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1 or her tax return. The department shall notify the county where a pupil resides of
2 the amount that the county is required to pay to the state.”.

3 *b2264/2.1* **55.** Page 51, line 8: delete the material beginning with that line
4 and ending with page 54, line 7.

5 *b2342/2.3* **56.** Page 54, line 19: delete “appropriations” and substitute
6 “appropriation”.

7 *b2342/2.4* **57.** Page 54, line 19: delete “and (rm)”.

8 *b2342/2.5* **58.** Page 55, line 3: delete “and to make the appropriation under
9 s. 20.855 (4) (rm)”.

10 *b2321/1.1* **59.** Page 55, line 7: after that line insert:

11 *b2321/1.1* “**SECTION 84g.** 26.145 (2m) of the statutes is created to read:

12 26.145 (2m) **EFFECT OF OTHER FINANCIAL ASSISTANCE.** The department may
13 consider any cost which has been or will be paid or reimbursed from moneys received
14 under another federal or state financial assistance program as an ineligible cost for
15 the purposes of calculating the amount of a grant under sub. (1), except that the
16 department shall consider any cost that has been or will be paid or reimbursed from
17 moneys received under s. 101.573 (3) as an eligible cost for the purposes of calculating
18 the amount of a grant under sub. (1).

19 *b2321/1.1* **SECTION 84h.** 26.145 (2m) of the statutes, as created by 2001
20 Wisconsin Act (this act) is repealed.”.

21 *b2324/1.3* **60.** Page 57, line 17: delete the material beginning with that line
22 and ending with page 59, line 18.

end of part A

23

b2324/1.4 **61.** Page 60, line 1: delete “38.307.”.

PART B

B

1 ***b2324/1.5* 62.** Page 60, line 7: delete lines 7 to 20.

2 ***b2297/1.3* 63.** Page 60, line 20: after that line insert:

3 ***b2297/1.3* "SECTION 100t.** 40.02 (30) of the statutes is amended to read:

4 40.02 (30) "Executive participating employee" means a participating employee
5 in a position designated under s. 19.42 (10) (L) or 20.923 (4), (4g), (7), (8), or (9) or
6 authorized under s. 230.08 (2) (e) during the time of employment. All service credited
7 prior to May 17, 1988, as executive service as defined under s. 40.02 (31), 1985 stats.,
8 shall continue to be treated as executive service as defined under s. 40.02 (31), 1985
9 stats., but no other service rendered prior to May 17, 1988, may be changed to
10 executive service as defined under s. 40.02 (31), 1985 stats."

11 ***b2312/2.1* 64.** Page 60, line 20: after that line insert:

12 ***b2312/2.1* "SECTION 100p.** 46.286 (3m) of the statutes is created to read:

13 46.286 (3m) INFORMATION ABOUT FAMILY CARE ENROLLEES. (a) In this subsection:

14 1. "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

15 2. "Insurer" has the meaning given in s. 600.03 (27).

16 (b) An insurer that issues or delivers a disability insurance policy that provides
17 coverage to a resident of this state shall provide to the department, upon the
18 department's request, information contained in the insurer's records regarding all
19 of the following:

20 1. Information that the department needs to identify enrollees of family care
21 who satisfy any of the following:

22 a. Are eligible for benefits under a disability insurance policy.

1 b. Would be eligible for benefits under a disability insurance policy if the
2 enrollee were enrolled as a dependent of a person insured under the disability
3 insurance policy.

4 2. Information required for submittal of claims under the insurer's disability
5 insurance policy.

6 3. The types of benefits provided by the disability insurance policy.

7 (c) Upon requesting an insurer to provide the information under par. (b), the
8 department shall enter into a written agreement with the insurer that satisfies all
9 of the following:

10 1. Identifies in detail the information to be disclosed.

11 2. Includes provisions that adequately safeguard the confidentiality of the
12 information to be disclosed.

13 (d) 1. An insurer shall provide the information requested under par. (b) within
14 180 days after receiving the department's request if it is the first time that the
15 department has requested the insurer to disclose information under this subsection.

