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1 P.L. 106-36, and P.L. ~~106-554, excluding sections 162 and 165 of P.L. 106-554,~~ apply
2 for Wisconsin purposes at the same time as for federal purposes.

3 SECTION 38. 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, ~~P.L. 106-554, excluding sections 162 and~~

13 ~~165 of P.L. 106-554, and P.L. 106-573,~~ 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 and P.L. 106-170, ~~P.L. 106-554, excluding sections 162 and~~

22 ~~165 of P.L. 106-554, and P.L. 106-573,~~ "net income" means the federal regulated
23 investment company taxable income, federal real estate mortgage investment
24 conduit taxable income, federal real estate investment trust or financial asset
25 securitization investment trust taxable income of the corporation, conduit or trust

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as determined under the Internal Revenue Code as amended to December 31, 1997,
excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171
(d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311,
and 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L.
105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and
165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected in the provisions
applicable to this subchapter 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, P.L. 101-239, P.L. 101-508, P.L. 102-227,
excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104-188,
excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
104-191, P.L. 104-193, P.L. 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. 106-170, P.L. 106-554, excluding sections 162 and
165 of P.L. 106-554, and P.L. 106-573, except that property that, under s. 71.02 (1)
(c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
under the Internal Revenue Code as amended to December 31, 1980, shall continue
to be depreciated under the Internal Revenue Code as amended to
December 31, 1980, and except that the appropriate amount shall be added or
subtracted to reflect differences between the depreciation or adjusted basis for
federal income tax purposes and the depreciation or adjusted basis under this
chapter of any property disposed of during the taxable year. The Internal Revenue
Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
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 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170

2 ~~P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573~~ and

3 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,

4 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,

5 P.L. 101-508, P.L. 102 227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.

6 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),

7 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.

8 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)

9 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178,

10 P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170 ~~P.L. 106-554, excluding~~

11 ~~sections 162 and 165 of P.L. 106-554, and P.L. 106-573~~ applies for Wisconsin

12 purposes at the same time as for federal purposes. Amendments to the Internal

13 Revenue Code enacted after December 31, 1997, do not apply to this subdivision with

14 respect to taxable years that begin after December 31, 1997, and before

15 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.

16 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170 ~~P.L. 106-554,~~

17 ~~excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573~~ and changes that

18 indirectly affect the provisions applicable to this subchapter made by P.L. 105-178,

19 P.L. 105-206, P.L. 105-277, P.L. 106-36 and and P.L. 106-170 ~~P.L. 106-554,~~

20 ~~excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573~~ apply for Wisconsin

21 purposes at the same time as for federal purposes.

SECTION 39. 71.26 (2) (b) 14. of the statutes is amended to read:

23 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and

24 before January 1, 2000, for a corporation, conduit or common law trust which

25 qualifies as a regulated investment company, real estate mortgage investment

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1 conduit, real estate investment trust or financial asset securitization investment
 2 trust under the Internal Revenue Code as amended to December 31, 1998, excluding
 3 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
 4 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
 5 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36 and P.L. 106-170, P.L.

6 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.

7 106-573, and as indirectly affected in the provisions applicable to this subchapter

8 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,

9 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.

10 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150

11 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.

12 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),

13 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.

14 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170, P.L.

15 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.

16 106-573, "net income" means the federal regulated investment company taxable

17 income, federal real estate mortgage investment conduit taxable income, federal real

18 estate investment trust or financial asset securitization investment trust taxable

19 income of the corporation, conduit or trust as determined under the Internal

20 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and

21 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

22 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,

23 and as amended by P.L. 106-36 and P.L. 106-170, P.L. 106-230, P.L. 106-554,

24 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, 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, P.L. 106-230, P.L. 106-554,
8 excluding sections 162 and 165 of P.L. 106-554, and P.L. ~~106-572~~, except that
9 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
10 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
11 December 31, 1980, shall continue to be depreciated under the Internal Revenue
12 Code as amended to December 31, 1980, and except that the appropriate amount
13 shall be added or subtracted to reflect differences between the depreciation or
14 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
15 under this chapter of any property disposed of during the taxable year. The Internal
16 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
17 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
18 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
19 and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
20 excluding sections 162 and 165 of P.L. 106-554, and P.L. ~~106-573~~, 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 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
 4 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 applies for
 5 Wisconsin purposes at the same time as for federal purposes. Amendments to the
 6 Internal Revenue Code enacted after December 31, 1998, do not apply to this
 7 subdivision with respect to taxable years that begin after December 31, 1998, and
 8 before January 1, 2000, except that changes to the Internal Revenue Code made by
 9 P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162
 10 and 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the
 11 provisions applicable to this subchapter made by P.L. 106-36 and, P.L. 106-170, P.L.
 12 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
 13 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

14 SECTION 40. 71.26 (2) (b) 15. of the statutes is amended to read:

15 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, and
 16 before January 1, 2001, for a corporation, conduit or common law trust which
 17 qualifies as a regulated investment company, real estate mortgage investment
 18 conduit, real estate investment trust or financial asset securitization investment
 19 trust under the Internal Revenue Code as amended to December 31, 1999, excluding
 20 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
 21 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
 22 1605 (d) of P.L. 104-188, and as amended by P.L. 106-200, P.L. 106-230, P.L.
 23 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 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.

