



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-4599/2

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2001 BILL

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1-23-02

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in 1-22-02

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

**Analysis by the Legislative Reference Bureau**

This bill adopts, for income tax and franchise tax purposes, the changes to the federal Internal Revenue Code made by the pension and individual retirement

**BILL**

arrangement provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

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

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

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

1 ~~SECTION 1. 71.01 (6) (g) of the statutes is repealed.~~

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

3 71.01 (6) (L) For taxable years that begin after December 31, 1996, and before  
4 January 1, 1998, for natural persons and fiduciaries, except fiduciaries of nuclear  
5 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
6 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,  
7 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
8 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
9 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277  
10 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,  
11 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L.  
12 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
13 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104, and  
14 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
15 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
16 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections  
17 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
18 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and  
19 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and

**BILL**

1 901 of P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the  
2 same time as for federal purposes. Amendments to the federal Internal Revenue  
3 Code enacted after December 31, 1996, do not apply to this paragraph with respect  
4 to taxable years beginning after December 31, 1996, and before January 1, 1998,  
5 except that changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34,  
6 P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631  
7 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes  
8 that indirectly affect the provisions applicable to this subchapter made by P.L.  
9 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601,  
10 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.  
11 107-16 apply for Wisconsin purposes at the same time as for federal purposes.

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

13 71.01 (6) (m) For taxable years that begin after December 31, 1997, and before  
14 January 1, 1999, for natural persons and fiduciaries, except fiduciaries of nuclear  
15 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
16 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
17 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
18 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
19 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36  
20 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to  
21 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514,  
22 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,  
23 P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104,  
24 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
25 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.

**BILL**

1 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections  
2 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
3 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
4 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649,  
5 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue Code  
6 applies for Wisconsin purposes at the same time as for federal purposes.  
7 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,  
8 do not apply to this paragraph with respect to taxable years beginning after  
9 December 31, 1997, and before January 1, 1999, except that changes to the Internal  
10 Revenue Code made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and,  
11 P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,  
12 661 to 666, 671, and 901 of P.L. 107-16 and changes that indirectly affect the  
13 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206, P.L.  
14 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,  
15 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 apply for Wisconsin  
16 purposes at the same time as for federal purposes.

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

18 71.01 (6) (n) For taxable years that begin after December 31, 1998, and before  
19 January 1, 2000, for natural persons and fiduciaries, except fiduciaries of nuclear  
20 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
21 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,  
22 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
23 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
24 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and sections 601, 602,  
25 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16,

**BILL**

1 and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73,  
2 P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90,  
3 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
4 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
5 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.  
6 104-117, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
7 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
8 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections  
9 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of  
10 P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the same  
11 time as for federal purposes. Amendments to the federal Internal Revenue Code  
12 enacted after December 31, 1998, do not apply to this paragraph with respect to  
13 taxable years beginning after December 31, 1998, and before January 1, 2000,  
14 except that changes to the Internal Revenue Code made by P.L. 106-36 and, P.L.  
15 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661  
16 to 666, 671, and 901 of P.L. 107-16 and changes that indirectly affect the provisions  
17 applicable to this subchapter made by P.L. 106-36 and, P.L. 106-170, P.L. 106-230,  
18 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply  
19 for Wisconsin purposes at the same time as for federal purposes.

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

21 71.01 (6) (o) For taxable years that begin after December 31, 1999, and before  
22 January 1, 2001, for natural persons and fiduciaries, except fiduciaries of nuclear  
23 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal  
24 Internal Revenue Code as amended to December 31, 1999, excluding sections 103,  
25 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203

**BILL**

1 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
2 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651  
3 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected by P.L.  
4 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
5 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections  
6 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
7 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
8 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, 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 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,  
12 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue  
13 Code applies for Wisconsin purposes at the same time as for federal purposes.  
14 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,  
15 do not apply to this paragraph with respect to taxable years beginning after  
16 December 31, 1999, (and before January 1, 2001) except that changes to the Internal  
17 Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to  
18 659, 661 to 666, 671, and 901 of P.L. 107-16 and changes that indirectly affect the  
19 provisions applicable to this subchapter made by sections 601, 602, 611 to 621, 631  
20 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 apply for  
21 Wisconsin purposes at the same time as for federal purposes.