16 2. An insurer shall provide the information requested under par. (b) within 30
17 days after receiving the department's request if the department has previously
18 requested the insurer to disclose information under this subsection.

19 3. If an insurer fails to comply with subd. 1. or 2., the department may notify
20 the commissioner of insurance, and the commissioner of insurance may initiate
21 enforcement proceedings against the insurer under s. 601.41 (4) (a).”

22 ***b2337/3.1* 65.** Page 60, line 20: after that line insert:

23 ***b2337/3.1* “SECTION 100m.** 44.015 (5m) of the statutes is created to read:

1 44.015 (5m) Except as otherwise provided by law, establish fees for services or
2 products or for admission to venues.”.

3 ***b2332/2.1* 66.** Page 62, line 1: delete lines 1 to 14.

4 ***b2355/2.1* 67.** Page 65, line 4: after that line insert:

5 ***b2355/2.1* “SECTION 119m.** 49.175 (1) (zh) 2. of the statutes, as affected by
6 2001 Wisconsin Act 16, is amended to read:

7 49.175 (1) (zh) 2. ‘Taxable years 1999 and thereafter.’ For the transfer of
8 moneys from the appropriation account under s. 20.445 (3) (md) to the appropriation
9 account under s. 20.835 (2) (kf) for the earned income tax credit, \$51,244,500 in fiscal
10 year 2001–02 and ~~\$52,200,000~~ \$55,160,000 in fiscal year 2002–03.”.

11 ***b2318/1.1* 68.** Page 65, line 20: after “AUTHORIZATION.” insert “(a)”.

12 ***b2318/1.2* 69.** Page 66, line 1: delete “(a)” and substitute “1.”.

13 ***b2318/1.3* 70.** Page 66, line 2: delete “(b)” and substitute “2.”.

14 ***b2318/1.4* 71.** Page 66, line 3: delete that line and substitute:

15 “3. One advocate for recipients of medical assistance who has sufficient medical
16 background, as determined by the department, to evaluate a prescription drug’s
17 clinical effectiveness.”.

18 ***b2318/1.5* 72.** Page 66, line 4: delete that line and substitute:

19 “(b) The prescription drug prior authorization committee shall accept
20 testimony from representatives of the pharmaceutical manufacturing industry in
21 the committee’s review of prior authorization policies.”.

22 ***b2312/2.2* 73.** Page 68, line 7: after that line insert:

23 ***b2312/2.2* “SECTION 128p.** 49.665 (5m) of the statutes is created to read:

1 49.665 (5m) INFORMATION ABOUT BADGER CARE RECIPIENTS. (a) In this subsection:

2 1. “Disability insurance policy” has the meaning given in s. 632.895 (1) (a).

3 2. “Insurer” has the meaning given in s. 600.03 (27).

4 (b) An insurer that issues or delivers a disability insurance policy that provides
5 coverage to a resident of this state shall provide to the department, upon the
6 department’s request, information contained in the insurer’s records regarding all
7 of the following:

8 1. Information that the department needs to identify recipients of badger care
9 who satisfy any of the following:

10 a. Are eligible for benefits under a disability insurance policy.

11 b. Would be eligible for benefits under a disability insurance policy if the
12 recipient were enrolled as a dependent of a person insured under the disability
13 insurance policy.

14 2. Information required for submittal of claims under the insurer’s disability
15 insurance policy.

16 3. The types of benefits provided by the disability insurance policy.

17 (c) Upon requesting an insurer to provide the information under par. (b), the
18 department shall enter into a written agreement with the insurer that satisfies all
19 of the following:

20 1. Identifies in detail the information to be disclosed.

21 2. Includes provisions that adequately safeguard the confidentiality of the
22 information to be disclosed.

23 (d) 1. An insurer shall provide the information requested under par. (b) within
24 180 days after receiving the department’s request if it is the first time that the
25 department has requested the insurer to disclose information under this subsection.