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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
 5 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
 6 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170, P.L. 106-200,
 7 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554 and P.L.
 8 106-573 "net income" means the federal regulated investment company taxable
 9 income, federal real estate mortgage investment conduit taxable income, federal real
 10 estate investment trust or financial asset securitization investment trust taxable
 11 income of the corporation, conduit or trust as determined under the Internal
 12 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and
 13 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
 14 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
 15 and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162
 16 and 165 of P.L. 106-554, and P.L. 106-573 and as indirectly affected in the
 17 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
 18 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
 19 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
 20 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
 21 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
 22 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
 23 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
 24 105-277, P.L. 106-36 and P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554,
 25 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 except that

1 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
 2 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
 3 December 31, 1980, shall continue to be depreciated under the Internal Revenue
 4 Code as amended to December 31, 1980, and except that the appropriate amount
 5 shall be added or subtracted to reflect differences between the depreciation or
 6 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
 7 under this chapter of any property disposed of during the taxable year. The Internal
 8 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and
 9 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
 10 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
 11 and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162
 12 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected in the
 13 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
 14 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
 15 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
 16 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
 17 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
 18 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
 19 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
 20 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554,
 21 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, applies for
 22 Wisconsin purposes at the same time as for federal purposes. Amendments to the
 23 Internal Revenue Code enacted after December 31, 1999, do not apply to this
 24 subdivision with respect to taxable years that begin after December 31, 1999, and
 25 before January 1, 2001, except that changes to the Internal Revenue Code made by

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1 P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
 2 106-554, and P.L. 106-573 and changes that indirectly affect the provisions
 3 applicable to this subchapter made by P.L. 106-200, P.L. 106-230, P.L. 106-554,
 4 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin
 5 purposes at the same time as for federal purposes. *and before January 1, 2002,*

SECTION 41. 71.26 (2) (b) 16. of the statutes is created to read:

7 71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, for a
 8 corporation, conduit, or common law trust which qualifies as a regulated investment
 9 company, real estate mortgage investment conduit, real estate investment trust, or
 10 financial asset securitization investment trust under the Internal Revenue Code as
 11 amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227,
 12 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections
 13 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and
 14 sections 162 and 165 of P.L. 106-554 and as indirectly affected in the provisions
 15 applicable to this subchapter by P.L. 99-514, P.L. 100-203, 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 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
 21 104-191, P.L. 104 193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
 22 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554,
 23 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, "net income"
 24 means the federal regulated investment company taxable income, federal real estate
 25 mortgage investment conduit taxable income, federal real estate investment trust

and as amended by P.L. 107-16

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and as amended by P.L. 107-16

1 or financial asset securitization investment trust taxable income of the corporation,
2 conduit, or trust as determined under the Internal Revenue Code as amended to
3 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections
4 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
5 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and sections 162
6 and 165 of P.L. 106-554 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, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
14 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165
15 of P.L. 106-554 and P.L. 106-573 except that property that, under s. 71.02 (1) (c) 8.
16 to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under
17 the Internal Revenue Code as amended to December 31, 1980, shall continue to be
18 depreciated under the Internal Revenue Code as amended to December 31, 1980,
19 and except that the appropriate amount shall be added or subtracted to reflect
20 differences between the depreciation or adjusted basis for federal income tax
21 purposes and the depreciation or adjusted basis under this chapter of any property
22 disposed of during the taxable year. The Internal Revenue Code as amended to
23 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections
24 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
25 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and sections 162

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and as amended by P.L. 107-16

1 and 165 of P.L. 106-554, and as indirectly affected in the provisions applicable to this
 2 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
 3 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
 4 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
 5 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103 66, P.L. 103-296, P.L.
 6 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
 7 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
 8 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.

107-16 9 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165.

10 of P.L. 106-554 and P.L. 106-573 applies for Wisconsin purposes at the same time
 11 as for federal purposes. Amendments to the Internal Revenue Code enacted after
 12 December 31, 2000, do not apply to this subdivision with respect to taxable years that
 13 begin after December 31, 2000. INSERT A

SECTION 42. 71.26 (3) (y) of the statutes is amended to read:

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

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1 SECTION 43. 71.34 (1g) (g) of the statutes is repealed.

2 ~~SECTION 44. 71.34 (1g) (h) of the statutes is amended to read:~~

3 71.34 (1g) (h) "Internal Revenue Code" for tax-option corporations, for taxable
4 years that begin after December 31, 1992, and before January 1, 1994, means the
5 federal Internal Revenue Code as amended to December 31, 1992, excluding
6 sections 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 103-66, excluding
7 sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66,
8 P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L.
9 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
10 106-554, and as indirectly affected in the provisions applicable to this subchapter
11 by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d)
12 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
13 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101 508, P.L.
14 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
15 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,
16 13174, and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
17 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554,
18 excluding sections 162 and 165 of P.L. 106-554, except that section 1366 (f) (relating
19 to pass-through of items to shareholders) is modified by substituting the tax under
20 s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code
21 applies for Wisconsin purposes at the same time as for federal purposes.
22 Amendments to the federal Internal Revenue Code enacted after
23 December 31, 1992, do not apply to this paragraph with respect to taxable years
24 beginning after December 31, 1992, and before January 1, 1994, except that
25 changes to the Internal Revenue Code made by P.L. 103-66, P.L. 103-465, P.L.

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1 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and P.L.
2 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
3 changes that indirectly affect the provisions applicable to this subchapter made by
4 P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
5 105-34, P.L. 105-206 and P.L. 105-277, and P.L. 106-554, excluding sections 162
6 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time as for federal
7 purposes.

8 **SECTION 45.** 71.34 (1g) (i) of the statutes is amended to read:

9 71.34 (1g) (i) "Internal Revenue Code" for tax-option corporations, for taxable
10 years that begin after December 31, 1993, and before January 1, 1995, means the
11 federal Internal Revenue Code as amended to December 31, 1993, excluding
12 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
13 13174, 13203 (d), and 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L.
14 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188,
15 excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
16 105-206 and P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
17 106-554, and as indirectly affected in the provisions applicable to this subchapter
18 by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d)
19 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
20 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
21 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
22 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, 13203
23 (d), and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
24 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
25 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and P.L. 105-277.