22 **SECTION 6.** 71.01 (6) (p) of the statutes is created to read:

23 71.01 (6) (p) For taxable years that begin after December 31, 2000, and before  
24 January 1, 2002, for natural persons and fiduciaries, except fiduciaries of nuclear  
25 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal

**BILL**

1 Internal Revenue Code as amended to December 31, 2000, excluding sections 103,  
2 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
3 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
4 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651  
5 to 659, 661 to 666, 671, and 901 of P.L. 107-16 and as indirectly affected by P.L.  
6 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
7 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections  
8 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
9 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
10 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, 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, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641  
14 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue  
15 Code applies for Wisconsin purposes at the same time as for federal purposes.  
16 Amendments to the federal Internal Revenue Code enacted after December 31, 2000,  
17 do not apply to this paragraph with respect to taxable years beginning after  
18 December 31, 2000, and before January 1, 2002, except that changes to the Internal  
19 Revenue Code made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to  
20 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that indirectly affect the  
21 provisions applicable to this subchapter made by sections 601, 602, 611 to 621, 631  
22 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, apply for  
23 Wisconsin purposes at the same time as for federal purposes.

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

**BILL**

1 71.01 (6) (q) For taxable years that begin after December 31, 2001, for natural  
2 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or  
3 reserve funds, "Internal Revenue Code" means the federal Internal Revenue Code  
4 as amended to December 31, 2001, excluding sections 103, 104, and 110 of P.L.  
5 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
6 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
7 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to  
8 666, 671, and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L.  
9 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
10 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections 103, 104, and  
11 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
12 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
13 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections  
14 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
15 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
16 106-36, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651  
17 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue Code applies  
18 for Wisconsin purposes at the same time as for federal purposes. Amendments to the  
19 federal Internal Revenue Code enacted after December 31, 2001, do not apply to this  
20 paragraph with respect to taxable years beginning after December 31, 2001.

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

23 71.01 (7r) (a) Notwithstanding For taxable years that begin after December 31,  
24 2000, and before January 1, 2002, notwithstanding sub. (6), for purposes of  
25 computing amortization or depreciation, "Internal Revenue Code" means either the



**BILL**

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

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

8 71.01 (7r) (b) For taxable years that begin after December 31, 2001,  
9 notwithstanding sub. (6), for purposes of computing amortization or depreciation,  
10 "Internal Revenue Code" means either the federal Internal Revenue Code as  
11 amended to December 31, 2001, or the federal Internal Revenue Code in effect for the  
12 taxable year for which the return is filed, except that property that, under s. 71.02  
13 (2) (d) 12., 1985 stats., is required to be depreciated for taxable year 1986 under the  
14 Internal Revenue Code as amended to December 31, 1980, shall continue to be  
15 depreciated under the Internal Revenue Code as amended to December 31, 1980.

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

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

18 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
19 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
20 December 31, 1996, and before January 1, 1998, means the federal Internal  
21 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and  
22 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
23 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
24 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L.  
25 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to

**BILL**

1 666, 671, and 901 of P.L. 107-16, 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 1123 (b), 1202 (c), 1204 (f),  
9 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
10 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to  
11 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The  
12 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
13 purposes. Amendments to the federal Internal Revenue Code enacted after  
14 December 31, 1996, do not apply to this paragraph with respect to taxable years  
15 beginning after December 31, 1996, and before January 1, 1998, except that  
16 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
17 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637,  
18 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that  
19 indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,  
20 P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611  
21 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16,  
22 apply for Wisconsin purposes at the same time as for federal purposes.

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

24 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
25 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after

**BILL**

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

**BILL****SECTION 12**

1 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and  
2 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and  
3 901 of P.L. 107-16 apply for Wisconsin purposes at the same time as for federal  
4 purposes.

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

6 71.22 (4) (n) 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, 1998, and before January 1, 2000, means the federal Internal  
9 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and  
10 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
11 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
12 and as amended by P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621,  
13 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as  
14 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
15 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
16 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.  
17 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
18 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
19 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
20 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
21 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
22 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
23 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,  
24 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue  
25 Code applies for Wisconsin purposes at the same time as for federal purposes.

**BILL**

1 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,  
2 do not apply to this paragraph with respect to taxable years beginning after  
3 December 31, 1998, and before January 1, 2000, except that changes to the Internal  
4 Revenue Code made by P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to  
5 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 and  
6 changes that indirectly affect the provisions applicable to this subchapter made by  
7 P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to  
8 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 apply for Wisconsin purposes  
9 at the same time as for federal purposes.

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

11 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
12 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after  
13 December 31, 1999, and before January 1, 2001, means the federal Internal Revenue  
14 Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.  
15 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
16 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
17 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to  
18 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions  
19 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding  
20 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514  
21 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
22 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
23 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
24 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
25 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),

**BILL****SECTION 14**

1 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
2 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and P.L. 106-170,  
3 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,  
4 and 901 of P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes  
5 at the same time as for federal purposes. Amendments to the federal Internal  
6 Revenue Code enacted after December 31, 1999, do not apply to this paragraph with  
7 respect to taxable years beginning after December 31, 1999, and before January 1,  
8 2001, except that changes to the Internal Revenue Code made by sections 601, 602,  
9 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16  
10 and changes that indirectly affect the provisions applicable to this subchapter made  
11 by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,  
12 and 901 of P.L. 107-16 apply for Wisconsin purposes at the same time as for federal  
13 purposes.

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

15 ~~71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34~~  
16 ~~(1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after~~  
17 ~~December 31, 2000, and before January 1, 2002, means the federal Internal Revenue~~  
18 ~~Code as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.~~  
19 ~~102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,~~  
20 ~~sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as~~  
21 ~~amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to~~  
22 ~~666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions~~  
23 ~~applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding~~  
24 ~~sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514~~  
25 ~~and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.~~

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

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

19 71.22 (4) (q) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34  
20 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after  
21 December 31, 2001, means the federal Internal Revenue Code as amended to  
22 December 31, 2001, excluding sections 103, 104, and 110 of P.L. 102 227, sections  
23 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),  
24 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by sections 601,  
25 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.

**BILL****SECTION 16**

1 107-16, and as indirectly affected in the provisions applicable to this subchapter by  
2 P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2),  
3 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.  
4 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
5 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
6 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
7 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.  
8 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
9 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
10 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, and sections 601, 602, 611 to 621,  
11 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The  
12 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
13 purposes. Amendments to the federal Internal Revenue Code enacted after  
14 December 31, 2001, do not apply to this paragraph with respect to taxable years  
15 beginning after December 31, 2001.

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

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

18 71.22 (4m) (j) For taxable years that begin after December 31, 1996, and before  
19 January 1, 1998, "Internal Revenue Code", for corporations that are subject to a tax  
20 on unrelated business income under s. 71.26 (1) (a), means the federal Internal  
21 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and  
22 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
23 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188  
24 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and P.L.  
25 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to



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1 666, 671, and 901 of P.L. 107-16, 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, 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 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104-188, P.L.  
8 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and,  
9 P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661  
10 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue Code applies for Wisconsin  
11 purposes at the same time as for federal purposes. Amendments to the Internal  
12 Revenue Code enacted after December 31, 1996, do not apply to this paragraph with  
13 respect to taxable years beginning after December 31, 1996, and before  
14 January 1, 1998, except that changes to the Internal Revenue Code made by P.L.  
15 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601,  
16 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.  
17 107-16, and changes that indirectly affect provisions applicable to this subchapter  
18 made by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and  
19 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and  
20 901 of P.L. 107-16, apply for Wisconsin purposes at the same time as for federal  
21 purposes.

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

23 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and  
24 before January 1, 1999, "Internal Revenue Code", for corporations that are subject  
25 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal

**BILL****SECTION 19**

1 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,  
2 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
3 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
4 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36  
5 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to  
6 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the  
7 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,  
8 P.L. 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, and sections 601, 602, 611 to 621, 631 to 637,  
15 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue  
16 Code applies for Wisconsin purposes at the same time as for federal purposes.  
17 Amendments to the Internal Revenue Code enacted after December 31, 1997, do not  
18 apply to this paragraph with respect to taxable years beginning after  
19 December 31, 1997, and before January 1, 1999, except that changes to the Internal  
20 Revenue Code made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and,  
21 P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,  
22 661 to 666, 671, and 901 of P.L. 107-16 and changes that indirectly affect the  
23 provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206, P.L.  
24 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,

**BILL**

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

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

4 71.22 (4m) (L) For taxable years that begin after December 31, 1998, and  
5 before January 1, 2000, "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, 1998, 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 P.L. 106-36 and, P.L. 106-170, and sections 601, 602,  
11 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16,  
12 and as indirectly affected in the provisions applicable to this subchapter by P.L.  
13 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
14 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
15 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
16 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
17 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
18 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
19 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,  
20 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,  
21 and 901 of P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes  
22 at the same time as for federal purposes. Amendments to the Internal Revenue Code  
23 enacted after December 31, 1998, do not apply to this paragraph with respect to  
24 taxable years beginning after December 31, 1998, and before January 1, 2000,  
25 except that changes to the Internal Revenue Code made by P.L. 106-36 and, P.L.

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

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

7 71.22 (4m) (m) For taxable years that begin after December 31, 1999, and  
8 before January 1, 2001, "Internal Revenue Code", for corporations that are subject  
9 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
10 Internal Revenue Code as amended to December 31, 1999, excluding sections 103,  
11 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
12 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
13 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651  
14 to 659, 661 to 666, 671, and 901 of P.L. 107-16, 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. 105-178, P.L. 105-206, P.L.  
22 105-277, P.L. 106-36 and, P.L. 106-170, and 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. The Internal Revenue  
24 Code applies for Wisconsin purposes at the same time as for federal purposes.  
25 Amendments to the Internal Revenue Code enacted after December 31, 1999, do not

**BILL**

1 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 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 22. 71.22 (4m) (n) of the statutes is created to read:~~

9 ~~71.22 (4m) (n) For taxable years that begin after December 31, 2000, and~~  
10 ~~before January 1, 2002, "Internal Revenue Code," for corporations that are subject~~  
11 ~~to a tax on unrelated business income under s. 71.26 (1) (a), means the federal~~  
12 ~~Internal Revenue Code as amended to December 31, 2000, excluding sections 103,~~  
13 ~~104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203~~  
14 ~~(d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.~~  
15 ~~104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651~~  
16 ~~to 659, 661 to 666, 671, and 901 of P.L. 107-16, 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. 101-289, 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, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641~~  
25 ~~to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16. The Internal Revenue~~

**BILL****SECTION 22**

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

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

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

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1 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and  
2 901 of P.L. 107-16. The Internal Revenue Code applies for Wisconsin purposes at the  
3 same time as for federal purposes. Amendments to the Internal Revenue Code  
4 enacted after December 31, 2001, do not apply to this paragraph with respect to  
5 taxable years beginning after December 31, 2001.

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

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

8 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and  
9 before January 1, 1998, for a corporation, conduit or common law trust which  
10 qualifies as a regulated investment company, real estate mortgage investment  
11 conduit, real estate investment trust or financial asset securitization investment  
12 trust under the Internal Revenue Code as amended to December 31, 1996, excluding  
13 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
14 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
15 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,  
16 P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to  
17 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected  
18 in the provisions applicable to this subchapter 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. 105-206, P.L.  
25 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649.

**BILL****SECTION 25**

1 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, "net income" means the federal  
2 regulated investment company taxable income, federal real estate mortgage  
3 investment conduit taxable income, federal real estate investment trust or financial  
4 asset securitization investment trust taxable income of the corporation, conduit or  
5 trust as determined under the Internal Revenue Code as amended to  
6 December 31, 1996, excluding sections 103, 104, and 110 of P.L. 102-227, sections  
7 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123  
8 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188 and as amended by P.L.  
9 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601,  
10 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.  
11 107-16, and as indirectly affected in the provisions applicable to this subchapter by  
12 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,  
13 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
14 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
15 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
16 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
17 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
18 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to  
19 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except  
20 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be  
21 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as  
22 amended to December 31, 1980, shall continue to be depreciated under the Internal  
23 Revenue Code as amended to December 31, 1980, and except that the appropriate  
24 amount shall be added or subtracted to reflect differences between the depreciation  
25 or adjusted basis for federal income tax purposes and the depreciation or adjusted



**BILL**

1 basis under this chapter of any property disposed of during the taxable year. The  
2 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,  
3 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
4 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
5 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277  
6 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,  
7 661 to 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. 105-206, P.L. 105-277 and,  
15 P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661  
16 to 666, 671, and 901 of P.L. 107-16, applies for Wisconsin purposes at the same time  
17 as for federal purposes. Amendments to the Internal Revenue Code enacted after  
18 December 31, 1996, do not apply to this subdivision with respect to taxable years  
19 that begin after December 31, 1996, and before January 1, 1998, except that  
20 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
21 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637,  
22 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and changes that  
23 indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,  
24 P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and sections 601, 602, 611

**BILL**

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

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

4 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and  
5 before January 1, 1999, for a corporation, conduit or common law trust which  
6 qualifies as a regulated investment company, real estate mortgage investment  
7 conduit, real estate investment trust or financial asset securitization investment  
8 trust under the Internal Revenue Code as amended to December 31, 1997, excluding  
9 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
10 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
11 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L.  
12 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,  
13 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly  
14 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
15 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
16 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
17 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
18 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
19 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
20 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
21 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to  
22 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, "net  
23 income" means the federal regulated investment company taxable income, federal  
24 real estate mortgage investment conduit taxable income, federal real estate  
25 investment trust or financial asset securitization investment trust taxable income

**BILL**

1 of the corporation, conduit or trust as determined under the Internal Revenue Code  
2 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.  
3 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
4 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
5 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,  
6 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,  
7 and 901 of P.L. 107-16, and as indirectly affected in the provisions applicable to this  
8 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
9 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,  
10 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
11 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
12 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
13 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
14 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.  
15 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661  
16 to 666, 671, and 901 of P.L. 107-16, except that property that, under s. 71.02 (1) (c)  
17 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
18 under the Internal Revenue Code as amended to December 31, 1980, shall continue  
19 to be depreciated under the Internal Revenue Code as amended to  
20 December 31, 1980, and except that the appropriate amount shall be added or  
21 subtracted to reflect differences between the depreciation or adjusted basis for  
22 federal income tax purposes and the depreciation or adjusted basis under this  
23 chapter of any property disposed of during the taxable year. The Internal Revenue  
24 Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.  
25 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,

**BILL****SECTION 26**

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

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

**BILL**

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

**BILL****SECTION 27**

1 and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and  
2 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and  
3 901 of P.L. 107-16, and as indirectly affected in the provisions applicable to this  
4 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
5 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,  
6 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
7 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
8 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
9 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
10 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.  
11 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661  
12 to 666, 671, and 901 of P.L. 107-16, except that property that, under s. 71.02 (1) (c)  
13 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
14 under the Internal Revenue Code as amended to December 31, 1980, shall continue  
15 to be depreciated under the Internal Revenue Code as amended to  
16 December 31, 1980, and except that the appropriate amount shall be added or  
17 subtracted to reflect differences between the depreciation or adjusted basis for  
18 federal income tax purposes and the depreciation or adjusted basis under this  
19 chapter of any property disposed of during the taxable year. The Internal Revenue  
20 Code as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.  
21 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
22 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
23 amended by P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to  
24 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly  
25 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,

## BILL

~~1 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
 2 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
 3 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
 4 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
 5 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
 6 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
 7 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to  
 8 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, applies  
 9 for Wisconsin purposes at the same time as for federal purposes. Amendments to the  
 10 Internal Revenue Code enacted after December 31, 1998, do not apply to this  
 11 subdivision with respect to taxable years that begin after December 31, 1998, and  
 12 before January 1, 2000, except that changes to the Internal Revenue Code made by  
 13 P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to  
 14 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16 and changes that indirectly  
 15 affect the provisions applicable to this subchapter made by P.L. 106-36 and, P.L.  
 16 106-170, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661  
 17 to 666, 671, and 901 of P.L. 107-16 apply for Wisconsin purposes at the same time  
 18 as for federal purposes.~~

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

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

**BILL****SECTION 28**

1 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
2 1605 (d) of P.L. 104-188, and as amended by sections 601, 602, 611 to 621, 631 to 637,  
3 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly  
4 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
5 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
6 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
7 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
8 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
9 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
10 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
11 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to  
12 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, “net  
13 income” means the federal regulated investment company taxable income, federal  
14 real estate mortgage investment conduit taxable income, federal real estate  
15 investment trust or financial asset securitization investment trust taxable income  
16 of the corporation, conduit or trust as determined under the Internal Revenue Code  
17 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.  
18 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
19 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
20 amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to  
21 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions  
22 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
23 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
24 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
25 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.



**BILL**

1 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
2 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
3 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
4 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,  
5 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that property  
6 that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for  
7 taxable years 1983 to 1986 under the Internal Revenue Code as amended to  
8 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
9 Code as amended to December 31, 1980, and except that the appropriate amount  
10 shall be added or subtracted to reflect differences between the depreciation or  
11 adjusted basis for federal income tax purposes and the depreciation or adjusted basis  
12 under this chapter of any property disposed of during the taxable year. The Internal  
13 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and  
14 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
15 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
16 and as amended by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,  
17 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly affected in the provisions  
18 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
19 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
20 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
21 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
22 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104 188,  
23 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
24 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
25 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to 621, 631 to 637,

## BILL

## SECTION 28

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

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

12 ~~71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, and~~  
13 ~~before January 1, 2002, for a corporation, conduit, or common law trust which~~  
14 ~~qualifies as a regulated investment company, real estate mortgage investment~~  
15 ~~conduit, real estate investment trust, or financial asset securitization investment~~  
16 ~~trust under the Internal Revenue Code as amended to December 31, 2000, excluding~~  
17 ~~sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),~~  
18 ~~13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,~~  
19 ~~and 1605 (d) of P.L. 104-188, and as amended sections 601, 602, 611 to 621, 631 to~~  
20 ~~637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, and as indirectly~~  
21 ~~affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,~~  
22 ~~P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,~~  
23 ~~P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.~~  
24 ~~102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and~~  
25 ~~13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.~~

**BILL**

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

**BILL**

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

**BILL**

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

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

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

**BILL****SECTION 30**

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

**BILL**

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

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

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

**BILL****SECTION 31**

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

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

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

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

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

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



**BILL**

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

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

**BILL****SECTION 35**

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

**BILL**

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

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

9 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable  
10 years that begin after December 31, 1998, and before January 1, 2000, means the  
11 federal Internal Revenue Code as amended to December 31, 1998, excluding sections  
12 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and  
13 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)  
14 of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and sections 601,  
15 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of P.L.  
16 107-16, and as indirectly affected in the provisions applicable to this subchapter by  
17 P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2),  
18 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.  
19 100 647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-233, P.L. 101-508, P.L.  
20 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
21 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
22 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
23 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
24 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
25 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to

## BILL

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

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

71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 1999, and before January 1, 2001, means the federal Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by 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. 100-208, 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

**BILL**

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

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

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

**BILL****SECTION 38**

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

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

**BILL**

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

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

## BILL

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



**BILL**

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

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

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

**BILL**

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

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

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

7 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before  
8 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code  
9 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.  
10 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
11 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
12 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36,  
13 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,  
14 and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.  
15 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
16 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
17 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
18 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
19 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
20 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L.  
21 105-277 and, P.L. 106-36, and sections 601, 602, 611 to 621, 631 to 637, 641 to 649,  
22 651 to 659, 661 to 666, 671, and 901 of P.L. 107-16, except that "Internal Revenue  
23 Code" does not include section 847 of the federal Internal Revenue Code. The  
24 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
25 purposes. Amendments to the federal Internal Revenue Code enacted after

**BILL**

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

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

11 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before  
12 January 1, 1999, "Internal Revenue Code" means the federal Internal Revenue Code  
13 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.  
14 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
15 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
16 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,  
17 and sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671,  
18 and 901 of P.L. 107-16, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.  
19 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.  
20 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
21 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
22 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
23 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
24 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
25 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections 601, 602, 611 to

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

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

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

## BILL

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

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

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

**BILL**

1 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
2 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.  
3 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
4 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
5 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
6 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
7 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and sections  
8 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and 901 of  
9 P.L. 107-16, except that "Internal Revenue Code" does not include section 847 of the  
10 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin  
11 purposes at the same time as for federal purposes. Amendments to the federal  
12 Internal Revenue Code enacted after December 31, 1999, do not apply to this  
13 paragraph with respect to taxable years beginning after December 31, 1999, and  
14 before January 1, 2001, except that changes to the Internal Revenue Code made by  
15 sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659, 661 to 666, 671, and  
16 901 of P.L. 107-16 and changes that indirectly affect the provisions applicable to this  
17 subchapter made by sections 601, 602, 611 to 621, 631 to 637, 641 to 649, 651 to 659,  
18 661 to 666, 671, and 901 of P.L. 107-16 apply for Wisconsin purposes at the same time  
19 as for federal purposes.

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

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

**BILL**

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

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

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

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

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

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



**BILL**

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

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

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

23 **SECTION 51. Initial applicability.**

24 (1) DEPRECIATION DEDUCTIONS.

**BILL**

1  
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7

(a) The renumbering and amendment 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.

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

(END)

4599/2dN

D-N

Senator Burke:

Please review this draft carefully to ensure that it is consistent with your intent. This draft reflects changes that were made based on my conversations with Tom Reid at DOR and Bill Ford.

JK

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

LRB-4599/2dn  
JK:kmg:kjf

January 22, 2002

Senator Burke:

Please review this draft carefully to ensure that it is consistent with your intent. This draft reflects changes that were made based on my conversations with Tom Reid at DOR and Bill Ford.

Joseph T. Kreye  
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