1 2. An insurer shall provide the information requested under par. (b) within 30
2 days after receiving the department's request if the department has previously
3 requested the insurer to disclose information under this subsection.

4 3. If an insurer fails to comply with subd. 1. or 2., the department may notify
5 the commissioner of insurance, and the commissioner of insurance may initiate
6 enforcement proceedings against the insurer under s. 601.41 (4) (a).”.

7 ***b2317/2.1* 74.** Page 68, line 7: after that line insert:

8 ***b2317/2.1* “SECTION 128m.** 49.665 (4) (at) 1. b. of the statutes is amended to
9 read:

10 49.665 (4) (at) 1. b. The department may not lower the maximum income level
11 for initial eligibility unless the department first submits to the joint committee on
12 finance ~~its plans~~ a plan for lowering the maximum income level ~~and the committee~~
13 ~~approves the plan.~~ If, within 14 days after submitting the plan the date on which the
14 plan is submitted to the joint committee on finance, the cochairpersons of the
15 committee do not notify the secretary that the committee has scheduled a meeting
16 for the purpose of reviewing the plan, the department shall implement the plan is
17 considered approved by the committee as proposed. If, within 14 days after the date
18 on which the plan is submitted to the committee, the cochairpersons of the committee
19 notify the secretary that the committee has scheduled a meeting to review the plan,
20 the department may implement the plan only as approved by the committee.

21 ***b2317/2.1* SECTION 128s.** 49.665 (4) (at) 1. cm. of the statutes is created to
22 read:

23 49.665 (4) (at) 1. cm. Notwithstanding s. 20.001 (3) (b), if, after reviewing the
24 plan submitted under subd. 1. b., the joint committee on finance determines that the

1 amounts appropriated under s. 20.435 (4) (bc), (jz), (p), and (x) are insufficient to
2 accommodate the projected enrollment levels, the committee may transfer
3 appropriated moneys from the general purpose revenue appropriation account of any
4 state agency, as defined in s. 20.001 (1), other than a sum sufficient appropriation
5 account, to the appropriation account under s. 20.435 (4) (bc) to supplement the
6 health care program under this section if the committee finds that the transfer will
7 eliminate unnecessary duplication of functions, result in more efficient and effective
8 methods for performing programs, or more effectively carry out legislative intent,
9 and that legislative intent will not be changed by the transfer.”.

10 *b2304/1.1* **75.** Page 68, line 8: delete lines 8 to 25.

11 *b2304/1.2* **76.** Page 69, line 1: delete lines 1 to 25.

12 *b2304/1.3* **77.** Page 70, line 1: delete lines 1 to 25.

13 *b2304/1.4* **78.** Page 71, line 1: delete lines 1 to 24.

14 *b2304/1.5* **79.** Page 72, line 1: delete lines 1 to 10.

15 *b2312/2.3* **80.** Page 72, line 10: after that line insert:

16 *b2312/2.3* **SECTION 140p.** 49.688 (2) (a) 3. of the statutes, as created by 2001

17 Wisconsin Act 16, is amended to read:

18 49.688 (2) (a) 3. The person is not a recipient of medical assistance or, as a
19 recipient, does not receive prescription drug coverage.

20 *b2312/2.3* **SECTION 140q.** 49.688 (3) (d) of the statutes, as created by 2001

21 Wisconsin Act 16, is amended to read:

22 49.688 (3) (d) Notwithstanding s. 49.002, if a person who is eligible under this
23 section has other available coverage for payment of a prescription drug, this section

1 applies only to costs for prescription drugs for the persons person that are not covered
2 under the person's other available coverage.

3 ***b2312/2.3* SECTION 140r.** 49.688 (8m) of the statutes is created to read:

4 49.688 (8m) (a) In this subsection:

5 1. "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

6 2. "Insurer" has the meaning given in s. 600.03 (27).

