

1 106-573, “net income” means the federal regulated investment company taxable
2 income, federal real estate mortgage investment conduit taxable income, federal real
3 estate investment trust or financial asset securitization investment trust taxable
4 income of the corporation, conduit or trust as determined under the Internal
5 Revenue Code as amended to December 31, 1999, 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 P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162
9 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected in the
10 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
11 P.L. 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 and, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554,
18 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that
19 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
20 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
21 December 31, 1980, shall continue to be depreciated under the Internal Revenue
22 Code as amended to December 31, 1980, and except that the appropriate amount
23 shall be added or subtracted to reflect differences between the depreciation or
24 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
25 under this chapter of any property disposed of during the taxable year. The Internal

1 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and
2 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
3 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,
4 and as amended by P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162
5 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in the
6 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647,
7 P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
8 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
9 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
10 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
11 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
12 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
13 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554,
14 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, applies for
15 Wisconsin purposes at the same time as for federal purposes. Amendments to the
16 Internal Revenue Code enacted after December 31, 1999, do not apply to this
17 subdivision with respect to taxable years that begin after December 31, 1999, and
18 before January 1, 2001, except that changes to the Internal Revenue Code made by
19 P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.
20 106–554, and P.L. 106–573 and changes that indirectly affect the provisions
21 applicable to this subchapter made by P.L. 106–200, P.L. 106–230, P.L. 106–554,
22 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 apply for Wisconsin
23 purposes at the same time as for federal purposes.

24 SECTION 2175dj. 71.26 (2) (b) 16. of the statutes is created to read:

1 71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, for a
2 corporation, conduit, or common law trust which qualifies as a regulated investment
3 company, real estate mortgage investment conduit, real estate investment trust, or
4 financial asset securitization investment trust under the Internal Revenue Code as
5 amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102–227,
6 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections
7 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188 and as indirectly
8 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
9 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,
10 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
11 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
12 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.
13 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
14 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
15 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L.
16 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, “net
17 income” means the federal regulated investment company taxable income, federal
18 real estate mortgage investment conduit taxable income, federal real estate
19 investment trust or financial asset securitization investment trust taxable income
20 of the corporation, conduit, or trust as determined under the Internal Revenue Code
21 as amended to December 31, 2000, 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 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
25 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.

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

1 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections
2 162 and 165 of P.L. 106–554, and P.L. 106–573, applies for Wisconsin purposes at the
3 same time as for federal purposes. Amendments to the Internal Revenue Code
4 enacted after December 31, 2000, do not apply to this subdivision with respect to
5 taxable years that begin after December 31, 2000.

6 **SECTION 2176.** 71.26 (3) (n) of the statutes is amended to read:

7 71.26 (3) (n) Sections 381, 382 and 383 (relating to carry–overs in certain
8 corporate acquisitions) are modified so that they apply to losses under sub. (4) and
9 credits under s. 71.28 (1di), (1dL), (1dm), (1dx) and, (3) to, (4), and (5) instead of to
10 federal credits and federal net operating losses.

11 **SECTION 2176d.** 71.26 (3) (y) of the statutes is amended to read:

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

23 **SECTION 2176m.** 71.28 (1di) (b) 1. of the statutes is amended to read:

24 71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
25 credits carried over, may be offset only against the amount of the tax otherwise due

1 under this chapter attributable to income from the business operations of the
2 claimant in the development zone; except that a claimant in a development zone
3 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
4 against the amount of the tax otherwise due under this chapter attributable to all
5 of the claimant's income; and against the tax attributable to income from directly
6 related business operations of the claimant.

7 **SECTION 2176p.** 71.28 (1di) (b) 3. of the statutes is amended to read:

8 71.28 (1di) (b) 3. Partnerships, limited liability companies and tax-option
9 corporations may not claim the credit under this subsection, but the eligibility for,
10 and amount of, that credit shall be determined on the basis of their economic activity,
11 not that of their shareholders, partners or members. The corporation, partnership
12 or limited liability company shall compute the amount of the credit that may be
13 claimed by each of its shareholders, partners or members and shall provide that
14 information to each of its shareholders, partners or members. Partners, members
15 of limited liability companies and shareholders of tax-option corporations may claim
16 the credit based on the partnership's, company's or corporation's activities in
17 proportion to their ownership interest and may offset it against the tax attributable
18 to their income from the partnership's, company's or corporation's business
19 operations in the development zone; except that partners, members, and
20 shareholders in a development zone under s. 560.795 (1) (e) may offset the credit
21 against the amount of the tax attributable to their income from all of the
22 partnership's, company's, or corporation's business operations; and against the tax
23 attributable to their income from the partnership's, company's or corporation's
24 directly related business operations.

25 **SECTION 2177.** 71.28 (1dm) of the statutes is created to read:

1 **71.28 (1dm)** DEVELOPMENT ZONE CAPITAL INVESTMENT CREDIT. (a) In this
2 subsection:

3 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or
4 certified under s. 560.795 (5) or 560.798 (3).

5 2. “Claimant” means a person who files a claim under this subsection.

6 3. “Development zone” means a development opportunity zone under s. 560.795
7 (1) (e) and (f) or 560.798.

8 4. “Previously owned property” means real property that the claimant or a
9 related person owned during the 2 years prior to the department of commerce
10 designating the place where the property is located as a development zone and for
11 which the claimant may not deduct a loss from the sale of the property to, or an
12 exchange of the property with, the related person under section 267 of the Internal
13 Revenue Code, except that section 267 (b) of the Internal Revenue Code is modified
14 so that if the claimant owns any part of the property, rather than 50% ownership, the
15 claimant is subject to section 267 (a) (1) of the Internal Revenue Code for purposes
16 of this subsection.

17 (b) Subject to the limitations provided in this subsection and in s. 73.03 (35),
18 for any taxable year for which the claimant is certified, a claimant may claim as a
19 credit against the taxes imposed under s. 71.23 an amount that is equal to 3% of the
20 following:

21 1. The purchase price of depreciable, tangible personal property.

22 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
23 real property in a development zone.

24 (c) A claimant may claim the credit under par. (b) 1., if the tangible personal
25 property is purchased after the claimant is certified and the personal property is

1 used for at least 50% of its use in the claimant's business at a location in a
2 development zone or, if the property is mobile, the property's base of operations for
3 at least 50% of its use is at a location in a development zone.

4 (d) A claimant may claim the credit under par. (b) 2. for an amount expended
5 to construct, rehabilitate, remodel, or repair real property, if the claimant began the
6 physical work of construction, rehabilitation, remodeling, or repair, or any
7 demolition or destruction in preparation for the physical work, after the place where
8 the property is located was designated a development zone, or if the completed
9 project is placed in service after the claimant is certified. In this paragraph, "physical
10 work" does not include preliminary activities such as planning, designing, securing
11 financing, researching, developing specifications, or stabilizing the property to
12 prevent deterioration.

13 (e) A claimant may claim the credit under par. (b) 2. for an amount expended
14 to acquire real property, if the property is not previously owned property and if the
15 claimant acquires the property after the place where the property is located was
16 designated a development zone, or if the completed project is placed in service after
17 the claimant is certified.

18 (f) No credit may be allowed under this subsection unless the claimant includes
19 with the claimant's return:

20 1. A copy of a verification from the department of commerce that the claimant
21 may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5)
22 or 560.798 (3).

23 2. A statement from the department of commerce verifying the purchase price
24 of the investment and verifying that the investment fulfills the requirements under
25 par. (b).

1 (g) In calculating the credit under par. (b) a claimant shall reduce the amount
2 expended to acquire property by a percentage equal to the percentage of the area of
3 the real property not used for the purposes for which the claimant is certified and
4 shall reduce the amount expended for other purposes by the amount expended on the
5 part of the property not used for the purposes for which the claimant is certified.

6 (h) The carry-over provisions of sub. (4) (e) and (f) as they relate to the credit
7 under sub. (4) relate to the credit under this subsection.

8 (hm) Credits claimed under this subsection, including any credits carried over,
9 may be offset only against the amount of the tax otherwise due under this subchapter
10 attributable to income from the business operations of the claimant in the
11 development zone; except that a claimant in a development zone under s. 560.795 (1)
12 (e) may offset credits, including any credits carried over, against the amount of the
13 tax otherwise due under this subchapter attributable to all of the claimant's income;
14 and against the tax attributable to income from directly related business operations
15 of the claimant.

16 (i) Partnerships, limited liability companies, and tax-option corporations may
17 not claim the credit under this subsection, but the eligibility for, and the amount of,
18 that credit shall be determined on the basis of their economic activity, not that of their
19 shareholders, partners, or members. The corporation, partnership, or limited
20 liability company shall compute the amount of credit that may be claimed by each
21 of its shareholders, partners, or members and provide that information to its
22 shareholders, partners, or members. Partners, members of limited liability
23 companies, and shareholders of tax-option corporations may claim the credit based
24 on the partnership's, company's, or corporation's activities in proportion to their
25 ownership interest and may offset it against the tax attributable to their income from

1 the partnership's, company's, or corporation's business operations in the
2 development zone; except that partners, members, and shareholders in a
3 development zone under s. 560.795 (1) (e) may offset the credit against the amount
4 of the tax attributable to their income from all of the partnership's, company's, or
5 corporation's business operations; and against the tax attributable to their income
6 from the partnership's, company's, or corporation's directly related business
7 operations.

8 (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
9 becomes ineligible for such tax benefits, or if a person's certification under s. 560.795
10 (5) or 560.798 (3) is revoked, that person may claim no credits under this subsection
11 for the taxable year that includes the day on which the person becomes ineligible for
12 tax benefits, the taxable year that includes the day on which the certification is
13 revoked, or succeeding taxable years, and that person may carry over no unused
14 credits from previous years to offset tax under this chapter for the taxable year that
15 includes the day on which the person becomes ineligible for tax benefits, the taxable
16 year that includes the day on which the certification is revoked, or succeeding taxable
17 years.

18 (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
19 or certified under s. 560.795 (5) or 560.798 (3) ceases business operations in the
20 development zone during any of the taxable years that that zone exists, that person
21 may not carry over to any taxable year following the year during which operations
22 cease any unused credits from the taxable year during which operations cease or
23 from previous taxable years.

24 (L) Subsection (4) (g) and (h) as it applies to the credit under sub. (4) applies
25 to the credit under this subsection.

1 **SECTION 2177m.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

2 71.28 (1dx) (a) 2. “Development zone” means a development zone under s.
3 560.70, a development opportunity zone under s. 560.795 ~~or~~, an enterprise
4 development zone under s. 560.797, or an agricultural development zone under s.
5 560.798.