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1 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except that section
2 1366 (f) (relating to pass-through of items to shareholders) is modified by
3 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
4 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
5 purposes. Amendments to the federal Internal Revenue Code enacted after
6 December 31, 1993, do not apply to this paragraph with respect to taxable years
7 beginning after December 31, 1993, and before January 1, 1995, except that
8 changes to the Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L.
9 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
10 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
11 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
12 and changes that indirectly affect the provisions applicable to this subchapter made
13 by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L.
14 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L.
15 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
16 sections 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time
17 as for federal purposes.

18 **SECTION 46.** 71.34 (1g) (j) of the statutes is amended to read:

19 71.34 (1g) (j) "Internal Revenue Code" for tax-option corporations, for taxable
20 years that begin after December 31, 1994, and before January 1, 1996, means the
21 federal Internal Revenue Code as amended to December 31, 1994, excluding
22 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
23 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188,
24 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
25 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding

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1 sections 162 and 165 of P.L. 106-554, and as indirectly affected in the provisions
2 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding
3 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
4 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
5 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
6 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
7 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
8 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of
9 P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
10 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except
11 that section 1366 (f) (relating to pass-through of items to shareholders) is modified
12 by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375.
13 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
14 federal purposes. Amendments to the federal Internal Revenue Code enacted after
15 December 31, 1994, do not apply to this paragraph with respect to taxable years
16 beginning after December 31, 1994, and before January 1, 1996, except changes to
17 the Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding sections
18 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34,
19 P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165
20 of P.L. 106-554, and changes that indirectly affect the provisions applicable to this
21 subchapter made by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311
22 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and,
23 P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
24 apply for Wisconsin purposes at the same time as for federal purposes.

25 **SECTION 47.** 71.34 (1g) (k) of the statutes is amended to read:

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SECTION 47

1 71.34 (1g) (k) "Internal Revenue Code" for tax-option corporations, for taxable
2 years that begin after December 31, 1995, and before January 1, 1997, means the
3 federal Internal Revenue Code as amended to December 31, 1995, excluding
4 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
5 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188, excluding
6 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
7 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and P.L.
8 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly affected
9 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
10 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
11 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
12 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
13 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
14 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
15 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
16 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
17 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and P.L. 106-554, excluding
18 sections 162 and 165 of P.L. 106-554, except that section 1366 (f) (relating to
19 pass-through of items to shareholders) is modified by substituting the tax under s.
20 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies
21 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
22 federal Internal Revenue Code enacted after December 31, 1995, do not apply to this
23 paragraph with respect to taxable years beginning after December 31, 1995, and
24 before January 1, 1997, except that changes to the Internal Revenue Code made by
25 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188,

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1 P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L.
 2 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
 3 changes that indirectly affect the provisions applicable to this subchapter made by
 4 P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188,
 5 P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L.
 6 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, apply for
 7 Wisconsin purposes at the same time as for federal purposes.

8 **SECTION 48.** 71.34 (1g) (L) of the statutes is amended to read:

9 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable
 10 years that begin after December 31, 1996, and before January 1, 1998, means the
 11 federal Internal Revenue Code as amended to December 31, 1996, excluding
 12 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
 13 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
 14 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,
 15 P.L. 105-277 and, P.L. 106-36, and P.L. ~~106-554~~ excluding sections 162 and 165 of
 16 ~~P.L. 106-554~~, and as indirectly affected in the provisions applicable to this
 17 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2)
 18 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008
 19 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
 20 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
 21 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
 22 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
 23 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
 24 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
 25 105-206, P.L. 105-277 and, P.L. 106-36, and ~~106-554~~ excluding sections 162

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SECTION 48

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1 ~~and P.L. 106-554~~ except that section 1366 (f) (relating to pass-through of
 2 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
 3 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
 4 purposes at the same time as for federal purposes. Amendments to the federal
 5 Internal Revenue Code enacted after December 31, 1996, do not apply to this
 6 paragraph with respect to taxable years beginning after December 31, 1996, and
 7 before January 1, 1998, except that changes to the Internal Revenue Code made by
 8 P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and P.L. 106-36, and P.L.

9 ~~106-554, excluding sections 162 and 165 of P.L. 106-554,~~ and changes that indirectly
 10 affect the provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34,

11 P.L. 105-206, P.L. 105-277 and P.L. 106-36, and P.L. ~~106-554, excluding sections~~

12 ~~162 and 165 of P.L. 106-554,~~ apply for Wisconsin purposes at the same time as for
 13 federal purposes.

14 SECTION 49. 71.34 (1g) (m) of the statutes is amended to read:

15 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
 16 years that begin after December 31, 1997, and before January 1, 1999, means the
 17 federal Internal Revenue Code as amended to December 31, 1997, 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 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
 20 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
 21 106-36 and P.L. 106-170 ~~P.L. 106-554, excluding sections 162 and 165 of P.L.~~

22 ~~106-554, and P.L. 106-573,~~ and as indirectly affected in the provisions applicable to
 23 this subchapter ^{keep} by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803
 24 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section
 25 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,

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1 P.L. 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
5 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
6 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170, P.L. 106-554,
7 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section
8 1366 (f) (relating to pass-through of items to shareholders) is modified by
9 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
10 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
11 purposes. Amendments to the federal Internal Revenue Code enacted after
12 December 31, 1997, do not apply to this paragraph with respect to taxable years
13 beginning after December 31, 1997, and before January 1, 1999, except that
14 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.
15 105-277, P.L. 106-36 and P.L. 106-170, P.L. 106-554, excluding sections 162 and
16 165 of P.L. 106-554, and P.L. 106-573, and changes that indirectly affect the
17 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206, P.L.
18 105-277, P.L. 106-36 and P.L. 106-170, P.L. 106-554, excluding sections 162 and
19 165 of P.L. 106-554, and P.L. 106-573, apply for Wisconsin purposes at the same time
20 as for federal purposes.

21 SECTION 50. 71.34 (1g) (n) of the statutes is amended to read:

22 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable
23 years that begin after December 31, 1998, and before January 1, 2000, means the
24 federal Internal Revenue Code as amended to December 31, 1998, excluding sections
25 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and

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1 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
 2 of P.L. 104-188, and as amended by P.L. 106-36 and P.L. 106-170, P.L. 106-230, P.L.
 3 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as
 4 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
 5 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
 6 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
 7 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
 8 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
 9 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
 10 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
 11 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
 12 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
 13 105-277, P.L. 106-36 and P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
 14 sections 162 and 165 of P.L. 106-554 and P.L. 106-573, except that section 1366 (f)
 15 (relating to pass-through of items to shareholders) is modified by substituting the
 16 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
 17 Code applies for Wisconsin purposes at the same time as for federal purposes.
 18 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,
 19 do not apply to this paragraph with respect to taxable years beginning after
 20 December 31, 1998, and before January 1, 2000, except that changes to the Internal
 21 Revenue Code made by P.L. 106-36 and P.L. 106-170, P.L. 106-230, P.L. 106-554,
 22 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and changes that
 23 indirectly affect the provisions applicable to this subchapter made by P.L. 106-36
 24 and P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.

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1 106-554, and P.L. 106-573 apply for Wisconsin purposes at the same time as for
2 federal purposes.

3 SECTION 51. 71.34 (1g) (o) of the statutes is amended to read:

4 71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable
5 years that begin after December 31, 1999, and before January 1, 2001, means the
6 federal Internal Revenue Code as amended to December 31, 1999, excluding sections
7 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
8 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
9 of P.L. 104-188, and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554,

10 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 and as indirectly
11 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
12 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
13 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
14 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
15 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
16 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
17 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
18 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
19 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
20 106-36 and P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding

21 sections 162 and 165 of P.L. 106-554, and P.L. 106-573 except that section 1366 (f)
22 (relating to pass-through of items to shareholders) is modified by substituting the
23 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
24 Code applies for Wisconsin purposes at the same time as for federal purposes.
25 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,

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1 do not apply to this paragraph with respect to taxable years beginning after
 2 December 31, 1999, and before January 1, 2001, except that changes to the Internal
 3 Revenue Code made by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections
 4 162 and 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the
 5 provisions applicable to this subchapter made by P.L. 106-200, P.L. 106-230, P.L.
 6 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for
 7 Wisconsin purposes at the same time as for federal purposes.

8 SECTION 52. 71.34 (1g) (p) of the statutes is created to read:

9 71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable
 10 years that begin after December 31, 2000, means the federal Internal Revenue Code
 11 as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.
 12 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
 13 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
 14 and sections 162 and 165 of P.L. 106-554 and as indirectly affected in the provisions

15 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
 16 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
 17 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
 18 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
 19 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
 20 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
 21 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
 22 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
 23 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
 24 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
 25 and P.L. 106-573 except that section 1366 (f) (relating to pass-through of items to

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and as amended by P.L. 107-16

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1 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
2 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
3 at the same time as for federal purposes. Amendments to the federal Internal
4 Revenue Code enacted after December 31, 2000, do not apply to this paragraph with
5 respect to taxable years beginning after December 31, 2000. ^(INSERT A)

6 **SECTION 53.** 71.365 (1m) of the statutes is amended to read:

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

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(INSERT)
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1 tax returns for any year because the property is used in the production of income
2 subject to taxation under this chapter. If that property was acquired in a transaction
3 in taxable year 1986 or thereafter in which the adjusted basis of the property in the
4 hands of the transferee is the same as the adjusted basis of the property in the hands
5 of the transferor, the Wisconsin adjusted basis of that property on the date of transfer
6 is the adjusted basis allowable under the Internal Revenue Code as defined for
7 Wisconsin purposes for the property in the hands of the transferor.

8 SECTION 54. 71.42 (2) (f) of the statutes is repealed.

9 ~~SECTION 55. 71.42 (2) (g) of the statutes is amended to read:~~

10 71.42 (2) (g) For taxable years that begin after December 31, 1992, and before
11 January 1, 1994, "Internal Revenue Code" means the federal Internal Revenue Code
12 as amended to December 31, 1992, excluding sections 103, 104, and 110 of P.L.
13 102-227, and as amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1,
14 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188,
15 excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and P.L. 105-277,
16 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly
17 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
18 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
19 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
20 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66, P.L.
21 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L.
22 105-206 and P.L. 105-277 and P.L. 105-277, and P.L. 106-554, excluding sections
23 162 and 165 of P.L. 106-554, except that "Internal Revenue Code" does not include
24 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
25 applies for Wisconsin purposes at the same time as for federal purposes.

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1 Amendments to the federal Internal Revenue Code enacted after
2 December 31, 1992, do not apply to this paragraph with respect to taxable years
3 beginning after December 31, 1992, and before January 1, 1994, except that
4 changes to the Internal Revenue Code made by P.L. 103-66, P.L. 103-465, P.L.
5 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L.
6 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
7 changes that indirectly affect the federal Internal Revenue Code made by P.L.
8 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
9 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
10 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time as for federal
11 purposes.

12 **SECTION 56.** 71.42 (2) (h) of the statutes is amended to read:

13 71.42 (2) (h) For taxable years that begin after December 31, 1993, and before
14 January 1, 1995, "Internal Revenue Code" means the federal Internal Revenue Code
15 as amended to December 31, 1993 excluding sections 103, 104, and 110 of P.L.
16 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L.
17 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
18 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
19 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
20 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly
21 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
22 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
23 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486 and P.L. 103-66, excluding sections
24 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296,
25 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.