7 (b) An insurer that issues or delivers a disability insurance policy that provides
8 coverage to a resident of this state shall provide to the department, upon the
9 department's request, information contained in the insurer's records regarding all
10 of the following:

11 1. Information that the department needs to identify eligible persons under
12 this section who satisfy any of the following:

13 a. Are eligible for benefits under a disability insurance policy.

14 b. Would be eligible for benefits under a disability insurance policy if the
15 eligible person were enrolled as a dependent of a person insured under the disability
16 insurance policy.

17 2. Information required for submittal of claims under the insurer's disability
18 insurance policy.

19 3. The types of benefits provided by the disability insurance policy.

20 (c) Upon requesting an insurer to provide the information under par. (b), the
21 department shall enter into a written agreement with the insurer that satisfies all
22 of the following:

23 1. Identifies in detail the information to be disclosed.

24 2. Includes provisions that adequately safeguard the confidentiality of the
25 information to be disclosed.

1 (d) 1. An insurer shall provide the information requested under par. (b) within
2 180 days after receiving the department's request if it is the first time that the
3 department has requested the insurer to disclose information under this subsection.

4 2. An insurer shall provide the information requested under par. (b) within 30
5 days after receiving the department's request if the department has previously
6 requested the insurer to disclose information under this subsection.

7 3. If an insurer fails to comply with subd. 1. or 2., the department may notify
8 the commissioner of insurance, and the commissioner of insurance may initiate
9 enforcement proceedings against the insurer under s. 601.41 (4) (a).”.

10 *b2353/2.1* **81.** Page 76, line 18: delete lines 18 to 20 and substitute:

11 “(b) “Inflation” means a percentage equal to the average annual percentage
12 change in the U.S. consumer price index for all urban consumers, U.S. city average,
13 as determined by the U.S. department of labor, for the 12 months ending on
14 September 30 of the year of the operating levy.”.

15 *b2353/2.2* **82.** Page 77, line 3: after that line insert:

16 “(h) “Valuation factor” means a percentage equal to 60% of the percentage
17 change in a municipality's equalized value due to new construction, less
18 improvements removed, between the year before the year of the operating levy and
19 the previous year, but not less than zero nor greater than 2.”.

20 *b2353/2.3* **83.** Page 77, line 4: delete “political subdivision” and substitute
21 “municipality”.

22 *b2353/2.4* **84.** Page 77, line 6: delete that line and substitute “by a
23 percentage that exceeds the sum of the percentages that are specified in pars. (a) and
24 (c) and the amount that is specified in par. (d), and no county whose total levy rate

1 is equal to or greater than .001 may increase its operating levy, each year, by a
2 percentage that exceeds the sum of the percentages that are specified in pars. (a) and
3 (b) and the amount that is specified in par. (d):”.

4 *b2353/2.5* **85.** Page 77, line 7: delete lines 7 and 8 and substitute: ✓

5 “(a) Inflation.”.

6 *b2353/2.6* **86.** Page 77, line 9: delete “political subdivision” and substitute
7 “county”. ✓

8 *b2353/2.7* **87.** Page 77, line 10: after that line insert:

9 “(c) The valuation factor.

10 (d) An amount equal to 50% of the difference between the political subdivision’s
11 allowable operating levy, as determined in the prior year, and the political
12 subdivision’s adopted operating levy, as determined in the prior year.”.

13 *b2353/2.8* **88.** Page 79, line 8: delete “August 15” and substitute “November
14 1”.

15 *b2353/2.9* **89.** Page 79, line 9: after “inflation” insert “, valuation factor.”.

16 *b2343/1.2* **90.** Page 79, line 11: delete lines 11 to 13. ✓

17 *b2335/2.1* **91.** Page 90, line 9: delete the material beginning with that line
18 and ending on page 91, line 3, and substitute:

19 *b2335/2.1* **SECTION 169b.** 71.01 (7r) of the statutes is amended to read:

20 71.01 (7r) Notwithstanding sub. (6), for purposes of computing amortization
21 or depreciation, “Internal Revenue Code” means ~~either~~ the federal Internal Revenue
22 Code as amended to December 31, 1999, ~~or the federal Internal Revenue Code in~~
23 ~~effect for the taxable year for which the return is filed 2000,~~ except that property that,
24 under s. 71.02 (2) (d) 12., 1985 stats., is required to be depreciated for taxable year

1 1986 under the Internal Revenue Code as amended to December 31, 1980, shall
2 continue to be depreciated under the Internal Revenue Code as amended to
3 December 31, 1980.”.

