



2001 BILL

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1 AN ACT *to repeal* 71.01 (6) (g), 71.22 (4) (g), 71.22 (4m) (e), 71.26 (2) (b) 7., 71.34  
2 (1g) (g) and 71.42 (2) (f); *to renumber and amend* 71.01 (7r), 71.26 (3) (y),  
3 71.365 (1m) and 71.45 (2) (a) 13.; *to amend* 71.01 (6) (L), 71.01 (6) (m), 71.01  
4 (6) (n), 71.01 (6) (o), 71.22 (4) (L), 71.22 (4) (m), 71.22 (4) (n), 71.22 (4) (o), 71.22  
5 (4m) (j), 71.22 (4m) (k), 71.22 (4m) (L), 71.22 (4m) (m), 71.26 (2) (b) 12., 71.26  
6 (2) (b) 13., 71.26 (2) (b) 14., 71.26 (2) (b) 15., 71.34 (1g) (L), 71.34 (1g) (m), 71.34  
7 (1g) (n), 71.34 (1g) (o), 71.42 (2) (k), 71.42 (2) (L), 71.42 (2) (m) and 71.42 (2) (n);  
8 and *to create* 71.01 (6) (p), 71.01 (6) (q), 71.01 (7r) (b), 71.22 (4) (p), 71.22 (4)  
9 (q), 71.22 (4m) (n), 71.22 (4m) (o), 71.26 (2) (b) 16., 71.26 (2) (b) 17., 71.26 (3) (y)  
10 2., 71.34 (1g) (p), 71.34 (1g) (q), 71.365 (1m) (b), 71.42 (2) (o), 71.42 (2) (p) and  
11 71.45 (2) (a) 13. b. of the statutes; **relating to:** references to the Internal  
12 Revenue Code for income and franchise tax purposes.

**Analysis by the Legislative Reference Bureau**

This bill adopts, for income tax and franchise tax purposes, the changes to the federal Internal Revenue Code made by Public Law 107-16, the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

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This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 71.01 (6) (g) of the statutes is repealed.

2           **SECTION 2.** 71.01 (6) (L) of the statutes is amended to read:

3           71.01 (6) (L) For taxable years that begin after December 31, 1996, and before  
4           January 1, 1998, for natural persons and fiduciaries, except fiduciaries of nuclear  
5           decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
6           Internal Revenue Code as amended to December 31, 1996, excluding sections 103,  
7           104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
8           (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
9           104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277  
10          and, P.L. 106-36, and P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L.  
11          100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
12          101-280, P.L. 101-508, P.L. 102-90, 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. 104-117, P.L. 104-188, excluding sections  
16          1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
17          104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and  
18          P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same  
19          time as for federal purposes. Amendments to the federal Internal Revenue Code  
20          enacted after December 31, 1996, do not apply to this paragraph with respect to

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1 taxable years beginning after December 31, 1996, and before January 1, 1998,  
2 except that changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34,  
3 P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, and changes that  
4 indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,  
5 P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16 apply for  
6 Wisconsin purposes at the same time as for federal purposes.

7 **SECTION 3.** 71.01 (6) (m) of the statutes is amended to read:

8 71.01 (6) (m) For taxable years that begin after December 31, 1997, and before  
9 January 1, 1999, for natural persons and fiduciaries, except fiduciaries of nuclear  
10 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
11 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
12 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
13 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
14 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36  
15 and, P.L. 106-170, and P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L.  
16 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
17 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104, and  
18 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
19 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
20 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections  
21 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
22 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
23 106-36 and, P.L. 106-170, and P.L. 107-16. The Internal Revenue Code applies for  
24 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
25 federal Internal Revenue Code enacted after December 31, 1997, do not apply to this

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1 paragraph with respect to taxable years beginning after December 31, 1997, and  
2 before January 1, 1999, except that changes to the Internal Revenue Code made by  
3 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
4 107-16 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, and P.L. 107-16 apply for Wisconsin purposes at the same time as for  
7 federal purposes.

8 **SECTION 4.** 71.01 (6) (n) of the statutes is amended to read:

9 71.01 (6) (n) For taxable years that begin after December 31, 1998, and before  
10 January 1, 2000, for natural persons and fiduciaries, except fiduciaries of nuclear  
11 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
12 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,  
13 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
14 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
15 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, and  
16 as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
17 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L.  
18 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
19 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
20 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.  
21 104-117, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
22 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
23 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
24 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same time  
25 as for federal purposes. Amendments to the federal Internal Revenue Code enacted

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1 after December 31, 1998, do not apply to this paragraph with respect to taxable years  
2 beginning after December 31, 1998, and before January 1, 2000, except that  
3 changes to the Internal Revenue Code made by P.L. 106-36 and, P.L. 106-170, and  
4 P.L. 107-16 and changes that indirectly affect the provisions applicable to this  
5 subchapter made by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 apply for  
6 Wisconsin purposes at the same time as for federal purposes.

7 **SECTION 5.** 71.01 (6) (o) of the statutes is amended to read:

8 71.01 (6) (o) For taxable years that begin after December 31, 1999, and before  
9 January 1, 2001, for natural persons and fiduciaries, except fiduciaries of nuclear  
10 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
11 Internal Revenue Code as amended to December 31, 1999, excluding sections 103,  
12 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
13 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
14 104-188, and as amended by P.L. 107-16, and as indirectly affected by P.L. 99-514,  
15 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
16 P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104,  
17 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
18 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
19 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections  
20 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
21 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
22 106-36 and, P.L. 106-170, and P.L. 107-16. The Internal Revenue Code applies for  
23 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
24 federal Internal Revenue Code enacted after December 31, 1999, do not apply to this  
25 paragraph with respect to taxable years beginning after December 31, 1999, and

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1 before January 1, 2001, except that changes to the Internal Revenue Code made by  
2 P.L. 107-16 and changes that indirectly affect the provisions applicable to this  
3 subchapter made by P.L. 107-16 apply for Wisconsin purposes at the same time as  
4 for federal purposes.