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1 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
2 105-34, P.L. 105-206 ~~and, P.L. 105-277, and P.L. 106-554, excluding sections 162~~
3 ~~and 165 of P.L. 106-554~~, except that "Internal Revenue Code" does not include
4 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
5 applies for Wisconsin purposes at the same time as for federal purposes.
6 Amendments to the federal Internal Revenue Code enacted after
7 December 31, 1993, do not apply to this paragraph with respect to taxable years
8 beginning after December 31, 1993, and before January 1, 1995, except that
9 changes to the Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L.
10 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
11 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
12 ~~and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,~~
13 and changes that indirectly affect the provisions applicable to this subchapter made
14 by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L.
15 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L.
16 104-193, P.L. 105-34, P.L. 105-206 ~~and, P.L. 105-277, and P.L. 106-554, excluding~~
17 ~~sections 162 and 165 of P.L. 106-554~~, apply for Wisconsin purposes at the same time
18 as for federal purposes.

19 **SECTION 57.** 71.42 (2) (i) of the statutes is amended to read:

20 71.42 (2) (i) For taxable years that begin after December 31, 1994, and before
21 January 1, 1996, "Internal Revenue Code" means the federal Internal Revenue Code
22 as amended to December 31, 1994, excluding sections 103, 104, and 110 of P.L.
23 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
24 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204,
25 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.

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1 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
2 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
3 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
4 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
5 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
6 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
7 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
8 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
9 sections 162 and 165 of P.L. 106-554, except that "Internal Revenue Code" does not
10 include section 847 of the federal Internal Revenue Code. The Internal Revenue
11 Code applies for Wisconsin purposes at the same time as for federal purposes.
12 Amendments to the federal Internal Revenue Code enacted after
13 December 31, 1994, do not apply to this paragraph with respect to taxable years
14 beginning after December 31, 1994, and before January 1, 1996, except that
15 changes to the Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding
16 sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
17 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
18 and 165 of P.L. 106-554, and changes that indirectly affect the provisions applicable
19 to this subchapter made by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204,
20 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
21 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
22 106-554, apply for Wisconsin purposes at the same time as for federal purposes.

23 **SECTION 58.** 71.42 (2) (j) of the statutes is amended to read:

24 71.42 (2) (j) For taxable years that begin after December 31, 1995, and before
25 January 1, 1997, "Internal Revenue Code" means the federal Internal Revenue Code

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1 as amended to December 31, 1995, excluding sections 103, 104, and 110 of P.L.
2 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
3 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311,
4 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
5 105-206 and P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
6 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
7 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
8 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
9 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
10 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, 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, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and P.L.
13 106-554, excluding sections 162 and 165 of P.L. 106-554, except that "Internal
14 Revenue Code" does not include section 847 of the federal Internal Revenue Code.
15 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
16 federal purposes. Amendments to the federal Internal Revenue Code enacted after
17 December 31, 1995, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1995, and before January 1, 1997, except that
19 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections
20 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
21 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and P.L. 106-554, excluding
22 sections 162 and 165 of P.L. 106-554, and changes that indirectly affect the
23 provisions applicable to this subchapter made by P.L. 104-188, excluding sections
24 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
25 105-33, P.L. 105-34, P.L. 105-206 and P.L. 105-277, and P.L. 106-554, excluding

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1 ~~sections 162 and 165 of P.L. 106-554~~ apply for Wisconsin purposes at the same time
2 as for federal purposes.

3 SECTION 59. 71.42 (2) (k) of the statutes is amended to read:

4 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
5 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code
6 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.
7 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
8 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
9 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36,

10 ~~and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554~~ and as indirectly

11 affected by P.L. 99-514, P.L. 100-203, 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. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. ~~106-554~~

18 ~~excluding sections 162 and 165 of P.L. 106-554~~ except that "Internal Revenue Code"

19 does not include section 847 of the federal Internal Revenue Code. The Internal
20 Revenue Code applies for Wisconsin purposes at the same time as for federal
21 purposes. Amendments to the federal Internal Revenue Code enacted after
22 December 31, 1996, do not apply to this paragraph with respect to taxable years
23 beginning after December 31, 1996, and before January 1, 1998, except that
24 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.
25 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. ~~106-554~~ ~~excluding sections 162~~

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1 ~~and 165 of P.L. 106-554~~, and changes that indirectly affect the provisions applicable
2 to this subchapter made by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and
3 P.L. 106-36, ~~and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554~~, apply
4 for Wisconsin purposes at the same time as for federal purposes.

5 SECTION 60. 71.42 (2) (L) of the statutes is amended to read:

6 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
7 January 1, 1999, "Internal Revenue Code" means the federal Internal Revenue Code
8 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
9 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
10 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
11 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170,

12 ~~P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554~~ and P.L. ~~106-573~~ and
13 as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
14 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
15 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
16 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
17 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
18 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
19 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
20 106-36 and P.L. 106-170, ~~P.L. 106-554, excluding sections 162 and 165 of P.L.~~

21 ~~106-554~~ and P.L. ~~106-573~~, except that "Internal Revenue Code" does not include
22 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
23 applies for Wisconsin purposes at the same time as for federal purposes.
24 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,
25 do not apply to this paragraph with respect to taxable years beginning after

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1 December 31, 1997, and before January 1, 1999, except that changes to the Internal
2 Revenue Code made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and,
3 P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554 and P.L.

4 ~~106-573~~ and changes that indirectly affect the provisions applicable to this
5 subchapter made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.

6 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554 and P.L.

7 ~~106-573~~ apply for Wisconsin purposes at the same time as for federal purposes.

8 **SECTION 61.** 71.42 (2) (m) of the statutes is amended to read:

9 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
10 January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code
11 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
12 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
13 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
14 amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding

15 sections 162 and 165 of P.L. 106-554, and P.L. 106-573 and as indirectly affected by
16 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 1123 (b), 1202 (c), 1204 (f),
21 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
22 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,

23 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554 and P.L.

24 106-573 except that "Internal Revenue Code" does not include section 847 of the
25 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin

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1 purposes at the same time as for federal purposes. Amendments to the federal
2 Internal Revenue Code enacted after December 31, 1998, do not apply to this
3 paragraph with respect to taxable years beginning after December 31, 1998, and
4 before January 1, 2000, except that changes to the Internal Revenue Code made by
5 P.L. 106-36 and P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162
6 and 165 of P.L. 106-554, and P.L. 106-573, and changes that indirectly affect the
7 provisions applicable to this subchapter made by P.L. 106-36 and P.L. 106-170, P.L.
8 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
9 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

10 SECTION 62. 71.42 (2) (n) of the statutes is amended to read:

11 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
12 January 1, 2001, "Internal Revenue Code" means the federal Internal Revenue Code
13 as amended to December 31, 1999, 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. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and
17 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected by P.L. 99-514, P.L.
18 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
19 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
20 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
21 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
22 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
23 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
24 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170, P.L. 106-200,
25 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.

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1 ~~106-573~~ except that "Internal Revenue Code" does not include section 847 of the
 2 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
 3 purposes at the same time as for federal purposes. Amendments to the federal
 4 Internal Revenue Code enacted after December 31, 1999, do not apply to this
 5 paragraph with respect to taxable years beginning after December 31, 1999, and
 6 before January 1, 2001, except that changes to the Internal Revenue Code made by
 7 P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
 8 106-554, and P.L. 106-573 and changes that indirectly affect the provisions
 9 applicable to this subchapter made by P.L. 106-200, P.L. 106-230, P.L. 106-554,
 10 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin
 11 purposes at the same time as for federal purposes. 107-16

12 SECTION 63. 71.42 (2) (o) of the statutes is created to read: and before January 1, 2002

13 71.42 (2) (o) For taxable years that begin after December 31, 2000, "Internal
 14 Revenue Code" means the federal Internal Revenue Code as amended to
 15 December 31, 2000, 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, sections 1123 (b),
 17 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and sections 162
 18 and 165 of P.L. 106-554 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, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L.

and as amended by P.L. 107-16

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INSERT
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1 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 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, 2000, do not apply to this paragraph with respect
6 to taxable years beginning after December 31, 2000.

INSERT A

7 **SECTION 64.** 71.45 (2) (a) 13. of the statutes is amended to read:

8 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference
9 between the depreciation deduction under the federal Internal Revenue Code as
10 amended to December 31, 1999 2000, and the depreciation deduction under the
11 federal Internal Revenue Code in effect for the taxable year for which the return is
12 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,
13 except that property first placed in service by the taxpayer on or after
14 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
15 1985 stats., is required to be depreciated under the Internal Revenue Code as
16 amended to December 31, 1980, and property first placed in service in taxable year
17 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
18 stats., is required to be depreciated under the Internal Revenue Code as amended
19 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
20 Code as amended to December 31, 1980.

21 **SECTION 65. Nonstatutory provisions.**

22 (1) ADOPTION OF FEDERAL INCOME TAX LAW CHANGES. Changes to the Internal
23 Revenue Code made by P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
24 apply to the definitions of the "Internal Revenue Code" in chapter 71 of the statutes
25 at the time that those changes apply for federal income tax purposes.

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*remembering
and
amendment*

1 SECTION 66. Initial applicability.

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

5 (END)

#
(b) The treatment of sections 71.07(7r)(b), 71.26(3)(y)2.,
71.365 (1m)(b), and 71.45 (2)(a) 13. b. of the statutes first
applies to property placed in service in taxable years
beginning on January 1, 2002.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4530/?ins
JK:.....

Insert A ✓

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1 , and before January 1, 2002, except that changes to the Internal Revenue Code
2 made by P.L. 107-16 and changes that indirectly affect the provisions applicable to
3 this subchapter made by P.L. 107-16 apply for Wisconsin purposes at the same time
4 as for federal purposes

Insert 12 - 24 ✓

5 SECTION 1. 71.01 (6) (q) of the statutes is created to read:

6 71.01 (6) (q) For taxable years that begin after December 31, 2001, for natural
7 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or
8 reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code
9 as amended to December 31, 2001, 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 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
12 amended by P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
13 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L.
14 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
15 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
16 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
17 103-465, P.L. 104-7, P.L. 104-117, 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 P.L. 107-16. The Internal Revenue Code applies for Wisconsin
21 purposes at the same time as for federal purposes. Amendments to the federal

1 Internal Revenue Code enacted after December 31, 2001, do not apply to this
2 paragraph with respect to taxable years beginning after December 31, 2001.

3 SECTION 2. 71.01 (7r) of the statutes is renumbered 71.01 (7r) (a) and amended ✓
4 to read:

5 71.01 (7r) (a) ~~Notwithstanding~~ For taxable years that begin after December 31,
6 2000 and before January 1, 2002, notwithstanding sub. (6), for purposes of
7 computing amortization or depreciation, "Internal Revenue Code" means either the
8 federal Internal Revenue Code as amended to December 31, 1999 2000, or the federal
9 Internal Revenue Code in effect for the taxable year for which the return is filed,
10 except that property that, under s. 71.02 (2) (d) 12., 1985 stats., is required to be
11 depreciated for taxable year 1986 under the Internal Revenue Code as amended to
12 December 31, 1980, shall continue to be depreciated under the Internal Revenue
13 Code as amended to December 31, 1980.

14 History: 1987 a. 312; 1987 a. 411 ss. 6 to 8, 26, 27, 31; 1989 a. 31, 100, 336; 1991 a. 39, 269; 1993 a. 16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194.