4 *b2322/1.1* **92.** Page 91, line 3: after that line insert:

5 *b2322/1.1* **SECTION 170c.** 71.04 (4) of the statutes is renumbered 71.04 (4)
6 (intro.) and amended to read:

7 71.04 (4) NONRESIDENT ALLOCATION AND APPORTIONMENT FORMULA. (intro.)
8 Nonresident individuals and nonresident estates and trusts engaged in business
9 within and without the state shall be taxed only on such income as is derived from
10 business transacted and property located within the state. The amount of such
11 income attributable to Wisconsin may be determined by an allocation and separate
12 accounting thereof, when the business of such nonresident individual or nonresident
13 estate or trust within the state is not an integral part of a unitary business, but the
14 department of revenue may permit an allocation and separate accounting in any case
15 in which it is satisfied that the use of such method will properly reflect the income
16 taxable by this state. In all cases in which allocation and separate accounting is not
17 permissible, the determination shall be made in the following manner: for all
18 businesses except air carriers, financial organizations, pipeline companies, public
19 utilities, railroads, sleeping car companies and car line companies there shall first
20 be deducted from the total net income of the taxpayer the part thereof (less related
21 expenses, if any) that follows the situs of the property or the residence of the
22 recipient. The remaining net income shall be apportioned to Wisconsin this state by
23 use of an ~~apportionment fraction composed of a sales factor representing 50% of the~~

1 ~~fraction, a property factor representing 25% of the fraction and a payroll factor~~
2 ~~representing 25% of the fraction. the following:~~

3 ***b2322/1.1* SECTION 170d.** 71.04 (4) (a) of the statutes is created to read:

4 71.04 (4) (a) For taxable years beginning before January 1, 2004, an
5 apportionment fraction composed of a sales factor under sub. (7) representing 50%
6 of the fraction, a property factor under sub. (5) representing 25% of the fraction, and
7 a payroll factor under sub. (6) representing 25% of the fraction.

8 ***b2322/1.1* SECTION 170e.** 71.04 (4) (b) of the statutes is created to read:

9 71.04 (4) (b) For taxable years beginning after December 31, 2003, an
10 apportionment fraction composed of a sales factor under sub. (7) representing 55%
11 of the fraction, a property factor under sub. (5) representing 22.5% of the fraction,
12 and a payroll factor under sub. (6) representing 22.5% of the fraction.

13 ***b2322/1.1* SECTION 170f.** 71.04 (4) (c) of the statutes is created to read:

14 71.04 (4) (c) For taxable years beginning after December 31, 2003, the
15 apportionment fraction for the remaining net income of a financial organization shall
16 include a sales factor that represents 55% of the apportionment fraction, as
17 determined by rule by the department.

18 ***b2322/1.1* SECTION 170g.** 71.04 (8) (b) of the statutes is renumbered 71.04

19 (8) (b) 1. and amended to read:

20 71.04 (8) (b) 1. ~~“Public~~ For taxable years beginning before January 1, 2004,
21 “public utility”, as used in this section, means any business entity described under
22 subd. 2. and any business entity which owns or operates any plant, equipment,
23 property, franchise, or license for the transmission of communications or the
24 production, transmission, sale, delivery, or furnishing of electricity, water or steam,

1 the rates of charges for goods or services of which have been established or approved
2 by a federal, state or local government or governmental agency. “Public

3 2. In this section, for taxable years beginning after December 31, 2003, “public
4 utility” also means any business entity providing service to the public and engaged
5 in the transportation of goods and persons for hire, as defined in s. 194.01 (4),
6 regardless of whether or not the entity’s rates or charges for services have been
7 established or approved by a federal, state or local government or governmental
8 agency.