6 **SECTION 2178.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

7 71.28 (1dx) (a) 5. “Member of a targeted group” means ~~a person under sub. (2d)~~
8 ~~(am) 1.~~, a person who resides in an empowerment zone, or an enterprise community,
9 that the U.S. government designates, a person who is employed in an unsubsidized
10 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
11 works employment position, a person who is employed in a trial job, as defined in s.
12 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a
13 person who is a vocational rehabilitation referral, an economically disadvantaged
14 youth, an economically disadvantaged veteran, a supplemental security income
15 recipient, a general assistance recipient, an economically disadvantaged ex-convict,
16 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated
17 worker, as defined in 29 USC 2801 (9), or a food stamp recipient; if the person has
18 been certified in the manner under sub. (1dj) (am) 3. by a designated local agency,
19 as defined in sub. (1dj) (am) 2.

20 **SECTION 2178g.** 71.28 (1dx) (c) of the statutes is amended to read:

21 71.28 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits
22 under s. 560.765 (3) ~~or~~ 560.797 (4) ~~or~~ 560.798 (3) is revoked, or if the person becomes
23 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits
24 under this subsection for the taxable year that includes the day on which the
25 certification is revoked; the taxable year that includes the day on which the person

1 becomes ineligible for tax benefits; or succeeding taxable years and that person may
2 not carry over unused credits from previous years to offset tax under this chapter for
3 the taxable year that includes the day on which certification is revoked; the taxable
4 year that includes the day on which the person becomes ineligible for tax benefits;
5 or succeeding taxable years.

6 **SECTION 2178h.** 71.28 (1dx) (d) of the statutes is amended to read:

7 71.28 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.
8 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~, 560.797 (4) or
9 560.798 (3) for tax benefits ceases business operations in the development zone
10 during any of the taxable years that that zone exists, that person may not carry over
11 to any taxable year following the year during which operations cease any unused
12 credits from the taxable year during which operations cease or from previous taxable
13 years.

14 **SECTION 2178k.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

15 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
16 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
17 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
18 ~~or~~, 560.797 (4) or 560.798 (3), any person may claim as a credit against taxes imposed
19 on the person's income from the person's business activities in a development zone
20 under this subchapter the following amounts:

21 **SECTION 2178m.** 71.28 (1dx) (be) of the statutes is created to read:

22 71.28 (1dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
23 (e) may offset any credits claimed under this subsection, including any credits
24 carried over, against the amount of the tax otherwise due under this subchapter

1 attributable to all of the claimant's income and against the tax attributable to income
2 from directly related business operations of the claimant.

3 **SECTION 2178p.** 71.28 (1dx) (bg) of the statutes is created to read:

4 71.28 (1dx) (bg) *Other entities.* For claimants in a development zone under s.
5 560.795 (1) (e), partnerships, limited liability companies, and tax-option
6 corporations may not claim the credit under this subsection, but the eligibility for,
7 and amount of, that credit shall be determined on the basis of their economic activity,
8 not that of their shareholders, partners, or members. The corporation, partnership,
9 or company shall compute the amount of the credit that may be claimed by each of
10 its shareholders, partners, or members and shall provide that information to each
11 of its shareholders, partners, or members. Partners, members of limited liability
12 companies, and shareholders of tax-option corporations may claim the credit based
13 on the partnership's, company's, or corporation's activities in proportion to their
14 ownership interest and may offset it against the tax attributable to their income from
15 all of the partnership's, company's, or corporation's business operations and against
16 the tax attributable to their income from the partnership's, company's, or
17 corporation's directly related business operations.

18 **SECTION 2179.** 71.28 (3g) of the statutes is created to read:

19 71.28 (3g) **TECHNOLOGY ZONES CREDIT.** (a) Subject to the limitations under this
20 subsection and ss. 73.03 (35m) and 560.96, a business that is certified under s. 560.96
21 (3) may claim as a credit against the taxes imposed under s. 71.23 an amount equal
22 to the sum of the following, as established under s. 560.96 (3) (c):

23 1. The amount of real and personal property taxes imposed under s. 70.01 that
24 the business paid in the taxable year.

1 2. The amount of income and franchise taxes imposed under s. 71.23 that the
2 business paid in the taxable year.

3 3. The amount of sales and use taxes imposed under ss. 77.52, 77.53, and 77.71
4 that the business paid in the taxable year.

5 (b) The department of revenue shall notify the department of commerce of all
6 claims under this subsection.

7 (c) Subsection (4) (e), (f), (g), and (h), as it applies to the credit under sub. (4),
8 applies to the credit under par. (a).

9 (d) Partnerships, limited liability companies, and tax-option corporations may
10 not claim the credit under this subsection, but the eligibility for, and the amount of,
11 the credit are based on their payment of amounts under par. (a). A partnership,
12 limited liability company, or tax-option corporation shall compute the amount of
13 credit that each of its partners, members, or shareholders may claim and shall
14 provide that information to each of them. Partners, members of limited liability
15 companies, and shareholders of tax-option corporations may claim the credit in
16 proportion to their ownership interest.

17 **SECTION 2179d.** 71.28 (9t) of the statutes is created to read:

18 71.28 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
19 “claimant” means a person who files a claim under this subsection.

20 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
21 to the limitations provided in this subsection, a claimant may claim as a credit
22 against the tax imposed under s. 71.23, up to the amount of those taxes, an amount
23 equal to 10% of the amount contributed to the artistic endowment fund under s.
24 25.78, up to a maximum credit of \$500 in a taxable year.

1 (c) *Limitations and conditions.* 1. No new claim may be filed under this
2 subsection for a taxable year that begins after December 31 of the year in which the
3 department determines that the total amount of revenues received by the
4 endowment fund equals \$50,150,000.

5 2. No credit may be allowed under this subsection unless it is claimed within
6 the time period under s. 71.75 (2).

7 (d) *Administration.* Subsection (4) (e) and (g), as it applies to the credit under
8 sub. (4), applies to the credit under this subsection.

9 **SECTION 2179h.** 71.30 (3) (bm) of the statutes is created to read:

10 71.30 (3) (bm) Artistic endowment credit under s. 71.28 (9t).

11 **SECTION 2180.** 71.30 (3) (emb) of the statutes is created to read:

12 71.30 (3) (emb) Development zone capital investment credit under s. 71.28
13 (1dm).

14 **SECTION 2181.** 71.30 (3) (eon) of the statutes is created to read:

15 71.30 (3) (eon) Technology zones credit under s. 71.28 (3g).

16 **SECTION 2182.** 71.34 (1) (g) of the statutes is amended to read:

17 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
18 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx) and (3),
19 and (3g) and passed through to shareholders.

20 **SECTION 2182d.** 71.34 (1g) (g) of the statutes is repealed.

21 **SECTION 2182db.** 71.34 (1g) (h) of the statutes is amended to read:

22 71.34 (1g) (h) "Internal Revenue Code" for tax-option corporations, for taxable
23 years that begin after December 31, 1992, and before January 1, 1994, means the
24 federal Internal Revenue Code as amended to December 31, 1992, excluding
25 sections 103, 104 and 110 of P.L. 102–227, and as amended by P.L. 103–66, excluding

1 sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66,
2 P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L.
3 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
4 106-554, and as indirectly affected in the provisions applicable to this subchapter
5 by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d)
6 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
7 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
8 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
9 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,
10 13174, and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
11 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554,
12 excluding sections 162 and 165 of P.L. 106-554, 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
17 December 31, 1992, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1992, and before January 1, 1994, except that
19 changes to the Internal Revenue Code made by P.L. 103-66, P.L. 103-465, P.L.
20 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L.
21 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
22 changes that indirectly affect the provisions applicable to this subchapter made by
23 P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
24 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162

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

3 **SECTION 2182dc.** 71.34 (1g) (i) of the statutes is amended to read:

4 71.34 (1g) (i) “Internal Revenue Code” for tax-option corporations, for taxable
5 years that begin after December 31, 1993, and before January 1, 1995, means the
6 federal Internal Revenue Code as amended to December 31, 1993, excluding
7 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),
8 13174, 13203 (d), and 13215 of P.L. 103–66, and as amended by P.L. 103–296, P.L.
9 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188,
10 excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
11 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
12 106–554, and as indirectly affected in the provisions applicable to this subchapter
13 by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d)
14 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of 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, 13203
18 (d), and 13215 of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7,
19 excluding section 1 of P.L. 104–7, P.L. 104–188, excluding section 1311 of P.L.
20 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
21 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, except that section
22 1366 (f) (relating to pass-through of items to shareholders) is modified by
23 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
24 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
25 purposes. Amendments to the federal Internal Revenue Code enacted after

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

13 **SECTION 2182dd.** 71.34 (1g) (j) of the statutes is amended to read:

14 71.34 (1g) (j) "Internal Revenue Code" for tax-option corporations, for taxable
15 years that begin after December 31, 1994, and before January 1, 1996, means the
16 federal Internal Revenue Code as amended to December 31, 1994, excluding
17 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
18 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188,
19 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
20 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
21 sections 162 and 165 of P.L. 106-554, 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 excluding
23 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
24 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
25 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.

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

20 **SECTION 2182de.** 71.34 (1g) (k) of the statutes is amended to read:

21 71.34 (1g) (k) “Internal Revenue Code” for tax-option corporations, for taxable
22 years that begin after December 31, 1995, and before January 1, 1997, means the
23 federal Internal Revenue Code as amended to December 31, 1995, excluding
24 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),
25 13174, and 13203 (d) of P.L. 103–66, and as amended by P.L. 104–188, excluding

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

1 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, apply for
2 Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 2182df.** 71.34 (1g) (L) of the statutes is amended to read:

4 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable
5 years that begin after December 31, 1996, and before January 1, 1998, means the
6 federal Internal Revenue Code as amended to December 31, 1996, excluding
7 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
8 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
9 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,
10 P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, excluding sections 162 and 165 of
11 P.L. 106-554, and as indirectly affected in the provisions applicable to this
12 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2)
13 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008
14 (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.
15 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
16 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
17 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
18 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
19 (d) of P.L. 104-188, P.L. 104-191, P.L. 104 193, P.L. 105-33, P.L. 105-34, P.L.
20 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, excluding sections 162
21 and 165 of P.L. 106-554, except that section 1366 (f) (relating to pass-through of
22 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
23 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
24 purposes at the same time as for federal purposes. Amendments to the federal
25 Internal Revenue Code enacted after December 31, 1996, do not apply to this

1 paragraph with respect to taxable years beginning after December 31, 1996, and
2 before January 1, 1998, except that changes to the Internal Revenue Code made by
3 P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L.
4 106-554, excluding sections 162 and 165 of P.L. 106-554, and changes that indirectly
5 affect the provisions applicable to this subchapter 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 P.L. 106-554, excluding sections
7 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time as for
8 federal purposes.