5 ~~SECTION 6. 71.01 (6) (p) of the statutes is created to read:~~

6 71.01 (6) (p) For taxable years that begin after December 31, 2000, and before  
7 January 1, 2002, for natural persons and fiduciaries, except fiduciaries of nuclear  
8 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
9 Internal Revenue Code as amended to December 31, 2000, excluding sections 103,  
10 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
11 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
12 104-188, and as amended by P.L. 107-16, and as indirectly affected by P.L. 99-514,  
13 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
14 P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104,  
15 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
16 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
17 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, 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, P.L. 106-170, and P.L. 107-16. The Internal Revenue Code applies for  
21 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
22 federal Internal Revenue Code enacted after December 31, 2000, do not apply to this  
23 paragraph with respect to taxable years beginning after December 31, 2000, and  
24 before January 1, 2002, except that changes to the Internal Revenue Code made by  
25 P.L. 107-16 and changes that indirectly affect the provisions applicable to this

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1 subchapter made by P.L. 107-16 apply for Wisconsin purposes at the same time as  
2 for federal purposes.

3 **SECTION 7.** 71.01 (6) (q) of the statutes is created to read:

4 71.01 (6) (q) For taxable years that begin after December 31, 2001, for natural  
5 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or  
6 reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code  
7 as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.  
8 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
9 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
10 amended by P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.  
11 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L.  
12 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
13 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
14 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
15 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections 1123 (b), 1202  
16 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
17 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.  
18 106-170, and P.L. 107-16. The Internal Revenue Code applies for Wisconsin  
19 purposes at the same time as for federal purposes. Amendments to the federal  
20 Internal Revenue Code enacted after December 31, 2001, do not apply to this  
21 paragraph with respect to taxable years beginning after December 31, 2001.

22 **SECTION 8.** 71.01 (7r) of the statutes is renumbered 71.01 (7r) (a) and amended  
23 to read:

24 71.01 (7r) (a) ~~Notwithstanding~~ For taxable years that begin after December 31,  
25 2000, and before January 1, 2002, notwithstanding sub. (6), for purposes of

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1 computing amortization or depreciation, "Internal Revenue Code" means either the  
2 federal Internal Revenue Code as amended to December 31, 1999 2000, or the federal  
3 Internal Revenue Code in effect for the taxable year for which the return is filed,  
4 except that property that, under s. 71.02 (2) (d) 12., 1985 stats., is required to be  
5 depreciated for taxable year 1986 under the Internal Revenue Code as amended to  
6 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
7 Code as amended to December 31, 1980.

8 **SECTION 9.** 71.01 (7r) (b) of the statutes is created to read:

9 71.01 (7r) (b) For taxable years that begin after December 31, 2001,  
10 notwithstanding sub. (6), for purposes of computing amortization or depreciation,  
11 "Internal Revenue Code" means either the federal Internal Revenue Code as  
12 amended to December 31, 2001, or the federal Internal Revenue Code in effect for the  
13 taxable year for which the return is filed, except that property that, under s. 71.02  
14 (2) (d) 12., 1985 stats., is required to be depreciated for taxable year 1986 under the  
15 Internal Revenue Code as amended to December 31, 1980, shall continue to be  
16 depreciated under the Internal Revenue Code as amended to December 31, 1980.

17 **SECTION 10.** 71.22 (4) (g) of the statutes is repealed.

18 **SECTION 11.** 71.22 (4) (L) of the statutes is amended to read:

19 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
20 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
21 December 31, 1996, and before January 1, 1998, means the federal Internal  
22 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and  
23 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
24 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
25 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L.



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1 106-36, and P.L. 107-16, and as indirectly affected in the provisions applicable to  
2 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
3 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section  
4 1008 (g) (5) of 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  
9 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
10 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16. 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, 1996, do not apply to this paragraph with respect to taxable years  
14 beginning after December 31, 1996, and before January 1, 1998, except that  
15 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
16 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16 and changes that indirectly  
17 affect the provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34,  
18 P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16 apply for Wisconsin  
19 purposes at the same time as for federal purposes.

20 **SECTION 12.** 71.22 (4) (m) of the statutes is amended to read:

21 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
22 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
23 December 31, 1997, and before January 1, 1999, means the federal Internal  
24 Revenue Code as amended to December 31, 1997, excluding sections 103, 104, and  
25 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

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1 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
2 and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.  
3 106-170, P.L. 107-16, and as indirectly affected in the provisions applicable to  
4 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
5 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section  
6 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
7 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.  
8 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
9 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
10 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
11 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
12 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
13 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same time  
14 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
15 after December 31, 1997, do not apply to this paragraph with respect to taxable years  
16 beginning after December 31, 1997, and before January 1, 1999, except that  
17 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.  
18 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 and changes that indirectly  
19 affect the provisions applicable to this subchapter made by P.L. 105-178, P.L.  
20 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 apply for  
21 Wisconsin purposes at the same time as for federal purposes.

22 **SECTION 13.** 71.22 (4) (n) of the statutes is amended to read:

23 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
24 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
25 December 31, 1998, and before January 1, 2000, means the federal Internal

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1 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and  
2 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
3 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
4 and as amended by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, and as indirectly  
5 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
6 P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
7 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.  
8 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
9 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
10 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
11 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
12 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
13 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
14 106-36 and, P.L. 106-170, and P.L. 107-16. The Internal Revenue Code applies for  
15 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
16 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this  
17 paragraph with respect to taxable years beginning after December 31, 1998, and  
18 before January 1, 2000, except that changes to the Internal Revenue Code made by  
19 P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 and changes that indirectly affect the  
20 provisions applicable to this subchapter made by P.L. 106-36 and, P.L. 106-170, and  
21 P.L. 107-16 apply for Wisconsin purposes at the same time as for federal purposes.

22 **SECTION 14.** 71.22 (4) (o) of the statutes is amended to read:

23 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
24 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
25 December 31, 1999, and before January 1, 2001, means the federal Internal Revenue

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1 Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.  
2 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
3 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
4 amended by P.L. 107-16, and as indirectly affected in the provisions applicable to  
5 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
6 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section  
7 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
8 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.  
9 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
10 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
11 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
12 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
13 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
14 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same time  
15 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
16 after December 31, 1999, do not apply to this paragraph with respect to taxable years  
17 beginning after December 31, 1999, and before January 1, 2001, except that changes  
18 to the Internal Revenue Code made by P.L. 107-16 and changes that indirectly affect  
19 the provisions applicable to this subchapter made by P.L. 107-16 apply for Wisconsin  
20 purposes at the same time as for federal purposes.

21 ~~SECTION 15. 71.22 (4) (p) of the statutes is created to read:~~

22 71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
23 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
24 December 31, 2000, and before January 1, 2002, means the federal Internal Revenue  
25 Code as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.

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1 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
2 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
3 amended by P.L. 107-16, and as indirectly affected in the provisions applicable to  
4 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803  
5 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section  
6 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
7 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.  
8 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
9 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
10 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
11 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
12 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 107-170, and P.L. 107-16.  
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, 2000, do not apply to this paragraph with respect to taxable years  
16 beginning after December 31, 2000, and before January 1, 2002, except that changes  
17 to the Internal Revenue Code made by P.L. 107-16 and changes that indirectly affect  
18 the provisions applicable to this subchapter made by P.L. 107-16 apply for Wisconsin  
19 purposes at the same time as for federal purposes.

20 **SECTION 16.** 71.22 (4) (q) of the statutes is created to read:

21 71.22 (4) (q) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
22 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
23 December 31, 2001, means the federal Internal Revenue Code as amended to  
24 December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
25 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),

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1 ~~1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L. 107-16,~~  
2 ~~and as indirectly affected in the provisions applicable to this subchapter by P.L.~~  
3 ~~99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812~~  
4 ~~(c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.~~  
5 ~~100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.~~  
6 ~~102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.~~  
7 ~~102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and~~  
8 ~~13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.~~  
9 ~~104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.~~  
10 ~~104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.~~  
11 ~~105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and P.L. 107-16. The Internal~~  
12 ~~Revenue Code applies for Wisconsin purposes at the same time as for federal~~  
13 ~~purposes. Amendments to the federal Internal Revenue Code enacted after~~  
14 ~~December 31, 2001, do not apply to this paragraph with respect to taxable years~~  
15 ~~beginning after December 31, 2001.~~

16 **SECTION 17.** 71.22 (4m) (e) of the statutes is repealed.

17 **SECTION 18.** 71.22 (4m) (j) of the statutes is amended to read:

18 71.22 (4m) (j) For taxable years that begin after December 31, 1996, and before  
19 January 1, 1998, "Internal Revenue Code", for corporations that are subject to a tax  
20 on unrelated business income under s. 71.26 (1) (a), means the federal Internal  
21 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and  
22 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
23 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188  
24 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L.  
25 106-36, and P.L. 107-16, and as indirectly affected in the provisions applicable to

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1 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
2 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
3 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
4 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
5 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
6 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) 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, P.L. 105-277 and, P.L. 106-36, and  
8 P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same  
9 time as for federal purposes. Amendments to the Internal Revenue Code enacted  
10 after December 31, 1996, do not apply to this paragraph with respect to taxable years  
11 beginning after December 31, 1996, and before January 1, 1998, except that  
12 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
13 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, and changes that  
14 indirectly affect provisions applicable to this subchapter made by P.L. 105-33, P.L.  
15 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, apply for  
16 Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 19.** 71.22 (4m) (k) of the statutes is amended to read:

18 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and  
19 before January 1, 1999, "Internal Revenue Code", for corporations that are subject  
20 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
21 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
22 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
23 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
24 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36  
25 and, P.L. 106-170, and P.L. 107-16, and as indirectly affected in the provisions

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1 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
2 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
3 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
4 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
5 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
6 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
7 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
8 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16. The Internal Revenue  
9 Code applies for Wisconsin purposes at the same time as for federal purposes.  
10 Amendments to the Internal Revenue Code enacted after December 31, 1997, do not  
11 apply to this paragraph with respect to taxable years beginning after  
12 December 31, 1997, and before January 1, 1999, except that changes to the Internal  
13 Revenue Code made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and,  
14 P.L. 106-170, and P.L. 107-16 and changes that indirectly affect the provisions  
15 applicable to this subchapter made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
16 106-36 and, P.L. 106-170, and P.L. 107-16 apply for Wisconsin purposes at the same  
17 time as for federal purposes.

18 **SECTION 20.** 71.22 (4m) (L) of the statutes is amended to read:

19 71.22 (4m) (L) For taxable years that begin after December 31, 1998, and  
20 before January 1, 2000, "Internal Revenue Code", for corporations that are subject  
21 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
22 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,  
23 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
24 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
25 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, and



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1 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,  
2 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
3 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.  
4 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
5 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
6 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
7 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
8 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
9 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same time  
10 as for federal purposes. Amendments to the Internal Revenue Code enacted after  
11 December 31, 1998, do not apply to this paragraph with respect to taxable years  
12 beginning after December 31, 1998, and before January 1, 2000, except that  
13 changes to the Internal Revenue Code made by P.L. 106-36 and, P.L. 106-170, and  
14 P.L. 107-16 and changes that indirectly affect the provisions applicable to this  
15 subchapter made by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 apply for  
16 Wisconsin purposes at the same time as for federal purposes.