9 *b2322/1.1* **SECTION 170h.** 71.04 (8) (c) of the statutes is amended to read:

10 71.04 (8) (c) The net business income of railroads, sleeping car companies, car
11 line companies, pipeline companies, financial organizations, air carriers, and public
12 utilities requiring apportionment shall be apportioned pursuant to rules of the
13 department of revenue, but the income taxed is limited to the income derived from
14 business transacted and property located within the state.”

15 *b2322/1.2* **93.** Page 111, line 10: after that line insert:

16 *b2322/1.2* **SECTION 192e.** 71.25 (6) of the statutes is renumbered 71.25 (6)
17 (intro.) and amended to read:

18 **71.25 (6) ALLOCATION AND SEPARATE ACCOUNTING AND APPORTIONMENT FORMULA.**
19 (intro.) Corporations engaged in business within and without the state shall be taxed
20 only on such income as is derived from business transacted and property located
21 within the state. The amount of such income attributable to Wisconsin may be
22 determined by an allocation and separate accounting thereof, when the business of
23 such corporation within the state is not an integral part of a unitary business, but
24 the department of revenue may permit an allocation and separate accounting in any

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

14 *b2322/1.2* SECTION 192f. 71.25 (6) (a) of the statutes is created to read:

15 71.25 (6) (a) For taxable years beginning before January 1, 2004, an
16 apportionment fraction composed of a sales factor under sub. (9) representing 50%
17 of the fraction, a property factor under sub. (7) representing 25% of the fraction, and
18 a payroll factor under sub. (8) representing 25% of the fraction.

19 *b2322/1.2* SECTION 192g. 71.25 (6) (b) of the statutes is created to read:

20 71.25 (6) (b) For taxable years beginning after December 31, 2003, an
21 apportionment fraction composed of a sales factor under sub. (9) representing 55%
22 of the fraction, a property factor under sub. (7) representing 22.5% of the fraction,
23 and a payroll factor under sub. (8) representing 22.5% of the fraction.

24 *b2322/1.2* SECTION 192h. 71.25 (6) (c) of the statutes is created to read:

1 71.25 (6) (c) For taxable years beginning after December 31, 2003, the
2 apportionment fraction for the remaining net income of a financial organization shall
3 include a sales factor that represents 55% of the apportionment fraction, as
4 determined by rule by the department.

5 ***b2322/1.2* SECTION 192j.** 71.25 (10) (b) of the statutes is renumbered 71.25
6 (10) (b) 1. and amended to read:

7 71.25 (10) (b) 1. In this section, for taxable years beginning before January 1,
8 2004, “public utility” means any business entity described under subd. 2. and any
9 business entity which owns or operates any plant, equipment, property, franchise,
10 or license for the transmission of communications or the production, transmission,
11 sale, delivery, or furnishing of electricity, water or steam the rates of charges for
12 goods or services of which have been established or approved by a federal, state or
13 local government or governmental agency. “Public

14 2. In this section, for taxable years beginning after December 31, 2003, “public
15 utility” also means any business entity providing service to the public and engaged
16 in the transportation of goods and persons for hire, as defined in s. 194.01 (4),
17 regardless of whether or not the entity’s rates or charges for services have been
18 established or approved by a federal, state or local government or governmental
19 agency.

20 ***b2322/1.2* SECTION 192k.** 71.25 (10) (c) of the statutes is amended to read:

21 71.25 (10) (c) The net business income of railroads, sleeping car companies, car
22 line companies, pipeline companies, financial organizations, air carriers, and public
23 utilities requiring apportionment shall be apportioned pursuant to rules of the
24 department of revenue, but the income taxed is limited to the income derived from
25 business transacted and property located within the state.”.