9 **SECTION 2182dg.** 71.34 (1g) (m) of the statutes is amended to read:

10 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
11 years that begin after December 31, 1997, and before January 1, 1999, means the
12 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
13 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
14 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
15 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
16 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L.
17 106-554, and P.L. 106-573, and as indirectly affected in the provisions applicable to
18 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803
19 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section
20 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
21 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
22 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
23 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
24 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
25 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.

1 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554,
2 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that section
3 1366 (f) (relating to pass-through of items to shareholders) is modified by
4 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
5 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
6 purposes. Amendments to the federal Internal Revenue Code enacted after
7 December 31, 1997, do not apply to this paragraph with respect to taxable years
8 beginning after December 31, 1997, and before January 1, 1999, except that
9 changes to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206, P.L.
10 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
11 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the
12 provisions applicable to this subchapter made by P.L. 105–178, P.L. 105–206, P.L.
13 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
14 165 of P.L. 106–554, and P.L. 106–573 apply for Wisconsin purposes at the same time
15 as for federal purposes.

16 **SECTION 2182dh.** 71.34 (1g) (n) of the statutes is amended to read:

17 71.34 (1g) (n) “Internal Revenue Code” for tax-option corporations, for taxable
18 years that begin after December 31, 1998, and before January 1, 2000, means the
19 federal Internal Revenue Code as amended to December 31, 1998, excluding sections
20 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and
21 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
22 of P.L. 104–188, and as amended by P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L.
23 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as
24 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
25 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821

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

22 **SECTION 2182dj.** 71.34 (1g) (o) of the statutes is amended to read:

23 71.34 (1g) (o) “Internal Revenue Code” for tax-option corporations, for taxable
24 years that begin after December 31, 1999, and before January 1, 2001, means the
25 federal Internal Revenue Code as amended to December 31, 1999, excluding sections

1 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and
2 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
3 of P.L. 104–188, and as amendeded by P.L. 106–200, P.L. 106–230, P.L. 106–554,
4 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly
5 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
6 P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
7 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.
8 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
9 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
10 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
11 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
12 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
13 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
14 106–36 and, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding
15 sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that section 1366 (f)
16 (relating to pass-through of items to shareholders) is modified by substituting the
17 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
18 Code applies for Wisconsin purposes at the same time as for federal purposes.
19 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,
20 do not apply to this paragraph with respect to taxable years beginning after
21 December 31, 1999, and before January 1, 2001, except that changes to the Internal
22 Revenue Code made by P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections
23 162 and 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the
24 provisions applicable to this subchapter made by P.L. 106–200, P.L. 106–230, P.L.

1 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for
2 Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 2182dk.** 71.34 (1g) (p) of the statutes is created to read:

4 71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable
5 years that begin after December 31, 2000, means the federal Internal Revenue Code
6 as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.
7 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
8 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
9 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
10 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
11 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
12 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
13 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
14 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
15 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
16 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
17 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
18 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554,
19 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section
20 1366 (f) (relating to pass-through of items to shareholders) is modified by
21 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
22 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
23 purposes. Amendments to the federal Internal Revenue Code enacted after
24 December 31, 2000, do not apply to this paragraph with respect to taxable years
25 beginning after December 31, 2000.

1 **SECTION 2182dL.** 71.365 (1m) of the statutes is amended to read:

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

1 is the adjusted basis allowable under the Internal Revenue Code as defined for
2 Wisconsin purposes for the property in the hands of the transferor.

3 **SECTION 2182dm.** 71.42 (2) (f) of the statutes is repealed.

4 **SECTION 2182dn.** 71.42 (2) (g) of the statutes is amended to read:

5 71.42 (2) (g) For taxable years that begin after December 31, 1992, and before
6 January 1, 1994, “Internal Revenue Code” means the federal Internal Revenue Code
7 as amended to December 31, 1992, excluding sections 103, 104, and 110 of P.L.
8 102–227, and as amended by P.L. 103–66, excluding sections 13101 (a) and (c) 1,
9 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188,
10 excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
11 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly
12 affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
13 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and
14 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
15 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L.
16 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L.
17 105–206 and P.L. 105–277and, P.L. 105–277, and P.L. 106–554, excluding sections
18 162 and 165 of P.L. 106–554, except that “Internal Revenue Code” does not include
19 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
20 applies for Wisconsin purposes at the same time as for federal purposes.
21 Amendments to the federal Internal Revenue Code enacted after
22 December 31, 1992, do not apply to this paragraph with respect to taxable years
23 beginning after December 31, 1992, and before January 1, 1994, except that
24 changes to the Internal Revenue Code made by P.L. 103–66, P.L. 103–465, P.L.
25 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L.

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

7 **SECTION 2182dp.** 71.42 (2) (h) of the statutes is amended to read:

8 71.42 (2) (h) For taxable years that begin after December 31, 1993, and before
9 January 1, 1995, “Internal Revenue Code” means the federal Internal Revenue Code
10 as amended to December 31, 1993 excluding sections 103, 104, and 110 of P.L.
11 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L.
12 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
13 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
14 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
15 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly
16 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
17 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
18 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486 and P.L. 103-66, excluding sections
19 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296,
20 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.
21 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
22 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
23 and 165 of P.L. 106-554, except that “Internal Revenue Code” does not include
24 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
25 applies for Wisconsin purposes at the same time as for federal purposes.

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

14 **SECTION 2182dq.** 71.42 (2) (i) of the statutes is amended to read:

15 71.42 (2) (i) For taxable years that begin after December 31, 1994, and before
16 January 1, 1996, "Internal Revenue Code" means the federal Internal Revenue Code
17 as amended to December 31, 1994, excluding sections 103, 104, and 110 of P.L.
18 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
19 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204,
20 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
21 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
22 106-554, and as indirectly affected 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.

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 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
3 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
4 sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code” does not
5 include section 847 of the federal Internal Revenue Code. The Internal Revenue
6 Code applies for Wisconsin purposes at the same time as for federal purposes.
7 Amendments to the federal Internal Revenue Code enacted after
8 December 31, 1994, do not apply to this paragraph with respect to taxable years
9 beginning after December 31, 1994, and before January 1, 1996, except that
10 changes to the Internal Revenue Code made by P.L. 104–7, P.L. 104–188, excluding
11 sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
12 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
13 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable
14 to this subchapter made by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,
15 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
16 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
17 106–554, apply for Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 2182dr.** 71.42 (2) (j) of the statutes is amended to read:

19 71.42 (2) (j) For taxable years that begin after December 31, 1995, and before
20 January 1, 1997, “Internal Revenue Code” means the federal Internal Revenue Code
21 as amended to December 31, 1995, excluding sections 103, 104, and 110 of P.L.
22 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
23 103–66, and as amended by P.L. 104–188, excluding sections 1123, 1202, 1204, 1311,
24 and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
25 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.

1 106-554, and as indirectly affected 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, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191,
7 P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
8 106-554, excluding sections 162 and 165 of P.L. 106-554, except that “Internal
9 Revenue Code” does not include section 847 of the federal Internal Revenue Code.
10 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
11 federal purposes. Amendments to the federal Internal Revenue Code enacted after
12 December 31, 1995, do not apply to this paragraph with respect to taxable years
13 beginning after December 31, 1995, and before January 1, 1997, except that
14 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections
15 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
16 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
17 sections 162 and 165 of P.L. 106-554, and changes that indirectly affect the
18 provisions applicable to this subchapter made by P.L. 104-188, excluding sections
19 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
20 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
21 sections 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time
22 as for federal purposes.

23 **SECTION 2182ds.** 71.42 (2) (k) of the statutes is amended to read:

24 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
25 January 1, 1998, “Internal Revenue Code” means the federal Internal Revenue Code

1 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.
2 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
3 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
4 amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36,
5 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly
6 affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.
7 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and
8 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
9 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
10 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
11 (c) 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
12 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554,
13 excluding sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code”
14 does not include section 847 of the federal Internal Revenue Code. The Internal
15 Revenue Code applies for Wisconsin purposes at the same time as for federal
16 purposes. Amendments to the federal Internal Revenue Code enacted after
17 December 31, 1996, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1996, and before January 1, 1998, except that
19 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
20 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
21 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable
22 to this subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and,
23 P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply
24 for Wisconsin purposes at the same time as for federal purposes.

25 **SECTION 2182dt.** 71.42 (2) (L) of the statutes is amended to read:

1 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
2 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code
3 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
4 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
5 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
6 amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
7 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and
8 as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
9 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
10 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding
11 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
12 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
13 1123 (b), 1202 (c) 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
14 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
15 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L.
16 106–554, and P.L. 106–573, except that “Internal Revenue Code” does not include
17 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
18 applies for Wisconsin purposes at the same time as for federal purposes.
19 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,
20 do not apply to this paragraph with respect to taxable years beginning after
21 December 31, 1997, and before January 1, 1999, except that changes to the Internal
22 Revenue Code made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and,
23 P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
24 106–573 and changes that indirectly affect the provisions applicable to this
25 subchapter made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.

1 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
2 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 2182du.** 71.42 (2) (m) of the statutes is amended to read:

4 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
5 January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code
6 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
7 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
8 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
9 amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
10 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected by
11 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
12 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
13 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
14 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
15 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c) 1204 (f),
16 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
17 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
18 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
19 106-573, except that "Internal Revenue Code" does not include section 847 of the
20 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
21 purposes at the same time as for federal purposes. Amendments to the federal
22 Internal Revenue Code enacted after December 31, 1998, do not apply to this
23 paragraph with respect to taxable years beginning after December 31, 1998, and
24 before January 1, 2000, except that changes to the Internal Revenue Code made by
25 P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162

1 and 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the
2 provisions applicable to this subchapter made by P.L. 106–36 ~~and~~, P.L. 106–170, P.L.
3 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
4 106–573 apply for Wisconsin purposes at the same time as for federal purposes.

5 **SECTION 2182dv.** 71.42 (2) (n) of the statutes is amended to read:

6 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
7 January 1, 2001, “Internal Revenue Code” means the federal Internal Revenue Code
8 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
9 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
10 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
11 amended by P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and
12 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected by P.L. 99–514, P.L.
13 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
14 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
15 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
16 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
17 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311, and 1605 (d)
18 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,
19 P.L. 105–206, P.L. 105–277, P.L. 106–36 ~~and~~, P.L. 106–170, P.L. 106–200, P.L.
20 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
21 106–573, except that “Internal Revenue Code” does not include section 847 of the
22 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
23 purposes at the same time as for federal purposes. Amendments to the federal
24 Internal Revenue Code enacted after December 31, 1999, do not apply to this
25 paragraph with respect to taxable years beginning after December 31, 1999, and

1 before January 1, 2001, except that changes to the Internal Revenue Code made by
2 P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
3 106-554, and P.L. 106-573 and changes that indirectly affect the provisions
4 applicable to this subchapter made by P.L. 106-200, P.L. 106-230, P.L. 106-554,
5 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin
6 purposes at the same time as for federal purposes.