17 **SECTION 21.** 71.22 (4m) (m) of the statutes is amended to read:

18 71.22 (4m) (m) For taxable years that begin after December 31, 1999, and  
19 before January 1, 2001, "Internal Revenue Code", for corporations that are subject  
20 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
21 Internal Revenue Code as amended to December 31, 1999, excluding sections 103,  
22 104, and 110 of P.L. 102 227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
23 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
24 104-188, and as amended by P.L. 107-16, and as indirectly affected in the provisions  
25 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.

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1 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
2 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
3 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
4 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
5 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
6 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
7 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16. The Internal Revenue  
8 Code applies for Wisconsin purposes at the same time as for federal purposes.  
9 Amendments to the Internal Revenue Code enacted after December 31, 1999, do not  
10 apply to this paragraph with respect to taxable years beginning after  
11 December 31, 1999, and before January 1, 2001, except that changes to the Internal  
12 Revenue Code made by P.L. 107-16 and changes that indirectly affect the provisions  
13 applicable to this subchapter made by P.L. 107-16 apply for Wisconsin purposes at  
14 the same time as for federal purposes.

15 ~~SECTION 22. 71.22 (4m) (n) of the statutes is created to read:~~

16 ~~71.22 (4m) (n) For taxable years that begin after December 31, 2000, and~~  
17 ~~before January 1, 2002, "Internal Revenue Code," for corporations that are subject~~  
18 ~~to a tax on unrelated business income under s. 71.26 (1) (a), means the federal~~  
19 ~~Internal Revenue Code as amended to December 31, 2000, excluding sections 103,~~  
20 ~~104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203~~  
21 ~~(d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.~~  
22 ~~104-188, and as amended by P.L. 107-16, and as indirectly affected in the provisions~~  
23 ~~applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.~~  
24 ~~101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,~~  
25 ~~excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.~~

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1 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
2 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
3 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
4 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
5 105-277, P.L. 106-36, P.L. 106-170, and P.L. 107-16. The Internal Revenue Code  
6 applies for Wisconsin purposes at the same time as for federal purposes.  
7 Amendments to the Internal Revenue Code enacted after December 31, 2000, do not  
8 apply to this paragraph with respect to taxable years beginning after  
9 December 31, 2000, and before January 1, 2002, except that changes to the Internal  
10 Revenue Code made by P.L. 107-16 and changes that indirectly affect the provisions  
11 applicable to this subchapter made by P.L. 107-16 apply for Wisconsin purposes at  
12 the same time as for federal purposes.

13 **SECTION 23.** 71.22 (4m) (o) of the statutes is created to read:

14 71.22 (4m) (o) For taxable years that begin after December 31, 2001, "Internal  
15 Revenue Code," for corporations that are subject to a tax on unrelated business  
16 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended  
17 to December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
18 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),  
19 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by of P.L.  
20 107-16, and as indirectly affected in the provisions applicable to this subchapter by  
21 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,  
22 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
23 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
24 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
25 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),

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1 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
2 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and  
3 P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same  
4 time as for federal purposes. Amendments to the Internal Revenue Code enacted  
5 after December 31, 2001, do not apply to this paragraph with respect to taxable years  
6 beginning after December 31, 2001.

7 **SECTION 24.** 71.26 (2) (b) 7. of the statutes is repealed.

8 **SECTION 25.** 71.26 (2) (b) 12. of the statutes is amended to read:

9 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and  
10 before January 1, 1998, for a corporation, conduit or common law trust which  
11 qualifies as a regulated investment company, real estate mortgage investment  
12 conduit, real estate investment trust or financial asset securitization investment  
13 trust under the Internal Revenue Code as amended to December 31, 1996, excluding  
14 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
15 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
16 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,  
17 P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, and as indirectly affected in the  
18 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,  
19 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
20 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
21 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
22 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
23 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
24 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and,  
25 P.L. 106-36, and P.L. 107-16, "net income" means the federal regulated investment

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1 company taxable income, federal real estate mortgage investment conduit taxable  
2 income, federal real estate investment trust or financial asset securitization  
3 investment trust taxable income of the corporation, conduit or trust as determined  
4 under the Internal Revenue Code as amended to December 31, 1996, excluding  
5 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
6 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
7 1605 (d) of P.L. 104-188 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,  
8 P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, and as indirectly affected in the  
9 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,  
10 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
11 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
12 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
13 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
14 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
15 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and,  
16 P.L. 106-36, and P.L. 107-16, except that property that, under s. 71.02 (1) (c) 8. to  
17 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under  
18 the Internal Revenue Code as amended to December 31, 1980, shall continue to be  
19 depreciated under the Internal Revenue Code as amended to December 31, 1980,  
20 and except that the appropriate amount shall be added or subtracted to reflect  
21 differences between the depreciation or adjusted basis for federal income tax  
22 purposes and the depreciation or adjusted basis under this chapter of any property  
23 disposed of during the taxable year. The Internal Revenue Code as amended to  
24 December 31, 1996, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
25 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, and sections 1123

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1 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L.  
2 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 ~~and~~, P.L. 106-36, and P.L. 107-16,  
3 and as indirectly affected in the provisions applicable to this subchapter by P.L.  
4 99-514, P.L. 100-203, 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 1123 (b), 1202 (c), 1204 (f),  
9 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
10 105-34, P.L. 105-206, P.L. 105-277 ~~and~~, P.L. 106-36, and P.L. 107-16, applies for  
11 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
12 Internal Revenue Code enacted after December 31, 1996, do not apply to this  
13 subdivision with respect to taxable years that begin after December 31, 1996, and  
14 before January 1, 1998, except that changes to the Internal Revenue Code made by  
15 P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 ~~and~~, P.L. 106-36, and P.L.  
16 107-16, and changes that indirectly affect the provisions applicable to this  
17 subchapter made by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 ~~and~~, P.L.  
18 106-36, and P.L. 107-16, apply for Wisconsin purposes at the same time as for federal  
19 purposes.

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

21 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and  
22 before January 1, 1999, for a corporation, conduit or common law trust which  
23 qualifies as a regulated investment company, real estate mortgage investment  
24 conduit, real estate investment trust or financial asset securitization investment  
25 trust under the Internal Revenue Code as amended to December 31, 1997, excluding

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1 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
2 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
3 1605 (d) of P.L. 104-188, and as amendeded by P.L. 105-178, P.L. 105-206, P.L.  
4 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, and as indirectly affected  
5 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
6 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
7 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
8 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
9 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
10 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
11 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
12 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, "net income"  
13 means the federal regulated investment company taxable income, federal real estate  
14 mortgage investment conduit taxable income, federal real estate investment trust  
15 or financial asset securitization investment trust taxable income of the corporation,  
16 conduit or trust as determined under the Internal Revenue Code as amended to  
17 December 31, 1997, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
18 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123  
19 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L.  
20 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
21 107-16, and as indirectly affected in the provisions applicable to this subchapter by  
22 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,  
23 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
24 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
25 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.

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1 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
2 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
3 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,  
4 and P.L. 107-16, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,  
5 is required to be depreciated for taxable years 1983 to 1986 under the Internal  
6 Revenue Code as amended to December 31, 1980, shall continue to be depreciated  
7 under the Internal Revenue Code as amended to December 31, 1980, and except that  
8 the appropriate amount shall be added or subtracted to reflect differences between  
9 the depreciation or adjusted basis for federal income tax purposes and the  
10 depreciation or adjusted basis under this chapter of any property disposed of during  
11 the taxable year. The Internal Revenue Code as amended to December 31, 1997,  
12 excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171  
13 (d), 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,  
14 and 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L.  
15 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, and as indirectly affected  
16 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
17 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
18 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
19 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
20 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.  
21 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.  
22 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
23 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, applies for  
24 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
25 Internal Revenue Code enacted after December 31, 1997, do not apply to this



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1 subdivision with respect to taxable years that begin after December 31, 1997, and  
2 before January 1, 1999, except that changes to the Internal Revenue Code made by  
3 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
4 107-16 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 and,  
6 P.L. 106-170, and P.L. 107-16 apply for Wisconsin purposes at the same time as for  
7 federal purposes.

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

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

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1 taxable income, federal real estate mortgage investment conduit taxable income,  
2 federal real estate investment trust or financial asset securitization investment  
3 trust taxable income of the corporation, conduit or trust as determined under the  
4 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,  
5 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
6 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
7 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, and  
8 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,  
9 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
10 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.  
11 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
12 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
13 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
14 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
15 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.  
16 107-16, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is  
17 required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue  
18 Code as amended to December 31, 1980, shall continue to be depreciated under the  
19 Internal Revenue Code as amended to December 31, 1980, and except that the  
20 appropriate amount shall be added or subtracted to reflect differences between the  
21 depreciation or adjusted basis for federal income tax purposes and the depreciation  
22 or adjusted basis under this chapter of any property disposed of during the taxable  
23 year. The Internal Revenue Code as amended to December 31, 1998, excluding  
24 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
25 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,

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1 and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and  
2 P.L. 107-16, and as indirectly affected in the provisions applicable to this subchapter  
3 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,  
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 and, P.L. 106-170,  
10 and P.L. 107-16, applies for Wisconsin purposes at the same time as for federal  
11 purposes. Amendments to the Internal Revenue Code enacted after December 31,  
12 1998, do not apply to this subdivision with respect to taxable years that begin after  
13 December 31, 1998, and before January 1, 2000, except that changes to the Internal  
14 Revenue Code made by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 and changes  
15 that indirectly affect the provisions applicable to this subchapter made by P.L.  
16 106-36 and, P.L. 106-170, and P.L. 107-16 apply for Wisconsin purposes at the same  
17 time as for federal purposes.

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

19 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, and  
20 before January 1, 2001, for a corporation, conduit or common law trust which  
21 qualifies as a regulated investment company, real estate mortgage investment  
22 conduit, real estate investment trust or financial asset securitization investment  
23 trust under the Internal Revenue Code as amended to December 31, 1999, excluding  
24 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
25 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and

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1 1605 (d) of P.L. 104-188, and as amended by P.L. 107-16, and as indirectly affected  
2 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
3 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
4 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
5 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
6 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.  
7 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
8 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
9 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, “net income”  
10 means the federal regulated investment company taxable income, federal real estate  
11 mortgage investment conduit taxable income, federal real estate investment trust  
12 or financial asset securitization investment trust taxable income of the corporation,  
13 conduit or trust as determined under the Internal Revenue Code as amended to  
14 December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
15 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123  
16 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L.  
17 107-16, and as indirectly affected in the provisions applicable to this subchapter by  
18 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,  
19 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
20 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
21 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
22 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
23 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
24 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,  
25 and P.L. 107-16, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,

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1 is required to be depreciated for taxable years 1983 to 1986 under the Internal  
2 Revenue Code as amended to December 31, 1980, shall continue to be depreciated  
3 under the Internal Revenue Code as amended to December 31, 1980, and except that  
4 the appropriate amount shall be added or subtracted to reflect differences between  
5 the depreciation or adjusted basis for federal income tax purposes and the  
6 depreciation or adjusted basis under this chapter of any property disposed of during  
7 the taxable year. The Internal Revenue Code as amended to December 31, 1999,  
8 excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171  
9 (d), 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,  
10 and 1605 (d) of P.L. 104-188, and as amended by P.L. 107-16, 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, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
13 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
14 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
15 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.  
16 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
17 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
18 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, applies for  
19 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
20 Internal Revenue Code enacted after December 31, 1999, do not apply to this  
21 subdivision with respect to taxable years that begin after December 31, 1999, and  
22 before January 1, 2001, except that changes to the Internal Revenue Code made by  
23 P.L. 107-16 and changes that indirectly affect the provisions applicable to this  
24 subchapter made by P.L. 107-16 apply for Wisconsin purposes at the same time as  
25 for federal purposes.

