~~ Internal
14 Revenue Code enacted after December 31, 1991, do not apply to this subdivision with
15 respect to taxable years that begin after December 31, 1991, and before
16 January 1, 1993, except that changes to the ~~internal revenue code~~ Internal Revenue
17 Code made by P.L. 102-318, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding
18 section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277 and
19 changes that indirectly affect the provisions applicable to this subchapter made by
20 P.L. 102-318, P.L. 102-486, P.L. 103-66, P.L. 104-188, excluding section 1311 of P.L.
21 104-188, and P.L. 105-34, P.L. 105-206 and P.L. 105-277 apply for Wisconsin
22 purposes at the same time as for federal purposes.

23 ***b0649/1.3* SECTION 1740g.** 71.26 (2) (b) 8. of the statutes is amended to read:
24 71.26 (2) (b) 8. For taxable years that begin after December 31, 1992, and
25 before January 1, 1994, for a corporation, conduit or common law trust which

1 qualifies as a regulated investment company, real estate mortgage investment
2 conduit or real estate investment trust under the ~~internal revenue code~~ Internal
3 Revenue Code as amended to December 31, 1992, excluding sections 103, 104 and
4 110 of P.L. 102-227, and as amended by P.L. 103-66, excluding sections 13101 (a) and
5 (c) 1., 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L.
6 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and
7 P.L. 105-277, and as indirectly affected in the provisions applicable to this
8 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
9 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104
10 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
11 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L.
12 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.
13 105-206 and P.L. 105-277, “net income” means the federal regulated investment
14 company taxable income, federal real estate mortgage investment conduit taxable
15 income or federal real estate investment trust taxable income of the corporation,
16 conduit or trust as determined under the ~~internal revenue code~~ Internal Revenue
17 Code as amended to December 31, 1992, excluding sections 103, 104 and 110 of P.L.
18 102-227, and as amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1,
19 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188,
20 excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and P.L.
21 105-277, and as indirectly affected in the provisions applicable to this subchapter
22 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
23 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.
24 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13101 (a) and
25 (c) 1., 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L. 103-465, P.L.

1 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L. 105-206 and
2 P.L. 105-277, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,
3 is required to be depreciated for taxable years 1983 to 1986 under the ~~internal~~
4 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1980, shall
5 continue to be depreciated under the ~~internal revenue code~~ Internal Revenue Code
6 as amended to December 31, 1980, and except that the appropriate amount shall be
7 added or subtracted to reflect differences between the depreciation or adjusted basis
8 for federal income tax purposes and the depreciation or adjusted basis under this
9 chapter of any property disposed of during the taxable year. The ~~internal revenue~~
10 ~~code~~ Internal Revenue Code as amended to December 31, 1992, excluding sections
11 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 103-66, excluding sections
12 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66, P.L.
13 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34, P.L.
14 105-206 and P.L. 105-277, and as indirectly affected in the provisions applicable to
15 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
16 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
17 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
18 sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174 and 13203 of P.L. 103-66,
19 P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L. 105-34,
20 P.L. 105-206 and P.L. 105-277, applies for Wisconsin purposes at the same time as
21 for federal purposes. Amendments to the ~~internal revenue code~~ Internal Revenue
22 Code enacted after December 31, 1992, do not apply to this subdivision with respect
23 to taxable years that begin after December 31, 1992, and before January 1, 1994,
24 except that changes to the ~~internal revenue code~~ Internal Revenue Code made by P.L.
25 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, and P.L.

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

5 ***b0649/1.3* SECTION 1740h.** 71.26 (2) (b) 9. of the statutes is amended to read:

6 71.26 (2) (b) 9. For taxable years that begin after December 31, 1993, and
7 before January 1, 1995, for a corporation, conduit or common law trust which
8 qualifies as a regulated investment company, real estate mortgage investment
9 conduit or real estate investment trust under the ~~internal revenue code~~ Internal
10 Revenue Code as amended to December 31, 1993, excluding sections 103, 104 and
11 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and
12 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465,
13 P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311
14 of P.L. 104-188, P.L. 104-191, P.L. 104-193 ~~and~~, P.L. 105-34, P.L. 105-206 and P.L.
15 105-277, and as indirectly affected in the provisions applicable to this subchapter
16 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
17 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.
18 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
19 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337,
20 P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
21 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 ~~and~~, P.L. 105-34, P.L.
22 105-206 and P.L. 105-277, “net income” means the federal regulated investment
23 company taxable income, federal real estate mortgage investment conduit taxable
24 income or federal real estate investment trust taxable income of the corporation,
25 conduit or trust as determined under the ~~internal revenue code~~ Internal Revenue

1 Code as amended to December 31, 1993, excluding sections 103, 104 and 110 of P.L.
2 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L.
3 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
4 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
5 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.
6 105-277, and as indirectly affected in the provisions applicable to this subchapter
7 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
8 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.
9 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
10 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337,
11 P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
12 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, and P.L. 105-34, P.L.
13 105-206 and P.L. 105-277, except that property that, under s. 71.02 (1) (c) 8. to 11.,
14 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the
15 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1980,
16 shall continue to be depreciated under the ~~internal revenue code~~ Internal Revenue
17 Code as amended to December 31, 1980, and except that the appropriate amount
18 shall be added or subtracted to reflect differences between the depreciation or
19 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
20 under this chapter of any property disposed of during the taxable year. The ~~internal~~
21 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1993, excluding
22 sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
23 13174, 13203 (d) and 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L.
24 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188,
25 excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34,

1 P.L. 105-206 and P.L. 105-277, and as indirectly affected in the provisions applicable
2 to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
3 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
4 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
5 sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d) and 13215 of P.L. 103-66, P.L.
6 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7,
7 P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193 and,
8 P.L. 105-34, P.L. 105-206 and P.L. 105-277, applies for Wisconsin purposes at the
9 same time as for federal purposes. Amendments to the ~~internal revenue code~~
10 Internal Revenue Code enacted after December 31, 1993, do not apply to this
11 subdivision with respect to taxable years that begin after December 31, 1993, and
12 before January 1, 1995, except that changes to the ~~internal revenue code~~ Internal
13 Revenue Code made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
14 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
15 104-188, P.L. 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L.
16 105-277 and changes that indirectly affect the provisions applicable to this
17 subchapter made by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding
18 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
19 104-191, P.L. 104-193 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for
20 Wisconsin purposes at the same time as for federal purposes.

21 ***b0649/1.3* SECTION 1740i.** 71.26 (2) (b) 10. of the statutes is amended to read:
22 71.26 (2) (b) 10. For taxable years that begin after December 31, 1994, and
23 before January 1, 1996, for a corporation, conduit or common law trust which
24 qualifies as a regulated investment company, real estate mortgage investment
25 conduit or real estate investment trust under the ~~internal revenue code~~ Internal

1 Revenue Code as amended to December 31, 1994, excluding sections 103, 104 and
2 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of
3 P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding sections 1202,
4 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193 and, P.L. 105–34,
5 P.L. 105–206 and P.L. 105–277, and as indirectly affected in the provisions applicable
6 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
7 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
8 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
9 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.
10 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
11 1202, 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193 and, P.L.
12 105–34, P.L. 105–206 and P.L. 105–277, “net income” means the federal regulated
13 investment company taxable income, federal real estate mortgage investment
14 conduit taxable income or federal real estate investment trust taxable income of the
15 corporation, conduit or trust as determined under the ~~internal revenue code~~ Internal
16 Revenue Code as amended to December 31, 1994, excluding sections 103, 104 and
17 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of
18 P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding sections 1202,
19 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193 and, P.L. 105–34,
20 P.L. 105–206 and P.L. 105–277, and as indirectly affected in the provisions applicable
21 to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
22 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
23 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
24 sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L.
25 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections

1 1202, 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, and P.L.
2 105–34, P.L. 105–206 and P.L. 105–277, except that property that, under s. 71.02 (1)
3 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
4 under the ~~internal revenue code~~ Internal Revenue Code as amended to
5 December 31, 1980, shall continue to be depreciated under the ~~internal revenue code~~
6 Internal Revenue Code as amended to December 31, 1980, and except that the
7 appropriate amount shall be added or subtracted to reflect differences between the
8 depreciation or adjusted basis for federal income tax purposes and the depreciation
9 or adjusted basis under this chapter of any property disposed of during the taxable
10 year. The ~~internal revenue code~~ Internal Revenue Code as amended to
11 December 31, 1994, excluding sections 103, 104 and 110 of P.L. 102–227 and sections
12 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, and as amended by
13 P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311 and 1605 of P.L.
14 104–188, P.L. 104–191, P.L. 104–193 and, P.L. 105–34, P.L. 105–206 and P.L.
15 105–277, and as indirectly affected in the provisions applicable to this subchapter
16 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
17 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104 and 110 of P.L.
18 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
19 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
20 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311 and 1605 of
21 P.L. 104–188, P.L. 104–191, P.L. 104–193 and, P.L. 105–34, P.L. 105–206 and P.L.
22 105–277, applies for Wisconsin purposes at the same time as for federal purposes.
23 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after
24 December 31, 1994, do not apply to this subdivision with respect to taxable years
25 that begin after December 31, 1994, and before January 1, 1996, except that

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

8 ***b0649/1.3* SECTION 1740j.** 71.26 (2) (b) 11. of the statutes is amended to read:
9 71.26 (2) (b) 11. For taxable years that begin after December 31, 1995, and
10 before January 1, 1997, for a corporation, conduit or common law trust which
11 qualifies as a regulated investment company, real estate mortgage investment
12 conduit or real estate investment trust under the ~~internal revenue code~~ Internal
13 Revenue Code as amended to December 31, 1995, excluding sections 103, 104 and
14 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of
15 P.L. 103–66, and as amended by P.L. 104–188, excluding sections 1123, 1202, 1204,
16 1311 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33 and, P.L.
17 105–34, P.L. 105–206 and P.L. 105–277, and as indirectly affected in the provisions
18 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
19 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
20 excluding sections 103, 104 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
21 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L.
22 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
23 excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104–188, P.L. 104–191,
24 P.L. 104–193, P.L. 105–33 and, P.L. 105–34, P.L. 105–206 and P.L. 105–277, “net
25 income” means the federal regulated investment company taxable income, federal

1 real estate mortgage investment conduit taxable income or federal real estate
2 investment trust taxable income of the corporation, conduit or trust as determined
3 under the ~~internal revenue code~~ Internal Revenue Code as amended to
4 December 31, 1995, excluding sections 103, 104 and 110 of P.L. 102-227 and sections
5 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, and as amended by
6 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188,
7 P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L.
8 105-277, and as indirectly affected in the provisions applicable to this subchapter
9 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
10 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L.
11 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
12 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
13 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123, 1202, 1204, 1311 and
14 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.
15 105-206 and P.L. 105-277, except that property that, under s. 71.02 (1) (c) 8. to 11.,
16 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the
17 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1980,
18 shall continue to be depreciated under the ~~internal revenue code~~ Internal Revenue
19 Code as amended to December 31, 1980, and except that the appropriate amount
20 shall be added or subtracted to reflect differences between the depreciation or
21 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
22 under this chapter of any property disposed of during the taxable year. The ~~internal~~
23 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1995, excluding
24 sections 103, 104 and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
25 13174 and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188, excluding

1 sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193,
2 P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as indirectly
3 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
4 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
5 P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L. 102-318, P.L.
6 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174 and
7 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
8 104-188, excluding sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L.
9 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277,
10 applies for Wisconsin purposes at the same time as for federal purposes.
11 Amendments to the ~~internal revenue code~~ Internal Revenue Code enacted after
12 December 31, 1995, do not apply to this subdivision with respect to taxable years
13 that begin after December 31, 1995, and before January 1, 1997, except that
14 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections
15 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
16 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly
17 affect the provisions applicable to this subchapter made by P.L. 104-188, excluding
18 sections 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193,
19 P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, apply for Wisconsin
20 purposes at the same time as for federal purposes.

21 ***b0649/1.3* SECTION 1740k.** 71.26 (2) (b) 12. of the statutes is amended to
22 read:

23 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and
24 before January 1, 1998, for a corporation, conduit or common law trust which
25 qualifies as a regulated investment company, real estate mortgage investment

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

1 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
2 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
3 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and
4 P.L. 105-277, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,
5 is required to be depreciated for taxable years 1983 to 1986 under the ~~internal~~
6 ~~revenue code~~ Internal Revenue Code as amended to December 31, 1980, shall
7 continue to be depreciated under the Internal Revenue Code as amended to
8 December 31, 1980, and except that the appropriate amount shall be added or
9 subtracted to reflect differences between the depreciation or adjusted basis for
10 federal income tax purposes and the depreciation or adjusted basis under this
11 chapter of any property disposed of during the taxable year. The Internal Revenue
12 Code as amended to December 31, 1996, excluding sections 103, 104 and 110 of P.L.
13 102-227, sections 13113, 13150 (d), 13171 (d), 13174 and 13203 (d) of P.L. 103-66,
14 and sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, and as
15 amended by P.L. 105-33 and, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and as
16 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
17 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
18 101-508, P.L. 102-227, excluding sections 103, 104 and 110 of P.L. 102-227, P.L.
19 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
20 13174 and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
21 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
22 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33 and, P.L. 105-34, P.L.
23 105-206 and P.L. 105-277, applies for Wisconsin purposes at the same time as for
24 federal purposes. Amendments to the ~~internal revenue code~~ Internal Revenue Code
25 enacted after December 31, 1996, do not apply to this subdivision with respect to

1 taxable years that begin after December 31, 1996, and before January 1, 1998,
2 except that changes to the Internal Revenue Code made by P.L. 105-33 and, P.L.
3 105-34, P.L. 105-206 and P.L. 105-277 and changes that indirectly affect the
4 provisions applicable to this subchapter made by P.L. 105-33 and, P.L. 105-34, P.L.
5 105-206 and P.L. 105-277 apply for Wisconsin purposes at the same time as for
6 federal purposes.

7 ***b0649/1.3* SECTION 1740L.** 71.26 (2) (b) 13. of the statutes is amended to
8 read:

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

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

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

16 *b0649/1.3* SECTION 1740m. 71.26 (2) (b) 14. of the statutes is created to read:

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

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

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

17 ***b0649/1.4* SECTION 1741m.** 71.26 (3) (y) of the statutes is amended to read:
18 71.26 (3) (y) A corporation may compute amortization and depreciation under
19 either the federal ~~internal revenue code~~ Internal Revenue Code as amended to
20 December 31, ~~1997~~ 1998, or the federal ~~internal revenue code~~ Internal Revenue Code
21 in effect for the taxable year for which the return is filed, except that property first
22 placed in service by the taxpayer on or after January 1, 1983, but before
23 January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required to be
24 depreciated under the ~~internal revenue code~~ Internal Revenue Code as amended to
25 December 31, 1980, and property first placed in service in taxable year 1981 or

1 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is
2 required to be depreciated under the ~~internal revenue code~~ Internal Revenue Code
3 as amended to December 31, 1980, shall continue to be depreciated under the
4 ~~internal revenue code~~ Internal Revenue Code as amended to December 31, 1980.

5 *b0569/1.7* SECTION 1741t. 71.28 (1dj) (am) 1. of the statutes is amended to
6 read:

7 71.28 (1dj) (am) 1. Modify “member of a targeted group”, as defined in section
8 51 (d) of the internal revenue code as amended to December 31, 1995, to include
9 persons unemployed as a result of a business action subject to s. 109.07 (1m) and
10 ~~persons specified under 29 USC 1651 (a)~~ dislocated workers, as defined in 29 USC
11 2801 (9), and to require a member of a targeted group to be a resident of this state.

12 *b0569/1.7* SECTION 1741v. 71.28 (1dj) (am) 2. of the statutes is amended to
13 read:

14 71.28 (1dj) (am) 2. Modify “designated local agency”, as defined in section 51
15 (d) (15) of the internal revenue code, to include the ~~job training partnership act~~
16 ~~organization~~ local workforce development board established under 29 USC 2832 for
17 the area that includes the development zone in which the employe in respect to whom
18 the credit under this subsection is claimed works, if the department of commerce
19 approves the criteria used for certification, and the department of commerce.

20 *-0549/1.2* SECTION 1742. 71.28 (1dj) (am) 3. of the statutes is amended to
21 read:

22 71.28 (1dj) (am) 3. Modify the rule for certification under section 51 (d) (16) (A)
23 of the internal revenue code to allow certification within the ~~90-day~~ period beginning
24 with the first day of employment of the employe ~~by the claimant~~.

1 ***b0676/1.2* SECTION 1742g.** 71.28 (1dx) (b) (intro.) of the statutes is amended
2 to read:

3 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in s. 73.03 (35) and subject
4 to s. 560.785, for any taxable year for which the person is certified under s. 560.765
5 (3), any person may claim as a credit against taxes imposed on the person's income
6 from the person's business activities in a development zone under this subchapter
7 the following amounts:

8 ***-0550/1.2* SECTION 1743.** 71.28 (1dx) (b) 4. of the statutes is amended to read:

9 71.28 (1dx) (b) 4. The amount determined by multiplying the amount
10 determined under s. 560.785 (1) ~~(b)~~ (bm) by the number of full-time jobs retained,
11 as provided in the rules under s. 560.785, excluding jobs for which a credit has been
12 claimed under sub. (1dj), in a an enterprise development zone under s. 560.797 and
13 filled by a member of a targeted group for which significant capital investment was
14 made and by then subtracting the subsidies paid under s. 49.147 (3) (a) for those jobs.

15 ***b0438/2.7* SECTION 1743d.** 71.28 (1dy) of the statutes is created to read:

16 71.28 (1dy) SUSTAINABLE URBAN DEVELOPMENT ZONE CREDIT. (a) *Definitions.* In
17 this subsection:

- 18 1. "Brownfield" has the meaning given in sub. (1dx) (a) 1.
19 2. "Environmental remediation" means removal or containment of
20 environmental pollution, as defined in s. 299.01 (4), and restoration of soil or
21 groundwater that is affected by environmental pollution, as defined in s. 299.01 (4),
22 in a brownfield and investigation unless the investigation determines that
23 remediation is required but remediation is not undertaken.

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

1 of the amount expended for environmental remediation under the program under s.
2 292.77.

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

5 ***b0678/5.20* SECTION 1744b.** 71.28 (2m) (a) 1. b. of the statutes is amended
6 to read:

7 71.28 (2m) (a) 1. b. For partnerships, except publicly traded partnerships
8 treated as corporations under s. 71.22 (1) (1g), or limited liability companies, except
9 limited liability companies treated as corporations under s. 71.22 (1) (1g), “claimant”
10 means each individual partner or member.

11 ***-1837/5.19* SECTION 1745.** 71.28 (4) (a) of the statutes is amended to read:

12 71.28 (4) (a) *Credit*. Any corporation may credit against taxes otherwise due
13 under this chapter an amount equal to 5% of the amount obtained by subtracting
14 from the corporation’s qualified research expenses, as defined in section 41 of the
15 internal revenue code, except that “qualified research expenses” includes only
16 expenses incurred by the claimant, incurred for research conducted in this state for
17 the taxable year, except that a taxpayer may elect the alternative computation under
18 section 41 (c) (4) of the Internal Revenue Code and that election applies until the
19 department permits its revocation and except that “qualified research expenses”
20 does not include compensation used in computing the credit under subs. (1dj) and
21 (1dx), the corporation’s base amount, as defined in section 41 (c) of the internal
22 revenue code, except that gross receipts used in calculating the base amount means
23 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and,
24 (d), (dc), (dg), (dn) and (dr). Section 41 (h) of the internal revenue code does not apply
25 to the credit under this paragraph.