7 **SECTION 2182dw.** 71.42 (2) (o) of the statutes is created to read:

8 71.42 (2) (o) For taxable years that begin after December 31, 2000, "Internal
9 Revenue Code" means the federal Internal Revenue Code as amended to
10 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections
11 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123
12 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as indirectly affected
13 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
14 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
15 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
16 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
17 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c) 1204 (f),
18 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
19 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
20 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
21 and P.L. 106-573, except that "Internal Revenue Code" does not include section 847
22 of the federal Internal Revenue Code. The Internal Revenue Code applies for
23 Wisconsin purposes at the same time as for federal purposes. Amendments to the
24 federal Internal Revenue Code enacted after December 31, 2000, do not apply to this
25 paragraph with respect to taxable years beginning after December 31, 2000.

1 **SECTION 2183.** 71.42 (3d) of the statutes is created to read:

2 71.42 (3d) "Member" does not include a member of a limited liability company
3 treated as a corporation under s. 71.22 (1).

4 **SECTION 2184.** 71.42 (3h) of the statutes is created to read:

5 71.42 (3h) "Partner" does not include a partner of a publicly traded partnership
6 treated as a corporation under s. 71.22 (1).

7 **SECTION 2184r.** 71.45 (2) (a) 13. of the statutes is amended to read:

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

21

22 **SECTION 2190.** 71.45 (6) of the statutes is created to read:

23 71.45 (6) PARTNERSHIPS AND LIMITED LIABILITY COMPANIES. (a) A general or
24 limited partner's share of the numerator and denominator of a partnership's
25 apportionment factors under this section are included in the numerator and

1 denominator of the general or limited partner's apportionment factors under this
2 section.

3 (b) If a limited liability company is treated as a partnership, for federal tax
4 purposes, a member's share of the numerator and denominator of a limited liability
5 company's apportionment factors under this section are included in the numerator
6 and denominator of the member's apportionment factors under this section.

7 **SECTION 2190m.** 71.47 (1di) (b) 1. of the statutes is amended to read:

8 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
9 credits carried over, may be offset only against the amount of the tax otherwise due
10 under this chapter attributable to income from the business operations of the
11 claimant in the development zone; except that a claimant in a development zone
12 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
13 against the amount of the tax otherwise due under this chapter attributable to all
14 of the claimant's income; and against the tax attributable to income from directly
15 related business operations of the claimant.

16 **SECTION 2190p.** 71.47 (1di) (b) 3. of the statutes is amended to read:

17 71.47 (1di) (b) 3. Partnerships, limited liability companies and tax-option
18 corporations may not claim the credit under this subsection, but the eligibility for,
19 and amount of, that credit shall be determined on the basis of their economic activity,
20 not that of their shareholders, partners or members. The corporation, partnership
21 or limited liability company shall compute the amount of the credit that may be
22 claimed by each of its shareholders, partners or members and shall provide that
23 information to each of its shareholders, partners or members. Partners, members
24 of limited liability companies and shareholders of tax-option corporations may claim
25 the credit based on the partnership's, company's or corporation's activities in

1 proportion to their ownership interest and may offset it against the tax attributable
2 to their income from the partnership's, company's or corporation's business
3 operations in the development zone; except that a claimant in a development zone
4 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
5 against the amount of the tax otherwise due under this chapter attributable to all
6 of the claimant's income; and against the tax attributable to their income from the
7 partnership's, company's or corporation's directly related business operations.

8 **SECTION 2191.** 71.47 (1dm) of the statutes is created to read:

9 **71.47 (1dm) DEVELOPMENT ZONE CAPITAL INVESTMENT CREDIT.** (a) In this
10 subsection:

11 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim tax benefits or
12 certified under s. 560.795 (5) or 560.798 (3).

13 2. "Claimant" means a person who files a claim under this subsection.

14 3. "Development zone" means a development opportunity zone under s. 560.795
15 (1) (e) and (f) or 560.798.

16 4. "Previously owned property" means real property that the claimant or a
17 related person owned during the 2 years prior to the department of commerce
18 designating the place where the property is located as a development zone and for
19 which the claimant may not deduct a loss from the sale of the property to, or an
20 exchange of the property with, the related person under section 267 of the Internal
21 Revenue Code, except that section 267 (b) of the Internal Revenue Code is modified
22 so that if the claimant owns any part of the property, rather than 50% ownership, the
23 claimant is subject to section 267 (a) (1) of the Internal Revenue Code for purposes
24 of this subsection.

1 (b) Subject to the limitations provided in this subsection and in s. 73.03 (35),
2 for any taxable year for which the claimant is certified, a claimant may claim as a
3 credit against the taxes imposed under s. 71.43 an amount that is equal to 3% of the
4 following:

5 1. The purchase price of depreciable, tangible personal property.

6 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
7 real property in a development zone.

8 (c) A claimant may claim the credit under par. (b) 1., if the tangible personal
9 property is purchased after the claimant is certified and the personal property is
10 used for at least 50% of its use in the claimant's business at a location in a
11 development zone or, if the property is mobile, the property's base of operations for
12 at least 50% of its use is at a location in a development zone.

13 (d) A claimant may claim the credit under par. (b) 2. for an amount expended
14 to construct, rehabilitate, remodel, or repair real property, if the claimant began the
15 physical work of construction, rehabilitation, remodeling, or repair, or any
16 demolition or destruction in preparation for the physical work, after the place where
17 the property is located was designated a development zone, or if the completed
18 project is placed in service after the claimant is certified. In this paragraph, "physical
19 work" does not include preliminary activities such as planning, designing, securing
20 financing, researching, developing specifications, or stabilizing the property to
21 prevent deterioration.

22 (e) A claimant may claim the credit under par. (b) 2. for an amount expended
23 to acquire real property, if the property is not previously owned property and if the
24 claimant acquires the property after the place where the property is located was

1 designated a development zone, or if the completed project is placed in service after
2 the claimant is certified.

3 (f) No credit may be allowed under this subsection unless the claimant includes
4 with the claimant's return:

5 1. A copy of a verification from the department of commerce that the claimant
6 may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under s. 560.795 (5)
7 or 560.798 (3).

8 2. A statement from the department of commerce verifying the purchase price
9 of the investment and verifying that the investment fulfills the requirements under
10 par. (b).

11 (g) In calculating the credit under par. (b) a claimant shall reduce the amount
12 expended to acquire property by a percentage equal to the percentage of the area of
13 the real property not used for the purposes for which the claimant is certified and
14 shall reduce the amount expended for other purposes by the amount expended on the
15 part of the property not used for the purposes for which the claimant is certified.

16 (h) The carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit
17 under s. 71.28 (4) relate to the credit under this subsection.

18 (hm) Credits claimed under this subsection, including any credits carried over,
19 may be offset only against the amount of the tax otherwise due under this subchapter
20 attributable to income from the business operations of the claimant in the
21 development zone; except that a claimant in a development zone under s. 560.795 (1)
22 (e) may offset credits, including any credits carried over, against the amount of the
23 tax otherwise due under this subchapter attributable to all of the claimant's income;
24 and against the tax attributable to income from directly related business operations
25 of the claimant.

1 (i) Partnerships, limited liability companies, and tax-option corporations may
2 not claim the credit under this subsection, but the eligibility for, and the amount of,
3 that credit shall be determined on the basis of their economic activity, not that of their
4 shareholders, partners, or members. The corporation, partnership, or limited
5 liability company shall compute the amount of credit that may be claimed by each
6 of its shareholders, partners, or members and provide that information to its
7 shareholders, partners, or members. Partners, members of limited liability
8 companies, and shareholders of tax-option corporations may claim the credit based
9 on the partnership's, company's, or corporation's activities in proportion to their
10 ownership interest and may offset it against the tax attributable to their income from
11 the partnership's, company's, or corporation's business operations in the
12 development zone; except that partners, members, and shareholders in a
13 development zone under s. 560.795 (1) (e) may offset the credit against the amount
14 of the tax attributable to their income from all of the partnership's, company's, or
15 corporation's business operations; and against the tax attributable to their income
16 from the partnership's, company's, or corporation's directly related business
17 operations.

18 (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
19 becomes ineligible for such tax benefits, or if a person's certification under s. 560.795
20 (5) or 560.798 (3) is revoked, that person may claim no credits under this subsection
21 for the taxable year that includes the day on which the person becomes ineligible for
22 tax benefits, the taxable year that includes the day on which the certification is
23 revoked, or succeeding taxable years, and that person may carry over no unused
24 credits from previous years to offset tax under this chapter for the taxable year that
25 includes the day on which the person becomes ineligible for tax benefits, the taxable

1 year that includes the day on which the certification is revoked, or succeeding taxable
2 years.

3 (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
4 or certified under s. 560.795 (5) or 560.798 (3) ceases business operations in the
5 development zone during any of the taxable years that that zone exists, that person
6 may not carry over to any taxable year following the year during which operations
7 cease any unused credits from the taxable year during which operations cease or
8 from previous taxable years.

9 (L) Section 71.28 (4) (g) and (h) as it applies to the credit under s. 71.28 (4)
10 applies to the credit under this subsection.

11 **SECTION 2191m.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

12 71.47 (1dx) (a) 2. “Development zone” means a development zone under s.
13 560.70, a development opportunity zone under s. 560.795 or an enterprise
14 development zone under s. 560.797, or an agricultural development zone under s.
15 560.798.

16 **SECTION 2192.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

17 71.47 (1dx) (a) 5. “Member of a targeted group” means ~~a person under sub. (2dj)~~
18 ~~(am) 1.~~, a person who resides in an empowerment zone, or an enterprise community,
19 that the U.S. government designates, a person who is employed in an unsubsidized
20 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
21 works employment position, a person who is employed in a trial job, as defined in s.
22 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a
23 person who is a vocational rehabilitation referral, an economically disadvantaged
24 youth, an economically disadvantaged veteran, a supplemental security income
25 recipient, a general assistance recipient, an economically disadvantaged ex-convict,

1 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated
2 worker, as defined in 29 USC 2801 (9), or a food stamp recipient; if the person has
3 been certified in the manner under sub. (1dj) (am) 3. by a designated local agency,
4 as defined in sub. (1dj) (am) 2.

5 **SECTION 2192g.** 71.47 (1dx) (c) of the statutes is amended to read:

6 71.47 (1dx) (c) *Credit precluded.* If the certification of a person for tax benefits
7 under s. 560.765 (3) ~~or~~ 560.797 (4) or 560.798 (3) is revoked, or if the person becomes
8 ineligible for tax benefits under s. 560.795 (3), that person may not claim credits
9 under this subsection for the taxable year that includes the day on which the
10 certification is revoked; the taxable year that includes the day on which the person
11 becomes ineligible for tax benefits; or succeeding taxable years and that person may
12 not carry over unused credits from previous years to offset tax under this chapter for
13 the taxable year that includes the day on which certification is revoked; the taxable
14 year that includes the day on which the person becomes ineligible for tax benefits;
15 or succeeding taxable years.

16 **SECTION 2192h.** 71.47 (1dx) (d) of the statutes is amended to read:

17 71.47 (1dx) (d) *Carry-over precluded.* If a person who is entitled under s.
18 560.795 (3) to claim tax benefits or certified under s. 560.765 (3) ~~or~~ 560.797 (4) or
19 560.798 (3) for tax benefits ceases business operations in the development zone
20 during any of the taxable years that that zone exists, that person may not carry over
21 to any taxable year following the year during which operations cease any unused
22 credits from the taxable year during which operations cease or from previous taxable
23 years.

24 **SECTION 2192k.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

1 71.47 (1dx) (b) *Credit*. (intro.) Except or provided in pars. (be) and (bg) and
2 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
3 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
4 ~~or~~, 560.797 (4) or 560.798 (3), any person may claim as a credit against taxes imposed
5 on the person's income from the person's business activities in a development zone
6 under this subchapter the following amounts:

7 **SECTION 2192m.** 71.47 (1dx) (be) of the statutes is created to read:

8 71.47 (1dx) (be) *Offset*. A claimant in a development zone under s. 560.795 (1)
9 (e) may offset any credits claimed under this subsection, including any credits
10 carried over, against the amount of the tax otherwise due under this subchapter
11 attributable to all of the claimant's income and against the tax attributable to income
12 from directly related business operations of the claimant.

13 **SECTION 2192p.** 71.47 (1dx) (bg) of the statutes is created to read:

14 71.47 (1dx) (bg) *Other entities*. For claimants in a development zone under s.
15 560.795 (1) (e), partnerships, limited liability companies, and tax-option
16 corporations may not claim the credit under this subsection, but the eligibility for,
17 and amount of, that credit shall be determined on the basis of their economic activity,
18 not that of their shareholders, partners, or members. The corporation, partnership,
19 or company shall compute the amount of the credit that may be claimed by each of
20 its shareholders, partners, or members and shall provide that information to each
21 of its shareholders, partners, or members. Partners, members of limited liability
22 companies, and shareholders of tax-option corporations may claim the credit based
23 on the partnership's, company's, or corporation's activities in proportion to their
24 ownership interest and may offset it against the tax attributable to their income from
25 all of the partnership's, company's, or corporation's business operations and against

1 the tax attributable to their income from the partnership's, company's, or
2 corporation's directly related business operations.

3 **SECTION 2193.** 71.47 (3g) of the statutes is created to read:

4 71.47 (3g) TECHNOLOGY ZONES CREDIT. (a) Subject to the limitations under this
5 subsection and ss. 73.03 (35m), and 560.96, a business that is certified under s.
6 560.96 (3) may claim as a credit against the taxes imposed under s. 71.43 an amount
7 equal to the sum of the following, as established under s. 560.96 (3) (c):

8 1. The amount of real and personal property taxes imposed under s. 70.01 that
9 the business paid in the taxable year.

10 2. The amount of income and franchise taxes imposed under s. 71.43 that the
11 business paid in the taxable year.

12 3. The amount of sales and use taxes imposed under ss. 77.52, 77.53, and 77.71
13 that the business paid in the taxable year.

14 (b) The department of revenue shall notify the department of commerce of all
15 claims under this subsection.

16 (c) Section 71.28 (4) (e), (f), (g), and (h), as it applies to the credit under s. 71.28
17 (4), applies to the credit under par. (a).

18 (d) Partnerships, limited liability companies, and tax-option corporations may
19 not claim the credit under this subsection, but the eligibility for, and the amount of,
20 the credit are based on their payment of amounts under par. (a). A partnership,
21 limited liability company, or tax-option corporation shall compute the amount of
22 credit that each of its partners, members, or shareholders may claim and shall
23 provide that information to each of them. Partners, members of limited liability
24 companies, and shareholders of tax-option corporations may claim the credit in
25 proportion to their ownership interest.

1 **SECTION 2193d.** 71.47 (9t) of the statutes is created to read:

2 **71.47 (9t) ARTISTIC ENDOWMENT CREDIT.** (a) *Definition.* In this subsection,
3 “claimant” means a person who files a claim under this subsection.

4 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
5 to the limitations provided in this subsection, a claimant may claim as a credit
6 against the tax imposed under s. 71.43, up to the amount of those taxes, an amount
7 equal to 10% of the amount contributed to the artistic endowment fund under s.
8 25.78, up to a maximum credit of \$500 in a taxable year.

9 (c) *Limitations and conditions.* 1. No new claim may be filed under this
10 subsection for a taxable year that begins after December 31 of the year in which the
11 department determines that the total amount of revenues received by the
12 endowment fund equals \$50,150,000.

13 2. No credit may be allowed under this subsection unless it is claimed within
14 the time period under s. 71.75 (2).

15 (d) *Administration.* Section 71.28 (4) (e) and (g), as it applies to the credit under
16 s. 71.28 (4), applies to the credit under this subsection.

17 **SECTION 2193h.** 71.49 (1) (bm) of the statutes is created to read:

18 **71.49 (1) (bm)** Artistic endowment credit under s. 71.47 (9t).

19 **SECTION 2194.** 71.49 (1) (emb) of the statutes is created to read:

20 **71.49 (1) (emb)** Development zone capital investment credit under s. 71.47
21 (1dm).

22 **SECTION 2195.** 71.49 (1) (eon) of the statutes is created to read:

23 **71.49 (1) (eon)** Technology zones credit under s. 71.47 (3g).

24 **SECTION 2200b.** 71.93 (1) (a) 3. of the statutes is amended to read:

1 71.93 (1) (a) 3. An amount that the department of health and family services
2 may recover under s. 49.45 (2) (a) 10. or 49.497, if the department of health and
3 family services has certified the amount under s. 49.85.

4 **SECTION 2195m.** 71.59 (1m) of the statutes is amended to read:

5 71.59 (1m) PERMITTED USES. The designation by the department of natural
6 resources or by the department of forestry of any farmland in this state, for which
7 a claim under this section may be filed, as part of the ice age trail, under s. 23.17, is
8 a permitted use under a farmland preservation agreement, or a certificate of a zoning
9 authority, under sub. (1) (b).

10 **SECTION 2200c.** 71.93 (1) (a) 4. of the statutes is amended to read:

11 71.93 (1) (a) 4. An amount that the department of workforce development may
12 recover under s. ~~49.125~~ or 49.195 (3) or 49.793, if the department of workforce
13 development has certified the amount under s. 49.85.

14 **SECTION 2200cm.** 71.93 (1) (a) 6. of the statutes is created to read:

15 71.93 (1) (a) 6. An amount owed to the department of military affairs under s.
16 21.49 (3m).

17 **SECTION 2200d.** 72.01 (11m) of the statutes is created to read:

18
19 72.01 (11m) “Federal credit” means, for deaths occurring after September 30,
20 2002, and before January 1, 2008, the federal estate tax credit allowed for state death
21 taxes as computed under the federal estate tax law in effect on December 31, 2000,
22 and for deaths occurring after December 31, 2007, the federal estate tax credit
23 allowed for state death taxes as computed under the federal estate tax law in effect
24 on the day of the decedent’s death.

25 **SECTION 2200e.** 72.01 (11n) of the statutes is created to read:

1 72.01 (11n) “Federal estate tax” means, for deaths occurring after September
2 30, 2002, and before January 1, 2008, the federal estate tax as computed under the
3 federal estate tax law in effect on December 31, 2000, and for deaths occurring after
4 December 31, 2007, the federal estate tax as computed under the federal estate tax
5 law in effect on the day of the decedent’s death.

6 **SECTION 2200g.** 72.02 of the statutes is amended to read:

7 **72.02 Estate tax imposed.** An estate tax is imposed upon the transfer of all
8 property that is subject to a federal estate tax and that has a taxable situs in this
9 state. The tax imposed is equal to the federal credit allowed for state death taxes
10 against the federal estate tax as finally determined. If only a portion of a decedent’s
11 property has a taxable situs in this state, the tax imposed is the amount obtained by
12 multiplying the federal credit allowed for state death taxes by a fraction the
13 numerator of which is the value of the decedent’s estate that has a taxable situs in
14 this state and the denominator of which is the total value of the property in the estate
15 that qualifies for the federal credit allowed for state death taxes.

16 **SECTION 2200k.** 72.30 (1) of the statutes is renumbered 72.30 (1) (a) and
17 amended to read:

18 72.30 (1) (a) If Except as provided in par. (b), if a federal estate tax return is
19 required, the personal representative, special administrator, trustee, distributee or
20 other person interested shall prepare the return for the tax under this chapter,
21 compute the tax due under this chapter, and on or before the due date, as extended,
22 of the federal estate tax return file the return for the tax under this chapter, with a
23 copy of the federal estate tax return and a copy of all documents submitted with the
24 federal estate tax return.

25 **SECTION 2200L.** 72.30 (1) (b) of the statutes is created to read:

1 72.30 (1) (b) For deaths occurring after December 31, 2002, the personal
2 representative, special administrator, trustee, distributee, or other person
3 interested shall prepare the return for the tax under this chapter in the manner
4 prescribed by the department.

5 **SECTION 2201.** 73.01 (4) (a) of the statutes is amended to read:

6 73.01 (4) (a) Subject to the provisions for judicial review contained in s. 73.015,
7 the commission shall be the final authority for the hearing and determination of all
8 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.
9 ~~70.11 (21)~~, 70.38 (4) (a), 70.397, 70.64, and 70.995 (8), s. 76.38 (12) (a), 1993 stats.,
10 ss. 76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (6) (b), 78.01, 78.22, 78.40, 78.555,
11 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76, 139.78, 341.405, and 341.45,
12 subch. XIV of ch. 71, and subch. VII of ch. 77. Whenever with respect to a pending
13 appeal there is filed with the commission a stipulation signed by the department of
14 revenue and the adverse party, under s. 73.03 (25), or the department of
15 transportation and the adverse party agreeing to an affirmance, modification, or
16 reversal of the department of revenue's or department of transportation's position
17 with respect to some or all of the issues raised in the appeal, the commission shall
18 enter an order affirming or modifying in whole or in part, or canceling the assessment
19 appealed from, or allowing in whole or in part or denying the petitioner's refund
20 claim, as the case may be, pursuant to and in accordance with the stipulation filed.
21 No responsibility shall devolve upon the commission, respecting the signing of an
22 order of dismissal as to any pending appeal settled by the department of revenue or
23 the department of transportation without the approval of the commission.

24 **SECTION 2202.** 73.01 (5) (a) of the statutes is amended to read:

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1 73.01 (5) (a) Any person who is aggrieved by a determination of the state board
2 of assessors under s. 70.995 (8) ~~or by the department of revenue under s. 70.11 (21)~~
3 or who has filed a petition for redetermination with the department of revenue and
4 who is aggrieved by the redetermination of the department of revenue may, within
5 60 days of the determination of the state board of assessors or of the department of
6 revenue or, in all other cases, within 60 days after the redetermination but not
7 thereafter, file with the clerk of the commission a petition for review of the action of
8 the department of revenue and the number of copies of the petition required by rule
9 adopted by the commission. Any person who is aggrieved by a determination of the
10 department of transportation under s. 341.405 or 341.45 may, within 30 days after
11 the determination of the department of transportation, file with the clerk of the
12 commission a petition for review of the action of the department of transportation
13 and the number of copies of the petition required by rule adopted by the commission.
14 If a municipality appeals, its appeal shall set forth that the appeal has been
15 authorized by an order or resolution of its governing body and the appeal shall be
16 verified by a member of that governing body as pleadings in courts of record are
17 verified. The clerk of the commission shall transmit one copy to the department of
18 revenue, or to the department of transportation, and to each party. In the case of
19 appeals from manufacturing property assessments, the person assessed shall be a
20 party to a proceeding initiated by a municipality. At the time of filing the petition,
21 the petitioner shall pay to the commission a \$25 filing fee. The commission shall
22 deposit the fee in the general fund. Within 30 days after such transmission the
23 department of revenue, except for petitions objecting to manufacturing property
24 assessments, or the department of transportation, shall file with the clerk of the
25 commission an original and the number of copies of an answer to the petition

1 required by rule adopted by the commission and shall serve one copy on the petitioner
2 or the petitioner's attorney or agent. Within 30 days after service of the answer, the
3 petitioner may file and serve a reply in the same manner as the petition is filed. Any
4 person entitled to be heard by the commission under s. 76.38 (12) (a), 1993 stats., or
5 s. 76.39 (4) (c), 76.48, or 76.91 may file a petition with the commission within the time
6 and in the manner provided for the filing of petitions in income or franchise tax cases.
7 Such papers may be served as a circuit court summons is served or by certified mail.
8 For the purposes of this subsection, a petition for review is considered timely filed
9 if mailed by certified mail in a properly addressed envelope, with postage duly
10 prepaid, which envelope is postmarked before midnight of the last day for filing.

11 **SECTION 2203.** 73.03 (35) of the statutes is amended to read:

12 73.03 (35) To deny a portion of a credit claimed under s. 71.07 (2dd), (2de), (2di),
13 (2dj), (2dL), (2dm), (2dr), (2ds) or (2dx), 71.28 (1dd), (1de), (1di), (1dj), (1dm), (1dL),
14 (1ds), (1dx), or (4) (am) or 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), or
15 (4) (am) if granting the full amount claimed would violate a requirement under s.
16 560.785 or would bring the total of the credits granted to that claimant under all of
17 those subsections over the limit for that claimant under s. 560.768, 560.795 (2) (b),
18 or 560.797 (5) (b).

19 **SECTION 2204.** 73.03 (35m) of the statutes is created to read:

20 73.03 (35m) To deny a portion of a credit claimed under s. 71.07 (3g), 71.28 (3g),
21 or 71.47 (3g), if granting the full amount claimed would violate a requirement under
22 s. 560.96 or would bring the total of the credits claimed under ss. 71.07 (3g), 71.28
23 (3g), and 71.47 (3g) over the limit for all claimants under s. 560.96 (2).

24 **SECTION 2204m.** 73.03 (46) of the statutes is repealed.

25 **SECTION 2205.** 73.03 (52m) of the statutes is created to read:

1 73.03 (52m) To enter into agreements with other states that provide for
2 offsetting state tax refunds against tax obligations of other states and offsetting tax
3 refunds of other states against state tax obligations, if the agreements provide that
4 setoffs under ss. 71.93 and 71.935 occur before the setoffs under those agreements.

5 **SECTION 2205m.** 73.03 (56) of the statutes is created to read:

6 73.03 (56) To work with the Internal Revenue Service and the University of
7 Wisconsin—Extension to undertake a program that accomplishes all of the following:

8 (a) Promotes volunteering among the state's financial and legal professionals
9 in the volunteer income tax assistance program.

10 (b) Provides training for the volunteers.

11 (c) Assists in the creation of mobile sites that offer assistance to individuals who
12 are eligible to participate in the volunteer income tax assistance program and who
13 reside in rural and underserved areas.

14 **SECTION 2205n.** 73.03 (57) of the statutes is created to read:

15 73.03 (57) To include on the forms on which the artistic endowment credits are
16 claimed, under ss. 71.07 (9t), 71.28 (9t), and 71.47 (9t), a statement that a taxpayer
17 may contribute amounts to the artistic endowment fund under s. 25.78 that exceed
18 the amount for which a credit may be claimed by reducing the taxpayer's refund or
19 by increasing the taxpayer's payment for tax liability, with the proceeds to be
20 deposited into the fund.

21 **SECTION 2207.** 73.0305 of the statutes is amended to read:

22 **73.0305 Revenue limits and intradistrict transfer aid calculations.** The
23 department of revenue shall annually determine and certify to the state
24 superintendent of public instruction, no later than the 4th Monday in June, the
25 allowable rate of increase under ~~s. 121.85 (6) (a)~~ and subch. VII of ch. 121. The

1 allowable rate of increase is the percentage change in the consumer price index for
2 all urban consumers, U.S. city average, between the preceding March 31 and the 2nd
3 preceding March 31, as computed by the federal department of labor.

4 **SECTION 2207m.** 73.06 (3) of the statutes is amended to read:

5 73.06 (3) The department of revenue, through its supervisors of equalization,
6 shall examine and test the work of assessors during the progress of their assessments
7 and ascertain whether any of them is assessing property at other than full value or
8 is omitting property subject to taxation from the roll. The department and such
9 supervisors shall have the rights and powers of a local assessor for the examination
10 of persons and property and for the discovery of property subject to taxation. If any
11 property has been omitted or not assessed according to law, they shall bring the same
12 to the attention of the local assessor of the proper district and if such local assessor
13 shall neglect or refuse to correct the assessment they shall report the fact to the board
14 of review. If it discovers errors in identifying or valuing property that is exempt
15 under s. 70.11 (39) or (39m), the department shall change the specification of the
16 property as taxable or exempt and shall change the value of the property. All
17 disputes between the department, municipalities and property owners about the
18 taxability or value of property that is reported under s. 79.095 (2) (a) or of the
19 property under s. 70.995 (12r) shall be resolved by using the procedures under s.
20 70.995 (8).

21 **SECTION 2208.** 74.23 (1) (a) 2. of the statutes is amended to read:

22 74.23 (1) (a) 2. Pay to the proper treasurer all collections of special
23 assessments, special charges and special taxes, except that occupational taxes under
24 ss. 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land
25 taxes under ch. 77 shall be settled for under s. 74.25 (1) (a) 1. to 8.

1 **SECTION 2209.** 74.23 (1) (a) 5. of the statutes is created to read:

2 74.23 (1) (a) 5. Pay to each taxing jurisdiction within the district its
3 proportionate share of the taxes and interest under s. 70.995 (12) (a).

4 **SECTION 2211.** 74.25 (1) (a) 2. of the statutes is amended to read:

5 74.25 (1) (a) 2. Pay to the proper treasurer all collections of special
6 assessments, special charges and special taxes, except that occupational taxes under
7 ss. 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land
8 taxes under ch. 77 shall be settled for under subs. 5. to 8.

9 **SECTION 2212.** 74.25 (1) (a) 3. of the statutes is amended to read:

10 74.25 (1) (a) 3. Retain all collections of special assessments, special charges and
11 special taxes due to the taxation district, except that occupational taxes under ss.
12 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land taxes
13 under ch. 77 shall be settled for under subs. 5. to 8.

14 **SECTION 2213.** 74.25 (1) (a) 4m. of the statutes is created to read:

15 74.25 (1) (a) 4m. Pay to each taxing jurisdiction within the district its
16 proportionate share of the taxes and interest under s. 70.995 (12) (a).

17 **SECTION 2216.** 74.30 (1) (b) of the statutes is amended to read:

18 74.30 (1) (b) Pay to the proper treasurer all collections of special assessments,
19 special charges and special taxes, except that occupational taxes under ss. 70.40 to
20 ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land taxes under
21 ch. 77 shall be settled for under pars. (e) to (h).

22 **SECTION 2217.** 74.30 (1) (c) of the statutes is amended to read:

23 74.30 (1) (c) Retain all collections of special assessments, special charges and
24 special taxes due to the taxation district, except that occupational taxes under ss.

1 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land taxes
2 under ch. 77 shall be settled for under pars. (e) to (h).

3 **SECTION 2218.** 74.30 (1) (dm) of the statutes is created to read:

4 74.30 (1) (dm) Pay to each taxing jurisdiction within the district its
5 proportionate share of the taxes and interest under s. 70.995 (12) (a).

6 **SECTION 2226.** 74.41 (1) (d) of the statutes is created to read:

7 74.41 (1) (d) Have been corrected under s. 70.73 (1m).

8 **SECTION 2231.** 76.02 (1) of the statutes is amended to read:

9 76.02 (1) “Air carrier company” means any person engaged in the business of
10 transportation in aircraft of persons or property for hire on regularly scheduled
11 flights, except an air carrier company whose property is exempt from taxation under
12 s. 70.11 (42) (b). In this subsection, “aircraft” means a completely equipped operating
13 unit, including spare flight equipment, used as a means of conveyance in air
14 commerce.

15 **SECTION 2231m.** 76.02 (6m) of the statutes is created to read:

16 76.02 (6m) “Repair facility” means property on which a roundhouse, a repair
17 shop, and a turntable are located and at which railcars and locomotives are built,
18 maintained, and repaired.

19 **SECTION 2232d.** 76.16 of the statutes is amended to read:

20 **76.16 Separate valuation of repair facilities, docks, piers, wharves, ore**
21 **yards, elevators, car ferries and pipeline terminal facilities.** After the
22 property of a company is first valued as a whole, if any repair facilities, docks, ore
23 yards, piers, wharves, grain elevators or car ferries used in transferring freight or
24 passengers between cars and vessels or transfer of freight cars located on car ferries,
25 or if any terminal storage facilities, docks, pipelines and pumping equipment used

1 in transferring oil from pipelines to vessels shall be included in such valuation, then
2 for the purpose of accounting to the proper taxation districts, the department shall
3 make a separate valuation of each such repair facility, dock, ore yard, pier, wharf,
4 grain elevator, including the approaches thereto, or car ferries and of each such
5 terminal storage facility, dock, pipeline and pumping equipment. As used herein, an
6 approach shall be an immediate access facility commencing at the switching point
7 which leads primarily to the terminal facility. For the purpose of defining the
8 pipeline terminal facilities affected by this section, such facilities shall begin where
9 the incoming pipeline enters the terminal storage facility site used in the transfer
10 of oil to vessels.

11 **SECTION 2232m.** 76.24 (2) (a) of the statutes is amended to read:

12 76.24 (2) (a) All taxes paid by any railroad company derived from or
13 apportionable to repair facilities, docks, ore yards, piers, wharves, grain elevators,
14 and their approaches, or car ferries or terminal storage facilities, docks, pipelines
15 and pumping equipment used in transferring oil from pipelines to vessels on the
16 basis of the separate valuation provided for in s. 76.16, shall be distributed annually
17 from the transportation fund to the towns, villages and cities in which they are
18 located, pursuant to certification made by the department of revenue on or before
19 August 15.

20 **SECTION 2231m.** 76.025 (1) of the statutes is amended to read:

21 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and
22 all real and personal property of the company used or employed in the operation of
23 its business, excluding property that is exempt from the property tax under s. 70.11
24 (39) and (39m), such motor vehicles as are exempt under s. 70.112 (5) and treatment
25 plant and pollution abatement equipment exempt under s. 70.11 (21) (a). The

1 taxable property shall include all title and interest of the company referred to in such
2 property as owner, lessee or otherwise, and in case any portion of the property is
3 jointly used by 2 or more companies, the unit assessment shall include and cover a
4 proportionate share of that portion of the property jointly used so that the
5 assessments of the property of all companies having any rights, title or interest of
6 any kind or nature whatsoever in any such property jointly used shall, in the
7 aggregate, include only one total full value of such property.

8 **SECTION 2234.** 76.28 (1) (f) of the statutes is amended to read:

9 76.28 (1) (f) "Payroll factor" means a fraction the numerator of which is the total
10 amount paid in this state during the tax period by the taxpayer for compensation and
11 the denominator of which is the total compensation paid everywhere during the tax
12 period, except that compensation solely related to the production of nonoperating
13 revenues shall be excluded from the numerator and denominator of the payroll factor
14 and except that compensation related to the production of both operating and
15 nonoperating revenue shall be partially excluded from the numerator and
16 denominator of the payroll factor so as to exclude as near as possible the portion of
17 compensation related to the production of nonoperating revenue. Compensation is
18 paid in this state if the individual's service is performed entirely within this state,
19 or if the individual's service is performed both within and outside this state but the
20 service performed outside this state is incidental to the individual's service within
21 this state, or if some of the service is performed in this state and the base of operations
22 or, if there is no base of operations, the place from which the service is directed or
23 controlled is in this state or the base of operations or the place from which the service
24 is directed or controlled is not in any state in which part of the service is performed
25 and the individual's residence is in this state. In this paragraph, "compensation"

1 includes management and service fees paid to an affiliated service corporation
2 pursuant to 15 USC 79.

3 **SECTION 2234m.** 76.28 (1) (gm) of the statutes is renumbered 76.28 (1) (gm)
4 (intro.) and amended to read:

5 76.28 (1) (gm) (intro.) “Qualified wholesale electric company” means any all of
6 the following:

7 1. Any person that owns or operates facilities for the generation and sale of
8 electricity to a public utility, as defined in s. 196.01 (5), or to any other entity that sells
9 electricity directly to the public, except that “qualified wholesale electric company”
10 does not include any person that sells less than 95% of its net production of electricity
11 or that does not own, operate, or control electric generating facilities that have a total
12 power production capacity of at least 50 megawatts.

13 **SECTION 2234n.** 76.28 (1) (gm) 2. of the statutes is created to read:

14 76.28 (1) (gm) 2. A wholesale merchant plant, as defined in s. 196.491 (1) (w),
15 that has a total power production capacity of at least 50 megawatts.

16 **SECTION 2235.** 76.28 (2) (a) of the statutes is amended to read:

17 76.28 (2) (a) There Except as provided in s. 76.29, there is imposed on every
18 light, heat and power company an annual license fee to be assessed by the
19 department on or before May 1, 1985, and every May 1 thereafter measured by the
20 gross revenues of the preceding year; excluding for the tax period, as defined in s.
21 76.29 (1) (f), gross revenues that are subject to the license fee under s. 76.29; at the
22 rates and by the methods set forth under pars. (b) to (d). The fee shall become
23 delinquent if not paid when due and when delinquent shall be subject to interest at
24 the rate of 1.5% per month until paid. Payment in full of the May 1 assessment

1 constitutes a license to carry on business for the 12-month period commencing on the
2 preceding January 1.

3 **SECTION 2236.** 76.29 of the statutes is created to read:

4 **76.29 License fee for selling electricity at wholesale. (1) DEFINITIONS.**

5 In this section:

6 (a) “Apportionment factor” has the meaning given in s. 76.28 (1) (a).

7 (b) “Department” means the department of revenue.

8 (c) “Electric cooperative” has the meaning given in s. 76.48 (1g) (c).

9 (d) “Gross revenues” means total revenues from the sale of electricity for resale
10 by the purchaser of the electricity.

11 (e) “Light, heat, and power companies” has the meaning given in s. 76.28 (1)
12 (e).

13 (f) “Tax period” means each calendar year or portion of a calendar year from
14 January 1, 2004, to December 31, 2009.

15 (2) IMPOSITION. There is imposed on every light, heat, and power company and
16 electric cooperative that owns an electric utility plant, an annual license fee to be
17 assessed by the department on or before May 1, 2005, and every May 1 thereafter,
18 ending with the assessment on May 1, 2010, measured by the gross revenues of the
19 preceding tax period in an amount equal to the apportionment factor multiplied by
20 gross revenues multiplied by 1.59%. The fee shall become delinquent if not paid
21 when due and when delinquent shall be subject to interest at the rate of 1.5% per
22 month until paid. Gross revenues earned by a light, heat, and power company after
23 December 31, 2009, are subject to the license fee imposed under s. 76.28 (2). Gross
24 revenues earned by an electric cooperative after December 31, 2009, are subject to
25 the license fee imposed under s. 76.48 (1r).

1 (3) ADMINISTRATION. Section 76.28 (3) (c) and (4) to (11), as it applies to the fee
2 imposed under s. 76.28 (2), applies to the fee imposed under this section.

3 **SECTION 2236m.** 76.31 of the statutes is created to read:

4 **76.31 Determination of ad valorem tax receipts for hub facility**
5 **exemptions.** By July 1, 2004, and every July 1 thereafter, the department shall
6 determine the total amount of the tax imposed under subch. I of ch. 76 that was paid
7 by each air carrier company, as defined in s. 70.11 (42) (a) 1., whose property is
8 exempt from taxation under s. 70.11 (42) (b) for the most recent taxable year that the
9 air carrier company paid the tax imposed under subch. I of ch. 76. The total amount
10 determined under this section shall be transferred under s. 20.855 (4) (fm) to the
11 transportation fund.

12 **SECTION 2237.** 76.48 (1r) of the statutes is amended to read:

13 **76.48 (1r)** ~~Every~~ Except as provided in s. 76.29, every electric cooperative shall
14 pay, in lieu of other general property and income or franchise taxes, an annual license
15 fee equal to its apportionment factor multiplied by its gross revenues; excluding for
16 the tax period, as defined in s. 76.29 (1) (f), gross revenues that are subject to the
17 license fee under s. 76.29; multiplied by 3.19%. Real estate and personal property
18 not used primarily for the purpose of generating, transmitting or distributing
19 electric energy are subject to general property taxes. If a general structure is used
20 in part to generate, transmit or distribute electric energy and in part for
21 nonoperating purposes, the license fee imposed by this section is in place of the
22 percentage of all other general property taxes that fairly measures and represents
23 the extent of the use in generating, transmitting or distributing electric energy, and
24 the balance is subject to local assessment and taxation, except that the entire general
25 structure is subject to special assessments for local improvements.

1 **SECTION 2243.** 76.81 of the statutes is amended to read:

2 **76.81 Imposition.** There is imposed a tax on the real property of, and the
3 tangible personal property of, every telephone company, excluding property that is
4 exempt from the property tax under s. 70.11 (39) and (39m), motor vehicles that are
5 exempt under s. 70.112 (5), property that is used less than 50% in the operation of
6 a telephone company, as provided under s. 70.112 (4) (b), and treatment plant and
7 pollution abatement equipment that is exempt under s. 70.11 (21) (a). Except as
8 provided in s. 76.815, the rate for the tax imposed on each description of real property
9 and on each item of tangible personal property is the net rate for the prior year for
10 the tax under ch. 70 in the taxing jurisdictions where the description or item is
11 located. The real and tangible personal property of a telephone company shall be
12 assessed as provided under s. 70.112 (4) (b).

13 **SECTION 2243b.** 77.02 (1) of the statutes is amended to read:

14 **77.02 (1) PETITION.** The owner of an entire quarter quarter section, fractional
15 lot or government lot as determined by U.S. government survey plat, excluding
16 public roads and railroad rights-of-way that may have been sold, may file with the
17 department of ~~natural resources~~ forestry a petition stating that the owner believes
18 the lands therein described are more useful for growing timber and other forest crops
19 than for any other purpose, that the owner intends to practice forestry thereon, that
20 all persons holding encumbrances thereon have joined in the petition and requesting
21 that such lands be approved as "Forest Croplands" under this subchapter. Whenever
22 any such land is encumbered by a mortgage or other indenture securing any issue
23 of bonds or notes, the trustee named in such mortgage or indenture or any
24 amendment thereto may join in such petition, and such action shall for the purpose
25 of this section be deemed the action of all holders of such bonds or notes.

1 **SECTION 2243c.** 77.02 (2) of the statutes is amended to read:

2 **77.02 (2) NOTICE OF HEARING, ADJOURNMENT.** Upon receipt of such petition the
3 department of ~~natural resources~~ forestry shall investigate the same and shall file a
4 listing of descriptions with the town chairperson. For petitions received prior to May
5 1, the department shall within the same calendar year cause a notice that such
6 petition has been filed to be published as a class 3 notice, under ch. 985, in the
7 newspaper having the largest general circulation in the county in which the lands
8 are located, and notice by registered mail shall be given to the town clerk of any town
9 in which the lands are located. Such notice shall contain the name of the petitioner,
10 a description of the lands and a statement that any resident of or taxpayer in the
11 town may within 15 days from the date of publication of the notice file a request with
12 the department that it conduct a public hearing on the petition. Upon receipt of such
13 a request the department shall conduct a public hearing on the petition. The
14 department may conduct a public hearing on any petition without a request, if it
15 deems it advisable to do so. Notice of the time and place of such hearing and a
16 description, in spccific or general terms, as the department deems advisable, of the
17 property requested to be approved as “Forest Croplands” shall be given to persons
18 making the request, the owner of such land and to the assessor of towns in which it
19 is situated, by mail, at least one week before the day of hearing. The notice also shall
20 be published as a class 1 notice, under ch. 985, in a newspaper having general
21 circulation in the county in which such land is located, at least one week before the
22 day of the hearing. Such hearing may be adjourned and no notice of the time and
23 place of such adjourned hearing need be given, excepting the announcement thereof
24 by the presiding officer at the hearing at which the adjournment is had.