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

2           71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, and  
3 before January 1, 2002, for a corporation, conduit, or common law trust which  
4 qualifies as a regulated investment company, real estate mortgage investment  
5 conduit, real estate investment trust, or financial asset securitization investment  
6 trust under the Internal Revenue Code as amended to December 31, 2000, excluding  
7 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
8 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
9 1605 (d) of P.L. 104-188, and as amended by P.L. 107-16, and as indirectly affected  
10 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
11 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
12 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
13 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
14 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.  
15 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
16 104-188, P.L. 104-191, P.L. 104-198, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
17 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and P.L. 107-16, "net income"  
18 means the federal regulated investment company taxable income, federal real estate  
19 mortgage investment conduit taxable income, federal real estate investment trust  
20 or financial asset securitization investment trust taxable income of the corporation,  
21 conduit, or trust as determined under the Internal Revenue Code as amended to  
22 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
23 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),  
24 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L. 107-16,  
25 and as indirectly affected in the provisions applicable to this subchapter by P.L.

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1 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
2 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
3 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
4 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
5 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
6 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
7 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and  
8 P.L. 107-16, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is  
9 required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue  
10 Code as amended to December 31, 1980, shall continue to be depreciated under the  
11 Internal Revenue Code as amended to December 31, 1980, and except that the  
12 appropriate amount shall be added or subtracted to reflect differences between the  
13 depreciation or adjusted basis for federal income tax purposes and the depreciation  
14 or adjusted basis under this chapter of any property disposed of during the taxable  
15 year. The Internal Revenue Code as amended to December 31, 2000, excluding  
16 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
17 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
18 1605 (d) of P.L. 104-188, and as amended by P.L. 107.16, and as indirectly affected  
19 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.  
20 100-647, 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, and  
23 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.  
24 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
25 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.

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1 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and P.L. 107-16, applies for  
2 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
3 Internal Revenue Code enacted after December 31, 2000, do not apply to this  
4 subdivision with respect to taxable years that begin after December 31, 2000, and  
5 before January 1, 2002, except that changes to the Internal Revenue Code made by  
6 P.L. 107-16 and changes that indirectly affect the provisions applicable to this  
7 subchapter made by P.L. 107-16 apply for Wisconsin purposes at the same time as  
8 for federal purposes.

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

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



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1 income, federal real estate mortgage investment conduit taxable income, federal real  
2 estate investment trust or financial asset securitization investment trust taxable  
3 income of the corporation, conduit, or trust as determined under the Internal  
4 Revenue Code as amended to December 31, 2001, excluding sections 103, 104, and  
5 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
6 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and  
7 as amended by P.L. 107-16, and as indirectly affected in the provisions applicable to  
8 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
9 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
10 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
11 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
12 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
13 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
14 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
15 106-36, P.L. 106-170, and P.L. 107-16, except that property that, under s. 71.02 (1)  
16 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
17 under the Internal Revenue Code as amended to December 31, 1980, shall continue  
18 to be depreciated under the Internal Revenue Code as amended to  
19 December 31, 1980, and except that the appropriate amount shall be added or  
20 subtracted to reflect differences between the depreciation or adjusted basis for  
21 federal income tax purposes and the depreciation or adjusted basis under this  
22 chapter of any property disposed of during the taxable year. The Internal Revenue  
23 Code as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.  
24 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
25 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. 107-16, and as indirectly affected in the provisions applicable to  
2 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.  
3 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
4 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
5 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
6 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
7 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
8 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
9 106-36, P.L. 106-170, and P.L. 107-16, applies for Wisconsin purposes at the same  
10 time as for federal purposes. Amendments to the Internal Revenue Code enacted  
11 after December 31, 2001, do not apply to this subdivision with respect to taxable  
12 years that begin after December 31, 2001.

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

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

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

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

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

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

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

18 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable  
19 years that begin after December 31, 1996, and before January 1, 1998, means the  
20 federal Internal Revenue Code as amended to December 31, 1996, excluding  
21 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
22 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
23 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,  
24 P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, and as indirectly affected in the  
25 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647

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1 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)  
2 of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
3 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and  
4 110 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. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16,  
9 except that section 1366 (f) (relating to pass-through of items to shareholders) is  
10 modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and  
11 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time  
12 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
13 after December 31, 1996, do not apply to this paragraph with respect to taxable years  
14 beginning after December 31, 1996, and before January 1, 1998, except that  
15 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
16 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, and changes that  
17 indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,  
18 P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, apply for  
19 Wisconsin purposes at the same time as for federal purposes.

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

21 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable  
22 years that begin after December 31, 1997, and before January 1, 1999, means the  
23 federal Internal Revenue Code as amended to December 31, 1997, excluding sections  
24 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and  
25 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)

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

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

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1           71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable  
2 years that begin after December 31, 1998, and before January 1, 2000, means the  
3 federal Internal Revenue Code as amended to December 31, 1998, excluding sections  
4 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and  
5 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)  
6 of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and 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 and, P.L. 106-170, P.L. 107-16, except that  
17 section 1366 (f) (relating to pass-through of items to shareholders) is modified by  
18 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The  
19 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
20 purposes. Amendments to the federal Internal Revenue Code enacted after  
21 December 31, 1998, do not apply to this paragraph with respect to taxable years  
22 beginning after December 31, 1998, and before January 1, 2000, except that  
23 changes to the Internal Revenue Code made by P.L. 106-36 and, P.L. 106-170, and  
24 P.L. 107-16 and changes that indirectly affect the provisions applicable to this

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1 subchapter made by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 apply for  
2 Wisconsin purposes at the same time as for federal purposes.

3 SECTION 37. 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. 107-16, and as indirectly affected in the  
10 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,  
11 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)  
12 of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
13 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and  
14 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
15 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
16 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
17 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
18 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.  
19 106-170, and P.L. 107-16, except that section 1366 (f) (relating to pass-through of  
20 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes  
21 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin  
22 purposes at the same time as for federal purposes. Amendments to the federal  
23 Internal Revenue Code enacted after December 31, 1999, do not apply to this  
24 paragraph with respect to taxable years beginning 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. 107-16 and changes that indirectly affect the provisions applicable to this  
2 subchapter made by P.L. 107-16 apply for Wisconsin purposes at the same time as  
3 for federal purposes.

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

5 ~~71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable~~  
6 ~~years that begin after December 31, 2000, and before January 1, 2002, means the~~  
7 ~~federal Internal Revenue Code as amended to December 31, 2000, excluding sections~~  
8 ~~103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and~~  
9 ~~13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.~~  
10 ~~104-188, and as amended by P.L. 107-16, and as indirectly affected in the provisions~~  
11 ~~applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding~~  
12 ~~sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514~~  
13 ~~and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.~~  
14 ~~101-239, P.L. 101-508, 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. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),~~  
18 ~~1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.~~  
19 ~~105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and~~  
20 ~~P.L. 107-16, except that section 1366 (f) (relating to pass-through of items to~~  
21 ~~shareholders) is modified by substituting the tax under s. 71.35 for the taxes under~~  
22 ~~sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes~~  
23 ~~at the same time as for federal purposes. Amendments to the federal Internal~~  
24 ~~Revenue Code enacted after December 31, 2000, do not apply to this paragraph with~~  
25 ~~respect to taxable years beginning after December 31, 2000, and before January 1,~~



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

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

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

## BILL

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

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

**BILL**

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

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

6 71.365 (1m) (b) For taxable years that begin after December 31, 2001, a  
7 tax-option corporation may compute amortization and depreciation under either the  
8 federal Internal Revenue Code as amended to December 31, 2001, 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

## BILL

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

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

9 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before  
10 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code  
11 as amended to December 31, 1996, 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. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36,  
15 and P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.  
16 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
17 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
18 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
19 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.  
20 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
21 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L.  
22 105-277 and, P.L. 106-36, and P.L. 107-16, except that "Internal Revenue Code"  
23 does not include section 847 of the federal Internal Revenue Code. The Internal  
24 Revenue Code applies for Wisconsin purposes at the same time as for federal  
25 purposes. Amendments to the federal Internal Revenue Code enacted after

**BILL**

1 December 31, 1996, do not apply to this paragraph with respect to taxable years  
2 beginning after December 31, 1996, and before January 1, 1998, except that  
3 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
4 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, and changes that  
5 indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,  
6 P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 107-16, apply for  
7 Wisconsin purposes at the same time as for federal purposes.

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

9 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before  
10 January 1, 1999, "Internal Revenue Code" means the federal Internal Revenue Code  
11 as amended to December 31, 1997, 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. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,  
15 and P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.  
16 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
17 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
18 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
19 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.  
20 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
21 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
22 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, except that  
23 "Internal Revenue Code" does not include section 847 of the federal Internal Revenue  
24 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time  
25 as for federal purposes. Amendments to the federal Internal Revenue Code enacted

**BILL**

1 after December 31, 1997, do not apply to this paragraph with respect to taxable years  
2 beginning after December 31, 1997, and before January 1, 1999, except that  
3 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.  
4 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 and changes that indirectly  
5 affect the provisions applicable to this subchapter made by P.L. 105-178, P.L.  
6 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 apply for  
7 Wisconsin purposes at the same time as for federal purposes.

8 **SECTION 45.** 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, and P.L. 107-16, and as indirectly  
15 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
16 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and  
17 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
18 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
19 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
20 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
21 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.  
22 106-170, and P.L. 107-16, except that "Internal Revenue Code" does not include  
23 section 847 of the federal Internal Revenue Code. The Internal Revenue Code  
24 applies for Wisconsin purposes at the same time as for federal purposes.  
25 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,

**BILL**

1 do not apply to this paragraph with respect to taxable years beginning after  
2 December 31, 1998, and before January 1, 2000, except that changes to the Internal  
3 Revenue Code made by P.L. 106-36 and, P.L. 106-170, and P.L. 107-16 and changes  
4 that indirectly affect the provisions applicable to this subchapter made by P.L.  
5 106-36 and, P.L. 106-170, and P.L. 107-16 apply for Wisconsin purposes at the same  
6 time as for federal purposes.

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

8 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before  
9 January 1, 2001, "Internal Revenue Code" means the federal Internal Revenue Code  
10 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.  
11 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
12 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
13 amended by P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.  
14 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
15 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
16 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
17 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.  
18 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
19 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
20 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 107-16, except that  
21 "Internal Revenue Code" does not include section 847 of the federal Internal Revenue  
22 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time  
23 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
24 after December 31, 1999, do not apply to this paragraph with respect to taxable years  
25 beginning after December 31, 1999, and before January 1, 2001, except that changes

**BILL**

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

4 ~~SECTION 47. 71.42 (2) (e) of the statutes is created to read:~~

5 ~~71.42 (2) (e) For taxable years that begin after December 31, 2000, and before~~  
6 ~~January 1, 2002, "Internal Revenue Code" means the federal Internal Revenue Code~~  
7 ~~as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.~~  
8 ~~102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,~~  
9 ~~sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as~~  
10 ~~amended by P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.~~  
11 ~~100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.~~  
12 ~~102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.~~  
13 ~~102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and~~  
14 ~~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.~~  
15 ~~104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.~~  
16 ~~104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.~~  
17 ~~105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and P.L. 107-16, except that~~  
18 ~~"Internal Revenue Code" does not include section 847 of the federal Internal Revenue~~  
19 ~~Code. The Internal Revenue Code applies for Wisconsin purposes at the same time~~  
20 ~~as for federal purposes. Amendments to the federal Internal Revenue Code enacted~~  
21 ~~after December 31, 2000, do not apply to this paragraph with respect to taxable years~~  
22 ~~beginning after December 31, 2000, and before January 1, 2002, except that changes~~  
23 ~~to the Internal Revenue Code made by P.L. 107-16 and changes that indirectly affect~~  
24 ~~the provisions applicable to this subchapter made by P.L. 107-16 apply for Wisconsin~~  
25 ~~purposes at the same time as for federal purposes.~~



**BILL**

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

2 ~~71.42 (2) (p) For taxable years that begin after December 31, 2001, "Internal~~  
3 ~~Revenue Code" 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 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73,~~  
8 ~~P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding~~  
9 ~~sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66,~~  
10 ~~excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,~~  
11 ~~P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding~~  
12 ~~sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191,~~  
13 ~~P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277,~~  
14 ~~P.L. 106-36, P.L. 106-170, and P.L. 107-16, except that "Internal Revenue Code"~~  
15 ~~does not include section 847 of the federal Internal Revenue Code. The Internal~~  
16 ~~Revenue Code applies for Wisconsin purposes at the same time as for federal~~  
17 ~~purposes. Amendments to the federal Internal Revenue Code enacted after~~  
18 ~~December 31, 2001, do not apply to this paragraph with respect to taxable years~~  
19 ~~beginning after December 31, 2001.~~

20 ~~SECTION 49. 71.45 (2) (a) 13. of the statutes is renumbered 71.45 (2) (a) 13. a.~~  
21 ~~and amended to read:~~

22 ~~71.45 (2) (a) 13. a. By For taxable years that begin after December 31, 2000,~~  
23 ~~and before January 1, 2002, by adding or subtracting, as appropriate, the difference~~  
24 ~~between the depreciation deduction under the federal Internal Revenue Code as~~  
25 ~~amended to December 31, ~~1999~~ 2000, and the depreciation deduction under the~~

**BILL**

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

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

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

25 **SECTION 51. Initial applicability.**

**BILL**

1 (1) DEPRECIATION DEDUCTIONS.

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

5 (b) The treatment of sections 71.07 (7r) (b), 71.26 (3) (y) 2., 71.365 (1m) (b), and  
6 71.45 (2) (a) 13. b. of the statutes first applies to property placed in service in taxable  
7 years beginning on January 1, 2002.

8

(END)

4530/2 dv

D-N

Kmg:

Representative Black:

Please review this draft carefully to ensure that it is consistent with your intent. The draft reflects changes based on my conversation with Bill Ford regarding the bill's intent.

JK

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4530/2dn  
JK:kmg:kjf

January 22, 2002

**Representative Black:**

Please review this draft carefully to ensure that it is consistent with your intent. The draft reflects changes based on my conversation with Bill Ford regarding the bill's intent.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.state.wi.us

**Emery, Lynn**

---

**From:** McMurray, Susan  
**Sent:** Tuesday, February 12, 2002 2:08 PM  
**To:** LRB.Legal  
**Subject:** jacket requestq

Hi LRB legal staff,

Please prepare a jacket for Rep. Black for LRB 4530/2.

Thank you.

Susan McMurray  
Rep. Black's office  
266-7521



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 266-5648

STEPHEN R. MILLER  
CHIEF

March 1, 2002

## MEMORANDUM

**To:** Representative Black

**From:** Joseph T. Kreye, Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to 2001 AB-833 (LRB-4530/2)

---

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

February 27, 2002

**TO:** Joe Kreye  
Legislative Reference Bureau

**FROM:** Brian Pahnke  
Department of Revenue

**SUBJECT:** Technical Memorandum on Assembly Bill 833 Relating to the Internal Revenue Code Update

The bill would create a deduction for higher education expenses that are already deductible for Wisconsin income tax purposes under sec. 71.05 (6)(b)28, Wis. Stats. This would permit a taxpayer to deduct the same expenses twice for Wisconsin purposes and would also allow taxpayers to deduct more than the \$3,000 permitted under Wisconsin law. These situations would occur because federal adjusted gross income (FAGI) is the starting point for the Wisconsin tax calculation.

The following is an example of the double deduction that would occur if Wisconsin adopts the federal deduction. A tax filer with tuition expenses of \$2,500 eligible for both the federal and Wisconsin deductions would deduct this amount in determining FAGI and then, using the current Wisconsin deduction, subtract another \$2,500 in determining Wisconsin adjusted gross income (WAGI). As a result, the total deduction for Wisconsin purposes would be \$5,000, even though tuition expenses were only \$2,500.

Further, a tax filer with tuition of at least \$6,000 would be allowed to deduction that amount, \$3,000 on the federal return in calculating FAGI and another \$3,000 from FAGI in the determination of WAGI on the Wisconsin return, for a total of \$6,000.

To avoid the double deduction and a deduction for Wisconsin purposes of more than the current \$3,000, the sponsor could amend the bill either to repeal the current Wisconsin deduction or to limit the current deduction to amounts for which no federal deduction is claimed. Repealing the Wisconsin deduction would reduce the fiscal effect of adopting the federal provision from \$13.35 million to \$2.35 million. Limiting the Wisconsin deduction to amounts for which no federal deduction is claimed would reduce the fiscal effect of adopting the federal deduction to \$3.5 million.

If you have questions regarding this technical memorandum, please contact Dennis Collier at 266.5773.

BP:DC