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1 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16,
2 apply for Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 26.** 71.26 (2) (b) 13. of the statutes is amended to read:

4 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and
5 before January 1, 1999, for a corporation, conduit or common law trust which
6 qualifies as a regulated investment company, real estate mortgage investment
7 conduit, real estate investment trust or financial asset securitization investment
8 trust under the Internal Revenue Code as amended to December 31, 1997, excluding
9 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
10 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
11 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L.
12 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,
13 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, 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 13113, 13150 (d), 13171 (d), 13174, and
18 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.
19 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
20 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
21 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to
22 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, "net
23 income" means the federal regulated investment company taxable income, federal
24 real estate mortgage investment conduit taxable income, federal real estate
25 investment trust or financial asset securitization investment trust taxable income

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1 of the corporation, conduit or trust as determined under the Internal Revenue Code
2 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
3 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
4 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
5 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
6 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,
7 and 901 of P.L. 107-16, 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, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.
15 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
16 to 666, 671, and 901 of P.L. 107-16, except that property that, under s. 71.02 (1) (c)
17 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
18 under the Internal Revenue Code as amended to December 31, 1980, shall continue
19 to be depreciated under the Internal Revenue Code as amended to
20 December 31, 1980, and except that the appropriate amount shall be added or
21 subtracted to reflect differences between the depreciation or adjusted basis for
22 federal income tax purposes and the depreciation or adjusted basis under this
23 chapter of any property disposed of during the taxable year. The Internal Revenue
24 Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
25 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,

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1 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
2 amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
3 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,
4 and 901 of P.L. 107–16, and as indirectly affected in the provisions applicable to this
5 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
6 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
7 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
8 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
9 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
10 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
11 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
12 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
13 to 666, 671, and 901 of P.L. 107–16, applies for Wisconsin purposes at the same time
14 as for federal purposes. Amendments to the Internal Revenue Code enacted after
15 December 31, 1997, do not apply to this subdivision with respect to taxable years that
16 begin after December 31, 1997, and before January 1, 1999, except that changes to
17 the Internal Revenue Code made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
18 106–36 and, P.L. 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649,
19 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16 and changes that indirectly affect
20 the provisions applicable to this subchapter made by P.L. 105–178, P.L. 105–206, P.L.
21 105–277, P.L. 106–36 and and, P.L. 106–170, and sections 601, 602, 611 to 621, 631
22 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16 apply for
23 Wisconsin purposes at the same time as for federal purposes.

24 **SECTION 27.** 71.26 (2) (b) 14. of the statutes is amended to read:

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1 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and
2 before January 1, 2000, for a corporation, conduit or common law trust which
3 qualifies as a regulated investment company, real estate mortgage investment
4 conduit, real estate investment trust or financial asset securitization investment
5 trust under the Internal Revenue Code as amended to December 31, 1998, excluding
6 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
7 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
8 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36 and, P.L. 106–170, and
9 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
10 901 of P.L. 107–16, and as indirectly affected in the provisions applicable to this
11 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
12 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
13 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
14 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
15 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
16 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
17 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
18 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
19 to 666, 671, and 901 of P.L. 107–16, “net income” means the federal regulated
20 investment company taxable income, federal real estate mortgage investment
21 conduit taxable income, federal real estate investment trust or financial asset
22 securitization investment trust taxable income of the corporation, conduit or trust
23 as determined under the Internal Revenue Code as amended to December 31, 1998,
24 excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171
25 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311,

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1 and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36 and, P.L. 106–170, and
2 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
3 901 of P.L. 107–16, and as indirectly affected in the provisions applicable to this
4 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
5 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
6 and 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, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
8 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
9 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
10 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
11 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
12 to 666, 671, and 901 of P.L. 107–16, except that property that, under s. 71.02 (1) (c)
13 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
14 under the Internal Revenue Code as amended to December 31, 1980, shall continue
15 to be depreciated under the Internal Revenue Code as amended to
16 December 31, 1980, and except that the appropriate amount shall be added or
17 subtracted to reflect differences between the depreciation or adjusted basis for
18 federal income tax purposes and the depreciation or adjusted basis under this
19 chapter of any property disposed of during the taxable year. The Internal Revenue
20 Code as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
21 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
22 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
23 amended by P.L. 106–36 and, P.L. 106–170, and sections 601, 602, 611 to 621, 631 to
24 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16, and as indirectly
25 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,

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1 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
2 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
3 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
4 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.
5 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
6 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
7 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to
8 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, applies
9 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
10 Internal Revenue Code enacted after December 31, 1998, do not apply to this
11 subdivision with respect to taxable years that begin after December 31, 1998, and
12 before January 1, 2000, except that changes to the Internal Revenue Code made by
13 P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to
14 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 and changes that indirectly
15 affect the provisions applicable to this subchapter made by P.L. 106-36 and, P.L.
16 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
17 to 666, 671, and 901 of P.L. 107-16 apply for Wisconsin purposes at the same time
18 as for federal purposes.