1 ***b2335/2.2* 94.** Page 135, line 3: delete the material beginning with that line
2 and ending on page 136, line 4, and substitute:

3 ***b2335/2.2* "SECTION 204b.** 71.26 (3) (y) of the statutes is amended to read:

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

15 ***b2335/2.3* 95.** Page 147, line 4: delete the material beginning with that line
16 and ending on page 149, line 9, and substitute:

17 ***b2335/2.3* "SECTION 217b.** 71.365 (1m) of the statutes is amended to read:

18 71.365 (1m) TAX-OPTION CORPORATIONS; DEPRECIATION. A tax-option corporation
19 ~~may~~ shall compute amortization and depreciation under ~~either~~ the federal Internal
20 Revenue Code as amended to December 31, 1999, ~~or the federal Internal Revenue~~
21 ~~Code in effect for the taxable year for which the return is filed~~ 2000, except that
22 property first placed in service by the taxpayer on or after January 1, 1983, but
23 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required
24 to be depreciated under the Internal Revenue Code as amended to

1 December 31, 1980, and property first placed in service in taxable year 1981 or
2 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is
3 required to be depreciated under the Internal Revenue Code as amended to
4 December 31, 1980, shall continue to be depreciated under the Internal Revenue
5 Code as amended to December 31, 1980. Any difference between the adjusted basis
6 for federal income tax purposes and the adjusted basis under this chapter shall be
7 taken into account in determining net income or loss in the year or years for which
8 the gain or loss is reportable under this chapter. If that property was placed in
9 service by the taxpayer during taxable year 1986 and thereafter but before the
10 property is used in the production of income subject to taxation under this chapter,
11 the property's adjusted basis and the depreciation or other deduction schedule are
12 not required to be changed from the amount allowable on the owner's federal income
13 tax returns for any year because the property is used in the production of income
14 subject to taxation under this chapter. If that property was acquired in a transaction
15 in taxable year 1986 or thereafter in which the adjusted basis of the property in the
16 hands of the transferee is the same as the adjusted basis of the property in the hands
17 of the transferor, the Wisconsin adjusted basis of that property on the date of transfer
18 is the adjusted basis allowable under the Internal Revenue Code as defined for
19 Wisconsin purposes for the property in the hands of the transferor.”.

20 *b2335/2.4* **96.** Page 159, line 3: delete the material beginning with that line
21 and ending on page 160, line 7, and substitute:

22 *b2335/2.4* **SECTION 230b.** 71.45 (2) (a) 13. of the statutes is amended to read:
23 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference
24 between the depreciation deduction under the federal Internal Revenue Code as

1 amended to December 31, 1999 and the depreciation deduction under the federal
2 Internal Revenue Code in effect for the taxable year for which the return is filed, so
3 as to reflect the fact that the insurer may choose between these 2 deductions 2000,
4 except that property first placed in service by the taxpayer on or after
5 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),
6 1985 stats., is required to be depreciated under the Internal Revenue Code as
7 amended to December 31, 1980, and property first placed in service in taxable year
8 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
9 stats., is required to be depreciated under the Internal Revenue Code as amended
10 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
11 Code as amended to December 31, 1980.”

end of (B)

12 *b2322/1.3* **97.** Page 160, line 7: after that line insert:

PART C

13 *b2322/1.3* “SECTION 231c. 71.45 (3) (intro.) of the statutes is amended to
14 read:

15 71.45 (3) APPORTIONMENT. (intro.) ~~With respect~~ Except as provided in sub. (3d),
16 to determine Wisconsin income for purposes of the franchise tax, domestic insurers
17 not engaged in the sale of life insurance but which that, in the taxable year; have
18 collected received premiums, other than life insurance premiums, written on
19 subjects of for insurance on property or risks resident, located or to be performed
20 outside this state, ~~there shall be subtracted from~~ multiply the net income figure
21 derived by application of sub. (2) (a) to arrive at Wisconsin income constituting the
22 measure of the franchise tax ~~an amount calculated by multiplying such adjusted~~
23 ~~federal taxable income~~ by the arithmetic average of the following 2 percentages:

24 *b2322/1.3* SECTION 231d. 71.45 (3) (a) of the statutes is amended to read: