

ASSEMBLY BILL 506

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

3 **SECTION 35.** 71.26 (2) (b) 10. of the statutes is amended to read:

4 71.26 (2) (b) 10. For taxable years that begin after December 31, 1994, and
5 before January 1, 1996, for a corporation, conduit or common law trust which
6 qualifies as a regulated investment company, real estate mortgage investment
7 conduit or real estate investment trust under the Internal Revenue Code as amended
8 to December 31, 1994, excluding sections 103, 104, and 110 of P.L. 102-227 and
9 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, and as
10 amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605
11 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
12 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as
13 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
14 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
15 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
16 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
17 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
18 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188,
19 P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
20 106-554, excluding sections 162 and 165 of P.L. 106-554, "net income" means the
21 federal regulated investment company taxable income, federal real estate mortgage
22 investment conduit taxable income or federal real estate investment trust taxable
23 income of the corporation, conduit or trust as determined under the Internal
24 Revenue Code as amended to December 31, 1994, excluding sections 103, 104, and
25 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)

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1 of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202,
2 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
3 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
4 106-554, and as indirectly affected in the provisions applicable to this subchapter
5 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,
6 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
7 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
8 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
9 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of
10 P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
11 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except
12 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
13 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
14 amended to December 31, 1980, shall continue to be depreciated under the Internal
15 Revenue Code as amended to December 31, 1980, and except that the appropriate
16 amount shall be added or subtracted to reflect differences between the depreciation
17 or adjusted basis for federal income tax purposes and the depreciation or adjusted
18 basis under this chapter of any property disposed of during the taxable year. The
19 Internal Revenue Code as amended to December 31, 1994, excluding sections 103,
20 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and
21 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding
22 sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
23 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
24 and 165 of P.L. 106-554, and as indirectly affected in the provisions applicable to this
25 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,

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

19 **SECTION 36.** 71.26 (2) (b) 11. of the statutes is amended to read:

20 71.26 (2) (b) 11. For taxable years that begin after December 31, 1995, and
21 before January 1, 1997, for a corporation, conduit or common law trust which
22 qualifies as a regulated investment company, real estate mortgage investment
23 conduit or real estate investment trust under the Internal Revenue Code as amended
24 to December 31, 1995, excluding sections 103, 104, and 110 of P.L. 102-227, and
25 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, and as

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1 amended by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L.
2 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and,
3 P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
4 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,
5 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
6 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
7 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
8 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
9 104-7, P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L.
10 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and,
11 P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, "net
12 income" means the federal regulated investment company taxable income, federal
13 real estate mortgage investment conduit taxable income or federal real estate
14 investment trust taxable income of the corporation, conduit or trust as determined
15 under the Internal Revenue Code as amended to December 31, 1995, excluding
16 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
17 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188, excluding
18 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
19 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
20 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly affected
21 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
22 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
23 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
24 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
25 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.

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1 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L.
2 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
3 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except that
4 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
5 for taxable years 1983 to 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, and except that the appropriate amount
8 shall be added or subtracted to reflect differences between the depreciation or
9 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
10 under this chapter of any property disposed of during the taxable year. The Internal
11 Revenue Code as amended to December 31, 1995, excluding sections 103, 104, and
12 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
13 of P.L. 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204,
14 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34,
15 P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165
16 of P.L. 106-554, and as indirectly affected in the provisions applicable to this
17 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
18 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
19 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
20 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
21 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123, 1202,
22 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
23 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
24 and 165 of P.L. 106-554, applies for Wisconsin purposes at the same time as for
25 federal purposes. Amendments to the Internal Revenue Code enacted after

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1 December 31, 1995, do not apply to this subdivision with respect to taxable years
 2 that begin after December 31, 1995, and before January 1, 1997, except that
 3 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections
 4 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
 5 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
 6 sections 162 and 165 of P.L. 106-554, and changes that indirectly affect the
 7 provisions applicable to this subchapter made by P.L. 104-188, excluding sections
 8 1123, 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
 9 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
 10 sections 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time
 11 as for federal purposes.

12 SECTION 37. 71.26 (2) (b) 12. of the statutes is amended to read:

13 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and
 14 before January 1, 1998, for a corporation, conduit or common law trust which
 15 qualifies as a regulated investment company, real estate mortgage investment
 16 conduit, real estate investment trust or financial asset securitization investment
 17 trust under the Internal Revenue Code as amended to December 31, 1996, excluding
 18 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
 19 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
 20 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,
 21 P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, excluding sections 162 and 165 of
 22 P.L. 106-554, and as indirectly affected in the provisions applicable to this
 23 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
 24 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
 25 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections

INSERT
A

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INSERT A

1 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
2 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
3 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
4 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554,

5 excluding sections 162 and 165 of P.L. 106-554 "net income" means the federal
6 regulated investment company taxable income, federal real estate mortgage
7 investment conduit taxable income, federal real estate investment trust or financial
8 asset securitization investment trust taxable income of the corporation, conduit or
9 trust as determined under the Internal Revenue Code as amended to
10 December 31, 1996, excluding sections 103, 104, and 110 of P.L. 102-227, sections
11 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123
12 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188 and as amended by P.L.
13 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554,

14 excluding sections 162 and 165 of P.L. 106-554 and as indirectly affected in the
15 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
16 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
17 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
18 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
19 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
20 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
21 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and,
22 P.L. 106-36, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554 except

23 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
24 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
25 amended to December 31, 1980, shall continue to be depreciated under the Internal

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1 Revenue Code as amended to December 31, 1980, and except that the appropriate
2 amount shall be added or subtracted to reflect differences between the depreciation
3 or adjusted basis for federal income tax purposes and the depreciation or adjusted
4 basis under this chapter of any property disposed of during the taxable year. The
5 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,
6 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
7 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
8 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277

9 and, P.L. 106-36, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
10 and as indirectly affected in the provisions applicable to this subchapter by P.L.
11 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
12 101-239, P.L. 101-508, 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. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
16 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.

17 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, excluding
18 sections 162 and 165 of P.L. 106-554, applies for Wisconsin purposes at the same
19 time as for federal purposes. Amendments to the Internal Revenue Code enacted
20 after December 31, 1996, do not apply to this subdivision with respect to taxable
21 years that begin after December 31, 1996, and before January 1, 1998, except that
22 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.

23 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, excluding sections 162
24 and 165 of P.L. 106-554, and changes that indirectly affect the provisions applicable
25 to this subchapter made by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and,

INSERT
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Ins. "A"

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

3 SECTION 38. 71.26 (2) (b) 13. of the statutes is amended to read:

4 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and
5 before January 1, 1999, for a corporation, conduit or common law trust which
6 qualifies as a regulated investment company, real estate mortgage investment
7 conduit, real estate investment trust or financial asset securitization investment
8 trust under the Internal Revenue Code as amended to December 31, 1997, excluding
9 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
10 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
11 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L.

12 105-277, P.L. 106-36 and, P.L. 106-170, ~~P.L. 106-554, excluding sections 162 and~~
13 ~~165 of P.L. 106-554, and P.L. 106-573,~~ and as indirectly affected in the provisions

14 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
15 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
16 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
17 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
18 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
19 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
20 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.

21 105-277, P.L. 106-36 and, P.L. 106-170, ~~P.L. 106-554, excluding sections 162 and~~
22 ~~165 of P.L. 106-554, and P.L. 106-573,~~ "net income" means the federal regulated

23 investment company taxable income, federal real estate mortgage investment
24 conduit taxable income, federal real estate investment trust or financial asset
25 securitization investment trust taxable income of the corporation, conduit or trust

INSERT
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(INSERT A)

1 as determined under the Internal Revenue Code as amended to December 31, 1997,
2 excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171
3 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311,
4 and 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L.

5 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and

6 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected in the provisions

7 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.

8 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,

9 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.

10 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

11 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,

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

13 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.

14 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and

15 165 of P.L. 106-554, and P.L. 106-573, 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, 1997, excluding sections 103, 104, and 110 of P.L.

24 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,

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

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1 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
2 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 and
3 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,
4 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
5 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
6 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
7 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
8 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
9 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178,
10 P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding
11 sections 162 and 165 of P.L. 106-554, and P.L. 106-573 applies for Wisconsin
12 purposes at the same time as for federal purposes. Amendments to the Internal
13 Revenue Code enacted after December 31, 1997, do not apply to this subdivision with
14 respect to taxable years that begin after December 31, 1997, and before
15 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.
16 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554,
17 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 and changes that
18 indirectly affect the provisions applicable to this subchapter made by P.L. 105-178,
19 P.L. 105-206, P.L. 105-277, P.L. 106-36 and and, P.L. 106-170, P.L. 106-554,
20 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin
21 purposes at the same time as for federal purposes.

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

22 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and
23 before January 1, 2000, for a corporation, conduit or common law trust which
24 qualifies as a regulated investment company, real estate mortgage investment
25

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

5 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, P.L.

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

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

8 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,

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

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

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

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

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

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

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

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

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

18 estate investment trust or financial asset securitization investment trust taxable

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

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

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

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

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

24 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly

25 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,

1 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
2 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
3 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
4 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
5 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
6 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
7 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
8 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 except that
9 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
10 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
11 December 31, 1980, shall continue to be depreciated under the Internal Revenue
12 Code as amended to December 31, 1980, and except that the appropriate amount
13 shall be added or subtracted to reflect differences between the depreciation or
14 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
15 under this chapter of any property disposed of during the taxable year. The Internal
16 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
17 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
18 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
19 and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
20 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly
21 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
22 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
23 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
24 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
25 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.

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1 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
2 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
3 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,

4 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, applies for

5 Wisconsin purposes at the same time as for federal purposes. Amendments to the
6 Internal Revenue Code enacted after December 31, 1998, do not apply to this
7 subdivision with respect to taxable years that begin after December 31, 1998, and
8 before January 1, 2000, except that changes to the Internal Revenue Code made by

9 P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162
10 and 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the

11 provisions applicable to this subchapter made by P.L. 106-36 and, P.L. 106-170, P.L.
12 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.

13 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

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

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

23 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as
24 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
25 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.

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1 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
2 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
3 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
4 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
5 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
6 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200,
7 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
8 106-573, "net income" means the federal regulated investment company taxable
9 income, federal real estate mortgage investment conduit taxable income, federal real
10 estate investment trust or financial asset securitization investment trust taxable
11 income of the corporation, conduit or trust as determined under the Internal
12 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and
13 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
14 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
15 and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162
16 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected in the
17 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
18 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
19 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
20 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
21 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
22 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
23 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
24 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554,
25 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that

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

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

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

~~71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and sections 162 and 165 of P.L. 106-554, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, "net income" means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust~~

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1 or financial asset securitization investment trust taxable income of the corporation,
2 conduit, or trust as determined under the Internal Revenue Code as amended to
3 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections
4 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
5 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and sections 162
6 and 165 of P.L. 106-554, and as indirectly affected in the provisions applicable to this
7 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
8 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
9 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
10 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
11 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
12 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
13 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
14 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165
15 of P.L. 106-554, and P.L. 106-573, except that property that, under s. 71.02 (1) (c) 8.
16 to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under
17 the Internal Revenue Code as amended to December 31, 1980, shall continue to be
18 depreciated under the Internal Revenue Code as amended to December 31, 1980,
19 and except that the appropriate amount shall be added or subtracted to reflect
20 differences between the depreciation or adjusted basis for federal income tax
21 purposes and the depreciation or adjusted basis under this chapter of any property
22 disposed of during the taxable year. The Internal Revenue Code as amended to
23 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections
24 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
25 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and sections 162

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1 and 165 of P.L. 106-554, and as indirectly affected in the provisions applicable to this
2 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
3 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
4 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
5 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
6 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
7 (c), 1204 (f), 1511, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
8 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
9 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165
10 of P.L. 106-554, and P.L. 106-573, applies for Wisconsin purposes at the same time
11 as for federal purposes. Amendments to the Internal Revenue Code enacted after
12 December 31, 2000, do not apply to this subdivision with respect to taxable years that
13 begin after December 31, 2000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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SECTION 47

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

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

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

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

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1 ~~and 165 of P.L. 106-554~~ except that section 1366 (f) (relating to pass-through of
 2 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
 3 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
 4 purposes at the same time as for federal purposes. Amendments to the federal
 5 Internal Revenue Code enacted after December 31, 1996, do not apply to this
 6 paragraph with respect to taxable years beginning after December 31, 1996, and
 7 before January 1, 1998, except that changes to the Internal Revenue Code made by
 8 P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L.
 9 ~~106-554, excluding sections 162 and 165 of P.L. 106-554~~, and changes that indirectly
 10 affect the provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34,
 11 P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and ~~P.L. 106-554, excluding sections~~
 12 ~~162 and 165 of P.L. 106-554~~, apply for Wisconsin purposes at the same time as for
 13 federal purposes.

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

15 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
 16 years that begin after December 31, 1997, and before January 1, 1999, means the
 17 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
 18 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
 19 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (e), 1204 (f), 1311, and 1605 (d)
 20 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
 21 106-36 and, P.L. 106-170, ~~P.L. 106-554, excluding sections 162 and 165 of P.L.~~
 22 ~~106-554, and P.L. 106-573~~, and as indirectly affected in the provisions applicable to
 23 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803
 24 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section
 25 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,

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1 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
 2 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
 3 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
 4 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
 5 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
 6 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554,
 7 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section
 8 1366 (f) (relating to pass-through of items to shareholders) is modified by
 9 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
 10 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
 11 purposes. Amendments to the federal Internal Revenue Code enacted after
 12 December 31, 1997, do not apply to this paragraph with respect to taxable years
 13 beginning after December 31, 1997, and before January 1, 1999, except that
 14 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.
 15 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and
 16 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the
 17 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206, P.L.
 18 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and
 19 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin purposes at the same time
 20 as for federal purposes.

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

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

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

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

ASSEMBLY BILL 506

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

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

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

9 of P.L. 104-188, and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554,

10 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly

11 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,

12 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and

13 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.

14 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections

15 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding

16 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.

17 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections

18 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.

19 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.

20 106-36 and, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding

21 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section 1366 (f)

22 (relating to pass-through of items to shareholders) is modified by substituting the

23 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue

24 Code applies for Wisconsin purposes at the same time as for federal purposes.

25 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,

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INSERT A

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

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

9 71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable
 10 years that begin after December 31, 2000, means the federal Internal Revenue Code
 11 as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.
 12 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
 13 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
 14 and sections 162 and 165 of P.L. 106-554, and as indirectly affected in the provisions
 15 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
 16 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
 17 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
 18 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
 19 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
 20 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
 21 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
 22 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
 23 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
 24 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
 25 and P.L. 106-573, except that section 1366 (f) (relating to pass-through of items to

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

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

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

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

7
8

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 ~~excluding sections 162 and 165 of P.L. 106-554,~~ except that "Internal Revenue Code"
19 does not include section 847 of the federal Internal Revenue Code. The Internal
20 Revenue Code applies for Wisconsin purposes at the same time as for federal
21 purposes. Amendments to the federal Internal Revenue Code enacted after
22 December 31, 1996, do not apply to this paragraph with respect to taxable years
23 beginning after December 31, 1996, and before January 1, 1998, except that
24 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.

25 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, excluding sections 162

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

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

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

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

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

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1 December 31, 1997, and before January 1, 1999, except that changes to the Internal
 2 Revenue Code made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and,
 3 P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554 and P.L.
 4 106-573 and changes that indirectly affect the provisions applicable to this
 5 subchapter made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.
 6 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
 7 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

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

9 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
 10 January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code
 11 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
 12 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
 13 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
 14 amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
 15 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected by
 16 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
 17 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
 18 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
 19 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
 20 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
 21 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
 22 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
 23 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
 24 106-573 except that "Internal Revenue Code" does not include section 847 of the
 25 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin

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

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

11 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
12 January 1, 2001, "Internal Revenue Code" means the federal Internal Revenue Code
13 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
14 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
15 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
16 amended by ~~P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and~~
17 ~~165 of P.L. 106-554, and P.L. 106-573,~~ and as indirectly affected by P.L. 99-514, P.L.
18 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
19 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
20 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
21 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
22 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
23 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
24 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, ~~P.L. 106-200,~~
25 ~~P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,~~ and ~~P.L.~~

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

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SECTION 63. 71.42 (2) (o) of the statutes is created to read:

13 71.42 (2) (o) For taxable years that begin after December 31, 2000, "Internal
 14 Revenue Code" means the federal Internal Revenue Code as amended to
 15 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections
 16 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
 17 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, and sections 162
 18 and 165 of P.L. 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
 19 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
 20 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
 21 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
 22 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
 23 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
 24 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
 25 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L.

1 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except
2 that "Internal Revenue Code" does not include section 847 of the federal Internal
3 Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the
4 same time as for federal purposes. Amendments to the federal Internal Revenue
5 Code enacted after December 31, 2000, do not apply to this paragraph with respect
6 to taxable years beginning after December 31, 2000.

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

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

21 **SECTION 65. Nonstatutory provisions.**

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

25

INSERT 80-25

ASSEMBLY BILL 506

A(a)

renumbering and amendment

1
2
3
4
5

SECTION 66. Initial applicability.

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

(END)

INSERT 81-4

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4599/?ins
JK:.....

Insert A ✓

MS-91

1 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,
2 and 901 of P.L. 107-16 ✓

Insert 12 - 24 ✓

3 SECTION 1. 71.01 (6) (p) of the statutes is created to read:

4 71.01 (6) (p) For taxable years that begin after December 31, 2000, and before
5 January 1, 2002, for natural persons and fiduciaries, except fiduciaries of nuclear
6 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal
7 Internal Revenue Code as amended to December 31, 2000, excluding sections 103,
8 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
9 (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 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651
11 to 659, 661 to 666, 671, and 901 of P.L. 107-16 and as indirectly affected by P.L.
12 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
13 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections
14 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
15 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
16 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188,
17 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
18 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
19 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641
20 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue
21 Code applies for Wisconsin purposes at the same time as for federal purposes.
22 Amendments to the federal Internal Revenue Code enacted after December 31, 2000,

1 do not apply to this paragraph with respect to taxable years beginning after
2 December 31, 2000, and before January 1, 2002, except that changes to the Internal
3 Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to
4 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that indirectly affect the
5 provisions applicable to this subchapter made by sections 601, 602, 611 to 621, 631
6 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, apply for
7 Wisconsin purposes at the same time as for federal purposes.

8 **SECTION 2.** 71.01 (6) (q) of the statutes is created to read:

9 71.01 (6) (q) For taxable years that begin after December 31, 2001, for natural
10 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or
11 reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code
12 as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.
13 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
14 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
15 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
16 666, 671, and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L.
17 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
18 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104, and
19 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
20 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
21 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections
22 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
23 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
24 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651
25 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue Code applies

1 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
2 federal Internal Revenue Code enacted after December 31, 2001, do not apply to this
3 paragraph with respect to taxable years beginning after December 31, 2001.

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

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

15 SECTION 4. 71.01 (7r) (b) of the statutes is created to read:

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

SECTION 5. 71.22 (4) (p) of the statutes is created to read:

71.22 (4) (p) Except as provided in sub. (4^m) and ss. 71.26 (2) (b) and (3), 71.34 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after December 31, 2000, and before January 1, 2002, means the federal Internal Revenue Code as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (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. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2000, do not apply to this paragraph with respect to taxable years beginning after December 31, 2000, and before January 1, 2002, except that changes to the Internal Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and

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

5 **SECTION 6.** 71.22 (4) (q) of the statutes is created to read:

6 71.22 (4) (q) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
7 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
8 December 31, 2001, means the federal Internal Revenue Code as amended to
9 December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections
10 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
11 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by sections 601,
12 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
13 107-16, and as indirectly affected in the provisions applicable to this subchapter by
14 P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2),
15 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of 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, P.L. 106-170, and sections 601, 602, 611 to 621,
23 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The
24 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
25 purposes. Amendments to the federal Internal Revenue Code enacted after

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

Insert 33 - 17 ✓

3 **SECTION 7.** 71.22 (4m) (n) of the statutes is created to read:

4 71.22 (4m) (n) For taxable years that begin after December 31, 2000, and
5 before January 1, 2002, "Internal Revenue Code," for corporations that are subject
6 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
7 Internal Revenue Code as amended to December 31, 2000, excluding sections 103,
8 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
9 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
10 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651
11 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the
12 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
13 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
14 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
15 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
16 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
17 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
18 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
19 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641
20 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue
21 Code applies for Wisconsin purposes at the same time as for federal purposes.
22 Amendments to the Internal Revenue Code enacted after December 31, 2000, do not
23 apply to this paragraph with respect to taxable years beginning after

1 December 31, 2000, and before January 1, 2002, except that changes to the Internal
2 Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to
3 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that indirectly affect the
4 provisions applicable to this subchapter made by sections 601, 602, 611 to 621, 631
5 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, apply for
6 Wisconsin purposes at the same time as for federal purposes.

7 **SECTION 8.** 71.22 (4m) (o) of the statutes is created to read:

8 71.22 (4m) (o) For taxable years that begin after December 31, 2001, "Internal
9 Revenue Code," for corporations that are subject to a tax on unrelated business
10 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended
11 to December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections
12 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
13 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by sections 601,
14 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
15 107-16, and as indirectly affected in the provisions applicable to this subchapter by
16 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
17 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
18 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
19 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
20 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
21 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
22 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and
23 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
24 901 of P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the
25 same time as for federal purposes. Amendments to the Internal Revenue Code

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

Insert 58 - 1 ✓

3 **SECTION 9.** 71.26 (2) (b) 16. of the statutes is created to read:

4 71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, and
5 before January 1, 2002, for a corporation, conduit, or common law trust which
6 qualifies as a regulated investment company, real estate mortgage investment
7 conduit, real estate investment trust, or financial asset securitization investment
8 trust under the Internal Revenue Code as amended to December 31, 2000, excluding
9 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
10 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,
11 and 1605 (d) of P.L. 104-188, and as amended sections 601, 602, 611 to 621, 631 to
12 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly
13 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
14 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
15 P.L. 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, P.L. 106-170, and sections 601, 602, 611 to 621,
21 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, "net
22 income" means the federal regulated investment company taxable income, federal
23 real estate mortgage investment conduit taxable income, federal real estate

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

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

22 **SECTION 10.** 71.26 (2) (b) 17. of the statutes is created to read:

23 71.26 (2) (b) 17. For taxable years that begin after December 31, 2001, for a
24 corporation, conduit, or common law trust which qualifies as a regulated investment
25 company, real estate mortgage investment conduit, real estate investment trust, or

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

1 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
2 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
3 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
4 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
5 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
6 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621,
7 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that
8 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
9 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
10 December 31, 1980, shall continue to be depreciated under the Internal Revenue
11 Code as amended to December 31, 1980, and except that the appropriate amount
12 shall be added or subtracted to reflect differences between the depreciation or
13 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
14 under this chapter of any property disposed of during the taxable year. The Internal
15 Revenue Code as amended to December 31, 2001, excluding sections 103, 104, and
16 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
17 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and
18 as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661
19 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions
20 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
21 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
22 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
23 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
24 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
25 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.

1 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
2 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641
3 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, applies for Wisconsin
4 purposes at the same time as for federal purposes. Amendments to the Internal
5 Revenue Code enacted after December 31, 2001, do not apply to this subdivision with
6 respect to taxable years that begin after December 31, 2001.

7 SECTION 11. 71.26 (3) (y) of the statutes is renumbered 71.26 (3) (y) 1. and
8 amended to read:

9 71.26 (3) (y) 1. ~~A~~ For taxable years that begin after December 31, 2000, and
10 before January 1, 2002, a corporation may compute amortization and depreciation
11 under either the federal Internal Revenue Code as amended to December 31, ~~1999~~
12 2000, or the federal Internal Revenue Code in effect for the taxable year for which
13 the return is filed, except that property first placed in service by the taxpayer on or
14 after January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and
15 (br), 1985 stats., is required to be depreciated under the Internal Revenue Code as
16 amended to December 31, 1980, and property first placed in service in taxable year
17 1981 or thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985
18 stats., is required to be depreciated under the Internal Revenue Code as amended
19 to December 31, 1980, shall continue to be depreciated under the Internal Revenue
20 Code as amended to December 31, 1980.

21 SECTION 12. 71.26 (3) (y) 2. of the statutes is created to read:

22 71.26 (3) (y) 2. For taxable years that begin after December 31, 2001, a
23 corporation may compute amortization and depreciation under either the federal
24 Internal Revenue Code as amended to December 31, 2001, or the federal Internal
25 Revenue Code in effect for the taxable year for which the return is filed, except that

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

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9 **SECTION 13.** 71.34 (1g) (p) of the statutes is created to read:

10 71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable
11 years that begin after December 31, 2000, and before January 1, 2002, means the
12 federal Internal Revenue Code as amended to December 31, 2000, excluding sections
13 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
14 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
15 of P.L. 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to
16 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected
17 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
18 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
19 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
20 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
21 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
22 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
23 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections

1 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
2 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
3 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651
4 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that section 1366 (f) (relating
5 to pass-through of items to shareholders) is modified by substituting the tax under
6 s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code
7 applies for Wisconsin purposes at the same time as for federal purposes.
8 Amendments to the federal Internal Revenue Code enacted after December 31, 2000,
9 do not apply to this paragraph with respect to taxable years beginning after
10 December 31, 2000, and before January 1, 2002, except that changes to the Internal
11 Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to
12 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that indirectly affect the
13 provisions applicable to this subchapter made by sections 601, 602, 611 to 621, 631
14 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, apply for
15 Wisconsin purposes at the same time as for federal purposes.

16 **SECTION 14.** 71.34 (1g) (q) of the statutes is created to read:

17 71.34 (1g) (q) "Internal Revenue Code" for tax-option corporations, for taxable
18 years that begin after December 31, 2001, means the federal Internal Revenue Code
19 as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.
20 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
21 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
22 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
23 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions
24 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
25 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514

1 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
2 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
3 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 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 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
9 901 of P.L. 107-16, except that section 1366 (f) (relating to pass-through of items to
10 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
11 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
12 at the same time as for federal purposes. Amendments to the federal Internal
13 Revenue Code enacted after December 31, 2001, do not apply to this paragraph with
14 respect to taxable years beginning after December 31, 2001.

15 **SECTION 15.** 71.365 (1m) of the statutes is renumbered 71.365 (1m) (a) and
16 amended to read:

17 71.365 (1m) (a) ~~A~~ For taxable years that begin after December 31, 2000, and
18 before January 1, 2002, a tax-option corporation may compute amortization and
19 depreciation under either the federal Internal Revenue Code as amended to
20 December 31, 1999 2000, or the federal Internal Revenue Code in effect for the
21 taxable year for which the return is filed, except that property first placed in service
22 by the taxpayer on or after January 1, 1983, but before January 1, 1987, that, under
23 s. 71.04 (15) (b) and (br), 1985 stats., is required to be depreciated under the Internal
24 Revenue Code as amended to December 31, 1980, and property first placed in service
25 in taxable year 1981 or thereafter but before January 1, 1987, that, under s. 71.04

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

19 **SECTION 16.** 71.365 (1m) (b) of the statutes is created to read:

20 71.365 (1m) (b) For taxable years that begin after December 31, 2001, a
21 tax-option corporation may compute amortization and depreciation under either the
22 federal Internal Revenue Code as amended to December 31, 2001, or the federal
23 Internal Revenue Code in effect for the taxable year for which the return is filed,
24 except that property first placed in service by the taxpayer on or after
25 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),

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

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21 **SECTION 17.** 71.42 (2) (o) of the statutes is created to read:

22 71.42 (2) (o) For taxable years that begin after December 31, 2000, and before
23 January 1, 2002, "Internal Revenue Code" means the federal Internal Revenue Code

1 as amended to December 31, 2000, 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 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to
5 666, 671, and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L.
6 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
7 101-508, 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. 106-170, and sections 601,
13 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
14 107-16, except that "Internal Revenue Code" does not include section 847 of the
15 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
16 purposes at the same time as for federal purposes. Amendments to the federal
17 Internal Revenue Code enacted after December 31, 2000, do not apply to this
18 paragraph with respect to taxable years beginning after December 31, 2000, and
19 before January 1, 2002, except that changes to the Internal Revenue Code made by
20 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and
21 901 of P.L. 107-16, and changes that indirectly affect the provisions applicable to this
22 subchapter made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,
23 661 to 666, 671, and 901 of P.L. 107-16, apply for Wisconsin purposes at the same
24 time as for federal purposes.

25 **SECTION 18.** 71.42 (2) (p) of the statutes is created to read:

1 71.42 (2) (p) For taxable years that begin after December 31, 2001, "Internal
2 Revenue Code" means the federal Internal Revenue Code as amended to
3 December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102-227, sections
4 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
5 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by sections 601,
6 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.
7 107 16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
8 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
9 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
10 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
11 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
12 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
13 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
14 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641
15 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that "Internal
16 Revenue Code" does not include section 847 of the federal Internal Revenue Code.
17 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
18 federal purposes. Amendments to the federal Internal Revenue Code enacted after
19 December 31, 2001, do not apply to this paragraph with respect to taxable years
20 beginning after December 31, 2001.

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

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

1 amended to December 31, ~~1999~~ 2000, and the depreciation deduction under the
2 federal Internal Revenue Code in effect for the taxable year for which the return is
3 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,
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.

12 **SECTION 20.** 71.45 (2) (a) 13. b. of the statutes is created to read:

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

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

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