19 **SECTION 28.** 71.26 (2) (b) 15. of the statutes is amended to read:

20 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, and
21 before January 1, 2001, for a corporation, conduit or common law trust which
22 qualifies as a regulated investment company, real estate mortgage investment
23 conduit, real estate investment trust or financial asset securitization investment
24 trust under the Internal Revenue Code as amended to December 31, 1999, excluding
25 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),

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1 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
2 1605 (d) of P.L. 104–188, and as amended by sections 601, 602, 611 to 621, 631 to 637,
3 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16, and as indirectly
4 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
5 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,
6 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
7 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
8 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.
9 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
10 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
11 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, and sections 601, 602, 611 to
12 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16, “net
13 income” means the federal regulated investment company taxable income, federal
14 real estate mortgage investment conduit taxable income, federal real estate
15 investment trust or financial asset securitization investment trust taxable income
16 of the corporation, conduit or trust as determined under the Internal Revenue Code
17 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
18 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
19 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
20 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
21 666, 671, and 901 of P.L. 107–16, 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, P.L.
23 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
24 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
25 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

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1 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
2 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
3 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
4 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,
5 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that property
6 that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for
7 taxable years 1983 to 1986 under the Internal Revenue Code as amended to
8 December 31, 1980, shall continue to be depreciated under the Internal Revenue
9 Code as amended to December 31, 1980, and except that the appropriate amount
10 shall be added or subtracted to reflect differences between the depreciation or
11 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
12 under this chapter of any property disposed of during the taxable year. The Internal
13 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and
14 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
15 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
16 and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,
17 661 to 666, 671, and 901 of P.L. 107-16, 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 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
24 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
25 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,

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1 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, applies for Wisconsin
2 purposes at the same time as for federal purposes. Amendments to the Internal
3 Revenue Code enacted after December 31, 1999, do not apply to this subdivision with
4 respect to taxable years that begin after December 31, 1999, and before January 1,
5 2001, except that changes to the Internal Revenue Code made by sections 601, 602,
6 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16
7 and changes that indirectly affect the provisions applicable to this subchapter made
8 by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,
9 and 901 of P.L. 107-16 apply for Wisconsin purposes at the same time as for federal
10 purposes.

11 **SECTION 29.** 71.26 (2) (b) 16. of the statutes is created to read:

12 71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, and
13 before January 1, 2002, for a corporation, conduit, or common law trust which
14 qualifies as a regulated investment company, real estate mortgage investment
15 conduit, real estate investment trust, or financial asset securitization investment
16 trust under the Internal Revenue Code as amended to December 31, 2000, excluding
17 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
18 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,
19 and 1605 (d) of P.L. 104-188, and as amended sections 601, 602, 611 to 621, 631 to
20 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly
21 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
22 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
23 P.L. 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.

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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, P.L. 105–277, P.L. 106–36, P.L. 106–170, and sections 601, 602, 611 to 621,
4 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16, “net
5 income” means the federal regulated investment company taxable income, federal
6 real estate mortgage investment conduit taxable income, federal real estate
7 investment trust or financial asset securitization investment trust taxable income
8 of the corporation, conduit, or trust as determined under the Internal Revenue Code
9 as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.
10 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
11 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
12 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
13 666, 671, and 901 of P.L. 107–16, and as indirectly affected in the provisions
14 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
15 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
16 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
17 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
18 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
19 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
20 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
21 105–277, P.L. 106–36, P.L. 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641
22 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16, except that property that,
23 under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable
24 years 1983 to 1986 under the Internal Revenue Code as amended to
25 December 31, 1980, shall continue to be depreciated under the Internal Revenue