15 SECTION 3. 71.01 (7r) (b) of the statutes is created to read:

16 71.01 (7r) (b) For taxable years that begin after December 31, 2001,
17 notwithstanding sub. (6), for purposes of computing amortization or depreciation,
18 "Internal Revenue Code" means either the federal Internal Revenue Code as
19 amended to December 31, 2001, or the federal Internal Revenue Code in effect for the
20 taxable year for which the return is filed, except that property that, under s. 71.02
21 (2) (d) 12., 1985 stats., is required to be depreciated for taxable year 1986 under the
22 Internal Revenue Code as amended to December 31, 1980, shall continue to be
depreciated under the Internal Revenue Code as amended to December 31, 1980.

Insert 23 - 16 ✓

23 SECTION 4. 71.22 (4) (q) of the statutes is created to read:

1 71.22 (4) (q) 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," for taxable years that begin after
3 December 31, 2001, means the federal Internal Revenue Code as amended to
4 December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections
5 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
6 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L. 107-16,
7 and as indirectly affected in the provisions applicable to this subchapter by P.L.
8 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812
9 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
10 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
11 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
12 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
13 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.
14 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
15 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
16 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and P.L. 107-16. The Internal
17 Revenue Code applies for Wisconsin purposes at the same time as for federal
18 purposes. Amendments to the federal Internal Revenue Code enacted after
19 December 31, 2001, do not apply to this paragraph with respect to taxable years
20 beginning after December 31, 2001.

Insert 33 - 17 ✓

21 **SECTION 5.** 71.22 (4m) (o) of the statutes is created to read:
22 71.22 (4m) (o) For taxable years that begin after December 31, 2001, "Internal
23 Revenue Code," for corporations that are subject to a tax on unrelated business

1 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended
2 to December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections
3 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
4 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by of P.L.
5 107-16, and as indirectly affected in the provisions applicable to this subchapter by
6 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
7 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
8 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
9 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
10 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
11 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
12 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and
13 P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same
14 time as for federal purposes. Amendments to the Internal Revenue Code enacted
15 after December 31, 2001, do not apply to this paragraph with respect to taxable years
16 beginning after December 31, 2001.

Insert 57 - 25

17 **SECTION 6.** 71.26 (2) (b) 17. of the statutes is created to read:
18 71.26 (2) (b) 17. For taxable years that begin after December 31, 2001, for a
19 corporation, conduit, or common law trust which qualifies as a regulated investment
20 company, real estate mortgage investment conduit, real estate investment trust, or
21 financial asset securitization investment trust under the Internal Revenue Code as
22 amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227,
23 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections

1 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L.
2 107-16, and as indirectly affected in the provisions applicable to this subchapter by
3 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
4 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
5 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
6 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
7 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
8 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
9 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and
10 P.L. 107-16, "net income" means the federal regulated investment company taxable
11 income, federal real estate mortgage investment conduit taxable income, federal real
12 estate investment trust or financial asset securitization investment trust taxable
13 income of the corporation, conduit, or trust as determined under the Internal
14 Revenue Code as amended to December 31, 2001, excluding sections 103, 104, and
15 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
16 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and
17 as amended by P.L. 107-16, 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, P.L. 101-73, P.L.
19 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
20 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
21 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
22 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
23 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
24 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
25 106-36, P.L. 106-170, and P.L. 107-16, except that property that, under s. 71.02 (1)

1 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
2 under the Internal Revenue Code as amended to December 31, 1980, shall continue
3 to be depreciated under the Internal Revenue Code as amended to
4 December 31, 1980, and except that the appropriate amount shall be added or
5 subtracted to reflect differences between the depreciation or adjusted basis for
6 federal income tax purposes and the depreciation or adjusted basis under this
7 chapter of any property disposed of during the taxable year. The Internal Revenue
8 Code as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.
9 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
10 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
11 amended by P.L. 107-16, and as indirectly affected in the provisions applicable to
12 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
13 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
14 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
15 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
16 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
17 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
18 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
19 106-36, P.L. 106-170, and P.L. 107-16, applies for Wisconsin purposes at the same
20 time as for federal purposes. Amendments to the Internal Revenue Code enacted
21 after December 31, 2001, do not apply to this subdivision with respect to taxable
22 years that begin after December 31, 2001.

23 **SECTION 7.** 71.26 (3) (y) of the statutes is renumbered 71.26 (3) (y) 1. and
24 amended to read:

Strike spaces

1 71.26 (3) (y) 1. A For taxable years that begin after December 31, 2000, and
2 before January 1, 2002, a corporation may compute amortization and depreciation
3 under either the federal Internal Revenue Code as amended to December 31, 1999
4 2000, or the federal Internal Revenue Code in effect for the taxable year for which
5 the return is filed, except that property first placed in service by the taxpayer on or
6 after January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and
7 (br), 1985 stats., is required to be depreciated under the Internal Revenue Code as
8 amended to December 31, 1980, and property first placed in service in taxable year
9 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
10 stats., is required to be depreciated under the Internal Revenue Code as amended
11 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
12 Code as amended to December 31, 1980.

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16; s. 13.93 (2) (c).

13 **SECTION 8.** 71.26 (3) (y) 2. of the statutes is created to read:

14 71.26 (3) (y) 2. For taxable years that begin after December 31, 2001, a
15 corporation may compute amortization and depreciation under either the federal
16 Internal Revenue Code as amended to Deccmber 31, 2001, or the federal Internal
17 Revenue Code in effect for the taxable year for which the return is filed, except that
18 property first placed in service by the taxpayer on or after January 1, 1983, but
19 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required
20 to be depreciated under the Internal Revenue Code as amended to
21 December 31, 1980, and property first placed in service in taxable year 1981 or
22 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is
23 required to be depreciated under the Internal Revenue Code as amended to

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

Insert 70 - 7 ✓

3 **SECTION 9.** 71.34 (1g) (q) of the statutes is created to read:

4 71.34 (1g) (q) "Internal Revenue Code" for tax-option corporations, for taxable
5 years that begin after December 31, 2001, means the federal Internal Revenue Code
6 as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.
7 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
8 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
9 amended by P.L. 107-16, and as indirectly affected in the provisions applicable to
10 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803
11 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section
12 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
13 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
14 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
15 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
16 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
17 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
18 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and P.L. 107-16,
19 except that section 1366 (f) (relating to pass-through of items to shareholders) is
20 modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and
21 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time
22 as for federal purposes. Amendments to the federal Internal Revenue Code enacted

1 after December 31, 2001, do not apply to this paragraph with respect to taxable years
2 beginning after December 31, 2001.

3 SECTION 10. 71.365 (1m) of the statutes is renumbered 71.365 (1m) (a) and
4 amended to read:

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

1 subject to taxation under this chapter. If that property was acquired in a transaction
2 in taxable year 1986 or thereafter in which the adjusted basis of the property in the
3 hands of the transferee is the same as the adjusted basis of the property in the hands
4 of the transferor, the Wisconsin adjusted basis of that property on the date of transfer
5 is the adjusted basis allowable under the Internal Revenue Code as defined for
6 Wisconsin purposes for the property in the hands of the transferor.

7 History: 1987 a. 312; 1987 a. 411 ss. 40, 50, 147; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380; 1997 a. 27, 37, 237; 1999 a. 9, 194.

7 **SECTION 11. 71.365 (1m) (b) of the statutes is created to read:**

8 **71.365 (1m) (b)** For taxable years that begin after December 31, 2001, a
9 tax-option corporation may compute amortization and depreciation under either the
10 federal Internal Revenue Code as amended to December 31, 2001, or the federal
11 Internal Revenue Code in effect for the taxable year for which the return is filed,
12 except that property first placed in service by the taxpayer on or after
13 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
14 1985 stats., is required to be depreciated under the Internal Revenue Code as
15 amended to December 31, 1980, and property first placed in service in taxable year
16 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
17 stats., is required to be depreciated under the Internal Revenue Code as amended
18 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
19 Code as amended to December 31, 1980. Any difference between the adjusted basis
20 for federal income tax purposes and the adjusted basis under this chapter shall be
21 taken into account in determining net income or loss in the year or years for which
22 the gain or loss is reportable under this chapter. If that property was placed in
23 service by the taxpayer during taxable year 1986 and thereafter but before the
24 property is used in the production of income subject to taxation under this chapter,

1 the property's adjusted basis and the depreciation or other deduction schedule are
2 not required to be changed from the amount allowable on the owner's federal income
3 tax returns for any year because the property is used in the production of income
4 subject to taxation under this chapter. If that property was acquired in a transaction
5 in taxable year 1986 or thereafter in which the adjusted basis of the property in the
6 hands of the transferee is the same as the adjusted basis of the property in the hands
7 of the transferor, the Wisconsin adjusted basis of that property on the date of transfer
8 is the adjusted basis allowable under the Internal Revenue Code as defined for
9 Wisconsin purposes for the property in the hands of the transferor.

Insert 80 - 6 ✓

10 **SECTION 12.** 71.42 (2) (p) of the statutes is created to read:

11 71.42 (2) (p) For taxable years that begin after December 31, 2001, "Internal
12 Revenue Code" means the federal Internal Revenue Code as amended to
13 December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections
14 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
15 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L. 107-16,
16 and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73,
17 P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding
18 sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66,
19 excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
20 P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding
21 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191,
22 P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277,
23 P.L. 106-36, P.L. 106-170, and P.L. 107-16, except that "Internal Revenue Code"

1 does not include section 847 of the federal Internal Revenue Code. 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, 2001, do not apply to this paragraph with respect to taxable years
 5 beginning after December 31, 2001.

6 **SECTION 13.** 71.45 (2) (a) 13. of the statutes is renumbered 71.45 (2) (a) 13. a.
 7 and amended to read:

8 71.45 (2) (a) 13. a. By For taxable years that begin after December 31, 2000,
 9 and before January 1, 2002, by adding or subtracting, as appropriate, the difference
 10 between the depreciation deduction under the federal Internal Revenue Code as
 11 amended to December 31, 1999 [∨]2000, and the depreciation deduction under the
 12 federal Internal Revenue Code in effect for the taxable year for which the return is
 13 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,
 14 except that property first placed in service by the taxpayer on or after
 15 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
 16 1985 stats., is required to be depreciated under the Internal Revenue Code as
 17 amended to December 31, 1980, and property first placed in service in taxable year
 18 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
 19 stats., is required to be depreciated under the Internal Revenue Code as amended
 20 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
 21 Code as amended to December 31, 1980.

History: 1987 a. 312; 1989 a. 31, 336, 359, 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 451; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16; s. 13.93 (2) (c).

22 **SECTION 14.** 71.45 (2) (a) 13. b. of the statutes is created to read:

23 71.45 (2) (a) 13. b. For taxable years that begin after December 31, 2001, by
 24 adding or subtracting, as appropriate, the difference between the depreciation

1 deduction under the federal Internal Revenue Code as amended to December 31,
2 2001, and the depreciation deduction under the federal Internal Revenue Code in
3 effect for the taxable year for which the return is filed, so as to reflect the fact that
4 the insurer may choose between these 2 deductions, except that property first placed
5 in service by the taxpayer on or after January 1, 1983, but before January 1, 1987,
6 that, under s. 71.04 (15) (b) and (br), 1985 stats., is required to be depreciated under
7 the Internal Revenue Code as amended to December 31, 1980, and property first
8 placed in service in taxable year 1981 or thereafter but before January 1, 1987, that,
9 under s. 71.04 (15) (bm), 1985 stats., is required to be depreciated under the Internal
10 Revenue Code as amended to December 31, 1980, shall continue to be depreciated
11 under the Internal Revenue Code as amended to December 31, 1980.