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1 Code as amended to December 31, 1980, and except that the appropriate amount
2 shall be added or subtracted to reflect differences between the depreciation or
3 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
4 under this chapter of any property disposed of during the taxable year. The Internal
5 Revenue Code as amended to December 31, 2000, excluding sections 103, 104, and
6 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
7 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
8 and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,
9 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions
10 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
11 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
12 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
13 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
14 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
15 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
16 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
17 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641
18 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, applies for Wisconsin
19 purposes at the same time as for federal purposes. Amendments to the Internal
20 Revenue Code enacted after December 31, 2000, do not apply to this subdivision with
21 respect to taxable years that begin after December 31, 2000, and before January 1,
22 2002, except that changes to the Internal Revenue Code made by sections 601, 602,
23 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16,
24 and changes that indirectly affect the provisions applicable to this subchapter made
25 by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,

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1 and 901 of P.L. 107-16, apply for Wisconsin purposes at the same time as for federal
2 purposes.

3 **SECTION 30.** 71.26 (2) (b) 17. of the statutes is created to read:

4 71.26 (2) (b) 17. For taxable years that begin after December 31, 2001, for a
5 corporation, conduit, or common law trust which qualifies as a regulated investment
6 company, real estate mortgage investment conduit, real estate investment trust, or
7 financial asset securitization investment trust under the Internal Revenue Code as
8 amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227,
9 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections
10 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by
11 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
12 901 of P.L. 107-16, and as indirectly affected in the provisions applicable to this
13 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
14 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
15 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
16 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
17 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
18 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
19 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
20 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
21 to 666, 671, and 901 of P.L. 107-16, "net income" means the federal regulated
22 investment company taxable income, federal real estate mortgage investment
23 conduit taxable income, federal real estate investment trust or financial asset
24 securitization investment trust taxable income of the corporation, conduit, or trust
25 as determined under the Internal Revenue Code as amended to December 31, 2001,

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1 excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171
2 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and
3 1605 (d) of P.L. 104-188, and as amendeded by sections 601, 602, 611 to 621, 631 to 637,
4 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly
5 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
6 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
7 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
8 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
9 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.
10 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
11 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
12 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621,
13 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that
14 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
15 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
16 December 31, 1980, shall continue to be depreciated under the 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 as amended to December 31, 2001, 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, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and
24 as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
25 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions

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1 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
2 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
3 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
4 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
5 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
6 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
7 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
8 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641
9 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, applies for Wisconsin
10 purposes at the same time as for federal purposes. Amendments to the Internal
11 Revenue Code enacted after December 31, 2001, do not apply to this subdivision with
12 respect to taxable years that begin after December 31, 2001.

13 **SECTION 31.** 71.26 (3) (y) of the statutes is renumbered 71.26 (3) (y) 1. and
14 amended to read:

15 71.26 (3) (y) 1. ~~A~~ For taxable years that begin after December 31, 2000, and
16 before January 1, 2002, a corporation may compute amortization and depreciation
17 under either the federal Internal Revenue Code as amended to December 31, 1999
18 2000, or the federal Internal Revenue Code in effect for the taxable year for which
19 the return is filed, except that property first placed in service by the taxpayer on or
20 after January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and
21 (br), 1985 stats., is required to be depreciated under the Internal Revenue Code as
22 amended to December 31, 1980, and property first placed in service in taxable year
23 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
24 stats., is required to be depreciated under the Internal Revenue Code as amended

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1 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
2 Code as amended to December 31, 1980.

3 **SECTION 32.** 71.26 (3) (y) 2. of the statutes is created to read:

4 71.26 (3) (y) 2. For taxable years that begin after December 31, 2001, a
5 corporation may compute amortization and depreciation under either the federal
6 Internal Revenue Code as amended to December 31, 2001, or the federal Internal
7 Revenue Code in effect for the taxable year for which the return is filed, except that
8 property first placed in service by the taxpayer on or after January 1, 1983, but
9 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required
10 to be depreciated under the Internal Revenue Code as amended to
11 December 31, 1980, and property first placed in service in taxable year 1981 or
12 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is
13 required to be depreciated under the Internal Revenue Code as amended to
14 December 31, 1980, shall continue to be depreciated under the Internal Revenue
15 Code as amended to December 31, 1980.

16 **SECTION 33.** 71.34 (1g) (g) of the statutes is repealed.

17 **SECTION 34.** 71.34 (1g) (L) of the statutes is amended to read:

18 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable
19 years that begin after December 31, 1996, and before January 1, 1998, means the
20 federal Internal Revenue Code as amended to December 31, 1996, excluding
21 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
22 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
23 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,
24 P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to
25 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected

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1 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
2 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
3 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
4 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
5 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
6 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
7 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
8 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
9 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and
10 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
11 901 of P.L. 107-16, except that section 1366 (f) (relating to pass-through of items to
12 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
13 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
14 at the same time as for federal purposes. Amendments to the federal Internal
15 Revenue Code enacted after December 31, 1996, do not apply to this paragraph with
16 respect to taxable years beginning after December 31, 1996, and before
17 January 1, 1998, except that changes to the Internal Revenue Code made by P.L.
18 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601,
19 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
20 107-16, and changes that indirectly affect the provisions applicable to this
21 subchapter made by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L.
22 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
23 666, 671, and 901 of P.L. 107-16, apply for Wisconsin purposes at the same time as
24 for federal purposes.

25 **SECTION 35.** 71.34 (1g) (m) of the statutes is amended to read:

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1 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
2 years that begin after December 31, 1997, and before January 1, 1999, means the
3 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
4 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
5 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
6 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
7 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649,
8 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the
9 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647
10 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)
11 of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
12 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
13 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
14 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
15 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
16 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
17 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.
18 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
19 to 666, 671, and 901 of P.L. 107-16, except that section 1366 (f) (relating to
20 pass-through of items to shareholders) is modified by substituting the tax under s.
21 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies
22 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
23 federal Internal Revenue Code enacted after December 31, 1997, do not apply to this
24 paragraph with respect to taxable years beginning after December 31, 1997, and
25 before January 1, 1999, except that changes to the Internal Revenue Code made by

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1 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and
2 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
3 901 of P.L. 107-16 and changes that indirectly affect the provisions applicable to this
4 subchapter made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.
5 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
6 to 666, 671, and 901 of P.L. 107-16 apply for Wisconsin purposes at the same time
7 as for federal purposes.

8 **SECTION 36.** 71.34 (1g) (n) of the statutes is amended to read:

9 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable
10 years that begin after December 31, 1998, and before January 1, 2000, means the
11 federal Internal Revenue Code as amended to December 31, 1998, excluding sections
12 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
13 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
14 of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and sections 601,
15 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
16 107-16, and as indirectly affected in the provisions applicable to this subchapter by
17 P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2),
18 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
19 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
20 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
21 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
22 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.
23 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
24 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
25 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to

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1 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except
2 that section 1366 (f) (relating to pass-through of items to shareholders) is modified
3 by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375.
4 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
5 federal purposes. Amendments to the federal Internal Revenue Code enacted after
6 December 31, 1998, do not apply to this paragraph with respect to taxable years
7 beginning after December 31, 1998, and before January 1, 2000, except that
8 changes to the Internal Revenue Code made by P.L. 106-36 and, P.L. 106-170, and
9 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
10 901 of P.L. 107-16 and changes that indirectly affect the provisions applicable to this
11 subchapter made by P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621,
12 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 apply for
13 Wisconsin purposes at the same time as for federal purposes.

14 **SECTION 37.** 71.34 (1g) (o) of the statutes is amended to read:

15 71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable
16 years that begin after December 31, 1999, and before January 1, 2001, means the
17 federal Internal Revenue Code as amended to December 31, 1999, excluding sections
18 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
19 13203 (d) of P.L. 103-66 and sections 1123 (h), 1202 (c), 1204 (f), 1311, and 1605 (d)
20 of P.L. 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to
21 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, 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, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
24 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
25 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections

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1 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
2 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
3 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
4 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
5 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
6 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649,
7 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that section 1366 (f)
8 (relating to pass-through of items to shareholders) is modified by substituting the
9 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
10 Code applies for Wisconsin purposes at the same time as for federal purposes.
11 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,
12 do not apply to this paragraph with respect to taxable years beginning after
13 December 31, 1999, and before January 1, 2001, except that changes to the Internal
14 Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to
15 659, 661 to 666, 671, and 901 of P.L. 107-16 and changes that indirectly affect the
16 provisions applicable to this subchapter made by sections 601, 602, 611 to 621, 631
17 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 apply for
18 Wisconsin purposes at the same time as for federal purposes.

19 **SECTION 38.** 71.34 (1g) (p) of the statutes is created to read:

20 71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable
21 years that begin after December 31, 2000, and before January 1, 2002, means the
22 federal Internal Revenue Code as amended to December 31, 2000, excluding sections
23 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
24 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
25 of P.L. 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to

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1 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected
2 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
3 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
4 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
5 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
6 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
7 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
8 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
9 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
10 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
11 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651
12 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that section 1366 (f) (relating
13 to pass-through of items to shareholders) is modified by substituting the tax under
14 s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code
15 applies for Wisconsin purposes at the same time as for federal purposes.
16 Amendments to the federal Internal Revenue Code enacted after December 31, 2000,
17 do not apply to this paragraph with respect to taxable years beginning after
18 December 31, 2000, and before January 1, 2002, except that changes to the Internal
19 Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to
20 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that indirectly affect the
21 provisions applicable to this subchapter made by sections 601, 602, 611 to 621, 631
22 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, apply for
23 Wisconsin purposes at the same time as for federal purposes.

24 **SECTION 39.** 71.34 (1g) (q) of the statutes is created to read:

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1 71.34 (1g) (q) "Internal Revenue Code" for tax-option corporations, for taxable
2 years that begin after December 31, 2001, means the federal Internal Revenue Code
3 as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.
4 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
5 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
6 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
7 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions
8 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
9 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
10 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
11 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
12 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
13 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
14 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
15 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
16 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and
17 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
18 901 of P.L. 107-16, except that section 1366 (f) (relating to pass-through of items to
19 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
20 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
21 at the same time as for federal purposes. Amendments to the federal Internal
22 Revenue Code enacted after December 31, 2001, do not apply to this paragraph with
23 respect to taxable years beginning after December 31, 2001.

24 **SECTION 40.** 71.365 (1m) of the statutes is renumbered 71.365 (1m) (a) and
25 amended to read:

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1 71.365 (1m) (a) ~~A~~ For taxable years that begin after December 31, 2000, and
2 before January 1, 2002, a tax-option corporation may compute amortization and
3 depreciation under either the federal Internal Revenue Code as amended to
4 December 31, ~~1999~~ 2000, or the federal Internal Revenue Code in effect for the
5 taxable year for which the return is filed, except that property first placed in service
6 by the taxpayer on or after January 1, 1983, but before January 1, 1987, that, under
7 s. 71.04 (15) (b) and (br), 1985 stats., is required to be depreciated under the Internal
8 Revenue Code as amended to December 31, 1980, and property first placed in service
9 in taxable year 1981 or thereafter but before January 1, 1987, that, under s. 71.04
10 (15) (bm), 1985 stats., is required to be depreciated under the Internal Revenue Code
11 as amended to December 31, 1980, shall continue to be depreciated under the
12 Internal Revenue Code as amended to December 31, 1980. Any difference between
13 the adjusted basis for federal income tax purposes and the adjusted basis under this
14 chapter shall be taken into account in determining net income or loss in the year or
15 years for which the gain or loss is reportable under this chapter. If that property was
16 placed in service by the taxpayer during taxable year 1986 and thereafter but before
17 the property is used in the production of income subject to taxation under this
18 chapter, the property's adjusted basis and the depreciation or other deduction
19 schedule are not required to be changed from the amount allowable on the owner's
20 federal income tax returns for any year because the property is used in the
21 production of income subject to taxation under this chapter. If that property was
22 acquired in a transaction in taxable year 1986 or thereafter in which the adjusted
23 basis of the property in the hands of the transferee is the same as the adjusted basis
24 of the property in the hands of the transferor, the Wisconsin adjusted basis of that
25 property on the date of transfer is the adjusted basis allowable under the Internal

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1 Revenue Code as defined for Wisconsin purposes for the property in the hands of the
2 transferor.

3 **SECTION 41.** 71.365 (1m) (b) of the statutes is created to read:

4 71.365 (1m) (b) For taxable years that begin after December 31, 2001, a
5 tax-option corporation may compute amortization and depreciation under either the
6 federal Internal Revenue Code as amended to December 31, 2001, or the federal
7 Internal Revenue Code in effect for the taxable year for which the return is filed,
8 except that property first placed in service by the taxpayer on or after
9 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
10 1985 stats., is required to be depreciated under the Internal Revenue Code as
11 amended to December 31, 1980, and property first placed in service in taxable year
12 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
13 stats., is required to be depreciated under the Internal Revenue Code as amended
14 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
15 Code as amended to December 31, 1980. Any difference between the adjusted basis
16 for federal income tax purposes and the adjusted basis under this chapter shall be
17 taken into account in determining net income or loss in the year or years for which
18 the gain or loss is reportable under this chapter. If that property was placed in
19 service by the taxpayer during taxable year 1986 and thereafter but before the
20 property is used in the production of income subject to taxation under this chapter,
21 the property's adjusted basis and the depreciation or other deduction schedule are
22 not required to be changed from the amount allowable on the owner's federal income
23 tax returns for any year because the property is used in the production of income
24 subject to taxation under this chapter. If that property was acquired in a transaction
25 in taxable year 1986 or thereafter in which the adjusted basis of the property in the

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

5 **SECTION 42.** 71.42 (2) (f) of the statutes is repealed.

6 **SECTION 43.** 71.42 (2) (k) of the statutes is amended to read:

7 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
8 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code
9 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.
10 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
11 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
12 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36,
13 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,
14 and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
15 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
16 102-227, 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 13113, 13150 (d), 13171 (d), 13174, and
18 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.
19 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
20 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L.
21 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649,
22 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that "Internal Revenue
23 Code" does not include section 847 of the federal Internal Revenue Code. The
24 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
25 purposes. Amendments to the federal Internal Revenue Code enacted after

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1 December 31, 1996, do not apply to this paragraph with respect to taxable years
2 beginning after December 31, 1996, and before January 1, 1998, except that
3 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.
4 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637,
5 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that
6 indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,
7 P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611
8 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16,
9 apply for Wisconsin purposes at the same time as for federal purposes.

10 **SECTION 44.** 71.42 (2) (L) of the statutes is amended to read:

11 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
12 January 1, 1999, "Internal Revenue Code" means the federal Internal Revenue Code
13 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
14 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
15 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
16 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
17 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,
18 and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
19 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
20 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
21 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
22 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.
23 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
24 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
25 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to

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1 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except
2 that “Internal Revenue Code” does not include section 847 of the federal Internal
3 Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the
4 same time as for federal purposes. Amendments to the federal Internal Revenue
5 Code enacted after December 31, 1997, do not apply to this paragraph with respect
6 to taxable years beginning after December 31, 1997, and before January 1, 1999,
7 except that changes to the Internal Revenue Code made by P.L. 105-178, P.L.
8 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to
9 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 and
10 changes that indirectly affect the provisions applicable to this subchapter made by
11 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and
12 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
13 901 of P.L. 107-16 apply for Wisconsin purposes at the same time as for federal
14 purposes.

15 **SECTION 45.** 71.42 (2) (m) of the statutes is amended to read:

16 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
17 January 1, 2000, “Internal Revenue Code” means the federal Internal Revenue Code
18 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
19 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
20 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
21 amended by P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to
22 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly
23 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
24 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
25 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections

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1 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
2 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
3 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
4 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
5 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
6 to 666, 671, and 901 of P.L. 107–16, except that “Internal Revenue Code” does not
7 include section 847 of the federal Internal Revenue Code. The Internal Revenue
8 Code applies for Wisconsin purposes at the same time as for federal purposes.
9 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,
10 do not apply to this paragraph with respect to taxable years beginning after
11 December 31, 1998, and before January 1, 2000, except that changes to the Internal
12 Revenue Code made by P.L. 106–36 and, P.L. 106–170, and sections 601, 602, 611 to
13 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16 and
14 changes that indirectly affect the provisions applicable to this subchapter made by
15 P.L. 106–36 and, P.L. 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641 to
16 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16 apply for Wisconsin purposes
17 at the same time as for federal purposes.

18 **SECTION 46.** 71.42 (2) (n) of the statutes is amended to read:

19 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
20 January 1, 2001, “Internal Revenue Code” means the federal Internal Revenue Code
21 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
22 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
23 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
24 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
25 666, 671, and 901 of P.L. 107–16, and as indirectly affected by P.L. 99–514, P.L.

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1 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
2 101–508, 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
6 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
7 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, and sections
8 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of
9 P.L. 107–16, except that “Internal Revenue Code” does not include section 847 of the
10 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
11 purposes at the same time as for federal purposes. Amendments to the federal
12 Internal Revenue Code enacted after December 31, 1999, do not apply to this
13 paragraph with respect to taxable years beginning after December 31, 1999, and
14 before January 1, 2001, except that changes to the Internal Revenue Code made by
15 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
16 901 of P.L. 107–16 and changes that indirectly affect the provisions applicable to this
17 subchapter made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,
18 661 to 666, 671, and 901 of P.L. 107–16 apply for Wisconsin purposes at the same time
19 as for federal purposes.

20 **SECTION 47.** 71.42 (2) (o) of the statutes is created to read:

21 71.42 (2) (o) For taxable years that begin after December 31, 2000, and before
22 January 1, 2002, “Internal Revenue Code” means the federal Internal Revenue Code
23 as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.
24 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
25 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as

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1 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
2 666, 671, and 901 of P.L. 107–16, and as indirectly affected by P.L. 99–514, P.L.
3 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
4 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
5 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
6 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
7 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
8 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
9 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, and sections 601,
10 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
11 107–16, except that “Internal Revenue Code” does not include section 847 of the
12 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
13 purposes at the same time as for federal purposes. Amendments to the federal
14 Internal Revenue Code enacted after December 31, 2000, do not apply to this
15 paragraph with respect to taxable years beginning after December 31, 2000, and
16 before January 1, 2002, except that changes to the Internal Revenue Code made by
17 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
18 901 of P.L. 107–16, and changes that indirectly affect the provisions applicable to this
19 subchapter made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,
20 661 to 666, 671, and 901 of P.L. 107–16, apply for Wisconsin purposes at the same
21 time as for federal purposes.

22 **SECTION 48.** 71.42 (2) (p) of the statutes is created to read:

23 71.42 (2) (p) For taxable years that begin after December 31, 2001, “Internal
24 Revenue Code” means the federal Internal Revenue Code as amended to
25 December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102–227, sections

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1 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b),
2 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by sections 601,
3 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
4 107–16, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
5 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
6 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
7 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
8 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
9 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
10 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
11 105–277, P.L. 106–36, P.L. 106–170, and sections 601, 602, 611 to 621, 631 to 637, 641
12 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107–16, except that “Internal
13 Revenue Code” does not include section 847 of the federal Internal Revenue Code.
14 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
15 federal purposes. Amendments to the federal Internal Revenue Code enacted after
16 December 31, 2001, do not apply to this paragraph with respect to taxable years
17 beginning after December 31, 2001.

18 **SECTION 49.** 71.45 (2) (a) 13. of the statutes is renumbered 71.45 (2) (a) 13. a.
19 and amended to read:

20 71.45 (2) (a) 13. a. By For taxable years that begin after December 31, 2000,
21 and before January 1, 2002, by adding or subtracting, as appropriate, the difference
22 between the depreciation deduction under the federal Internal Revenue Code as
23 amended to December 31, ~~1999~~ 2000, and the depreciation deduction under the
24 federal Internal Revenue Code in effect for the taxable year for which the return is
25 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,

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

9 **SECTION 50.** 71.45 (2) (a) 13. b. of the statutes is created to read:

10 71.45 (2) (a) 13. b. For taxable years that begin after December 31, 2001, by
11 adding or subtracting, as appropriate, the difference between the depreciation
12 deduction under the federal Internal Revenue Code as amended to December 31,
13 2001, and the depreciation deduction under the federal Internal Revenue Code in
14 effect for the taxable year for which the return is filed, so as to reflect the fact that
15 the insurer may choose between these 2 deductions, except that property first placed
16 in service by the taxpayer on or after January 1, 1983, but before January 1, 1987,
17 that, under s. 71.04 (15) (b) and (br), 1985 stats., is required to be depreciated under
18 the Internal Revenue Code as amended to December 31, 1980, and property first
19 placed in service in taxable year 1981 or thereafter but before January 1, 1987, that,
20 under s. 71.04 (15) (bm), 1985 stats., is required to be depreciated under the Internal
21 Revenue Code as amended to December 31, 1980, shall continue to be depreciated
22 under the Internal Revenue Code as amended to December 31, 1980.

23 **SECTION 51. Initial applicability.**

24 (1) DEPRECIATION DEDUCTIONS.

BILL

1 (a) The renumbering and amendment of sections 71.01 (7r), 71.26 (3) (y), 71.365
2 (1m), and 71.45 (2) (a) 13. of the statutes first applies to property placed in service
3 in taxable years beginning on January 1, 2001.

4 (b) The treatment of sections 71.01 (7r) (b), 71.26 (3) (y) 2., 71.365 (1m) (b), and
5 71.45 (2) (a) 13. b. of the statutes first applies to property placed in service in taxable
6 years beginning on January 1, 2002.

7

(END)