25 **SECTION 2243d.** 77.02 (3) of the statutes is amended to read:

1 77.02 (3) DECISION, COPIES. After receiving all the evidence offered at any
2 hearing held on the petition and after making such independent investigation as it
3 sees fit the department shall make its findings of fact and make and enter an order
4 accordingly. If it finds that the facts give reasonable assurance that a stand of
5 merchantable timber will be developed on such descriptions within a reasonable
6 time, and that such descriptions are then held permanently for the growing of timber
7 under sound forestry practices, rather than for agricultural, mineral, shoreland
8 development of navigable waters, recreational, residential or other purposes, and
9 that all persons holding encumbrances against such descriptions have in writing
10 agreed to the petition, the order entered shall grant the request of the petitioner on
11 condition that all unpaid taxes against said descriptions be paid within 30 days
12 thereafter; otherwise the department of natural resources forestry shall deny the
13 request of the petitioner. If the request of the petitioner is granted, a copy of such
14 order shall be filed with the department of revenue, the supervisor of equalization
15 and the clerk of each town, and the order shall be recorded with the register of deeds
16 of each county, in which any of the lands affected by the order are located. The
17 register of deeds shall record the entry, transfer or withdrawal of all forest croplands
18 in a suitable manner on the county records. The register of deeds may collect
19 recording fees under s. 59.43 (2) from the owner. Any order of the department
20 relating to the entry of forest croplands issued on or before November 20 of any year
21 shall take effect on January 1 of the following calendar year, but all orders issued
22 after November 20 shall take effect on January 1 of the calendar year following the
23 calendar year in which orders issued on or before November 20 would have been
24 effective.

25 **SECTION 2243e.** 77.03 of the statutes is amended to read:

1 **77.03 Taxation of forest croplands.** After the filing and recording of the
2 order with the officers under s. 77.02 (3) the lands described therein shall be “Forest
3 Croplands”, on which taxes shall thereafter be payable only as provided under this
4 subchapter. The enactment of ss. 77.01 to 77.14, petition by the owner and the
5 making of the order under s. 77.02 (3) shall constitute a contract between the state
6 and the owner, running with the lands, for a period of 25 or 50 years at the election
7 of the applicant at the time the petition is filed, unless withdrawn under s. 77.10,
8 with privilege of renewal by mutual agreement between the owner and the state,
9 whereby the state as an inducement to owners and prospective purchasers of forest
10 croplands to come under ss. 77.01 to 77.14 agrees that, unless withdrawn under s.
11 77.10, no change in or repeal of ss. 77.01 to 77.14 shall apply to any land then
12 accepted as forest croplands, except as the department of ~~natural resources~~ forestry
13 and the owner may expressly agree in writing and except as provided in s. 77.17. If
14 at the end of the contract period the land is not designated as managed forest land
15 under subch. VI, the merchantable timber on the land shall be estimated by an
16 estimator jointly agreed upon by the department of ~~natural resources~~ forestry and
17 the owner, and if the department and the owner fail to agree on an estimator, the
18 judge of the circuit court of the district in which the lands lie shall appoint a qualified
19 forester, whose estimate shall be final, and the cost thereof shall be borne jointly by
20 the department of ~~natural resources~~ forestry and the owner; and the 10% severance
21 tax paid on the stumpage thereon in the same manner as if the stumpage had been
22 cut. The owners by such contract consent that the public may hunt and fish on the
23 lands, subject to such rules as the department of natural resources prescribes
24 regulating hunting and fishing.

1 **SECTION 2243f.** 77.04 (2) of the statutes is amended to read:

2 **77.04 (2) TAX PER ACRE; PAYMENT; PENALTY.** The “acreage share” shall be
3 computed at the rate of 10 cents per acre on all lands entered prior to 1972. On all
4 lands entered after December 31, 1971, the “acreage share” shall be computed every
5 10 years to the nearest cent by the department of revenue at the rate of 20 cents per
6 acre multiplied by a ratio using the equalized value of the combined residential,
7 commercial, manufacturing, agricultural, swamp, or waste and productive forest
8 land classes under s. 70.32 (2) within the state in 1972 as the denominator, and using
9 equalized value for these combined land classes in 1982 and every 10th year
10 thereafter as the numerator. All owners shall pay to the taxation district treasurer
11 the acreage share on each description on or before January 31. If the acreage share
12 is not paid when due to the taxation district treasurer it shall be subject to interest
13 and penalty as provided under ss. 74.11 (11), 74.12 (10) and 74.47. These lands shall
14 be returned as delinquent and a tax certificate under subch. VII of ch. 74 shall be
15 issued on them. After 2 years from the date of the issuance of a tax certificate, the
16 county clerk shall promptly take a tax deed under ch. 75. On taking such deed the
17 county clerk shall certify that fact and specify the descriptions to the department of
18 ~~natural resources~~ forestry.

19 **SECTION 2243g.** 77.05 of the statutes is amended to read:

20 **77.05 State contribution.** The department of ~~natural resources~~ forestry shall
21 pay before June 30 annually to the town treasurer, from the appropriation under s.
22 ~~20.370 (5) (bv)~~ 20.375 (2) (vm), 20 cents for each acre of land in the town that is
23 described as forest croplands under this subchapter.

24

25 **SECTION 2243h.** 77.06 (1) of the statutes is amended to read:

1 77.06 (1) CUTTING TIMBER REGULATED. No person shall cut any merchantable
2 wood products on any forest croplands where the forest crop taxes are delinquent nor
3 until 30 days after the owner has filed with the department of ~~natural resources~~
4 forestry a notice of intention to cut, specifying by descriptions and the estimated
5 amount of wood products to be removed and the proportion of present volume to be
6 left as growing stock in the area to be cut. The department of ~~natural resources~~
7 forestry may require a bond executed by some surety company licensed in this state
8 or other surety for such amount as may reasonably be required for the payment to
9 the department of ~~natural resources~~ forestry of the severance tax hereinafter
10 provided. The department, after examination of the lands specified, may prescribe
11 the amount of forest products to be removed. Cutting in excess of the amount
12 prescribed shall render the owner liable to double the severance tax prescribed in s.
13 77.06 (5) and subject to cancellation under s. 77.10. Merchantable wood products
14 include all wood products except wood used for fuel by the owner.

15 **SECTION 2243i.** 77.06 (2) of the statutes is amended to read:

16 77.06 (2) APPRAISAL OF TIMBER, ZONES. Each year the department of ~~natural~~
17 ~~resources~~ forestry, at the time and place it shall fix and after such public notice as
18 it deems reasonable, shall hold a public hearing. After the hearing the department
19 shall make and file, open to public inspection, a determination of the reasonable
20 stumpage values of the wood products usually grown in the several towns in which
21 any forest croplands lie. A public hearing under this section shall be held prior to
22 August 1 of each year and the determination of stumpage values made by the
23 department of ~~natural resources~~ forestry shall take effect on November 1 of that year.
24 If the department of ~~natural resources~~ forestry finds there is a material variance in

1 the stumpage values in the different localities, it may fix separate zones and
2 determine the values for each zone.

3 **SECTION 2243j.** 77.06 (3) of the statutes is amended to read:

4 77.06 (3) REVALUATION. As to any locality or zone in which the department of
5 ~~natural resources~~ forestry deems there has been no material variance from the
6 preceding year in stumpage values, it may omit to make any new valuation in any
7 year, in which event the last preceding valuation shall continue in force until
8 changed in a succeeding year.

9 **SECTION 2243k.** 77.06 (4) of the statutes is amended to read:

10 77.06 (4) CUTTING REPORTED. Within 30 days after completion of cutting on any
11 land description, but not more than one year after filing of the notice of intention to
12 cut, the owner shall transmit to the department of ~~natural resources~~ forestry on
13 forms provided by the department a written statement of the products so cut,
14 specifying the variety of wood, kind of product, and quantity of each variety and kind
15 as shown by the scale or measurement thereof made on the ground as cut, skidded,
16 loaded, delivered, or by tree scale certified by a qualified forester when stumpage is
17 sold by tree measurement. The department of ~~natural resources~~ forestry may accept
18 such reports as sufficient evidence of the facts, or may either with or without hearing
19 and notice of time and place thereof to such owner, investigate and determine the fact
20 of the quantity of each variety and kind of product so cut during said periods
21 preceding such reports.

22

23 **SECTION 2243L.** 77.06 (5) of the statutes is amended to read:

24 77.06 (5) TAX LEVY ON RIGHT TO CUT TIMBER. The department of ~~natural resources~~
25 forestry shall assess and levy against the owner a severance tax on the right to cut

1 and remove wood products covered by reports under this section, at the rate of 10%
2 of the value of the wood products based upon the stumpage value then in force. Upon
3 making the assessment, the department of ~~natural resources~~ forestry shall mail a
4 duplicate of the certificate by registered mail to the owner who made the report of
5 cutting at the owner's last-known post-office address. The tax assessed is due and
6 payable to the department of ~~natural resources~~ forestry on the last day of the next
7 calendar month after mailing the certificate. The proceeds of the tax shall be paid
8 into the forestry account of the conservation fund for distribution under s. 77.07 (3).

9 **SECTION 2243m.** 77.07 (2) of the statutes is amended to read:

10 77.07 (2) PENALTY, COLLECTIONS. If any severance tax remain unpaid for 30 days
11 after it becomes due, there shall then be added a penalty of 10%, and such tax and
12 penalty shall thereafter draw interest at the rate of one per cent per month until paid.
13 At the expiration of said 30 days the department of ~~natural resources~~ forestry shall
14 report to the attorney general any unpaid severance tax, adding said penalty, and the
15 attorney general shall thereupon proceed to collect the same with penalty and
16 interest by suit against the owner and by attachment or other legal means to enforce
17 the lien and by action on the bond mentioned in s. 77.06 (1), or by any or all such
18 means.

19 **SECTION 2243n.** 77.08 of the statutes is amended to read:

20 **77.08 Supplemental severance tax.** At any time within one year after any
21 cutting should have been reported, the department of ~~natural resources~~ forestry
22 after due notice to the owner and opportunity to be heard, and on evidence duly made
23 a matter of record, may determine whether the quantity of wood products cut from
24 any such land, did in fact substantially exceed the amount on which the severance
25 tax theretofore levied was based, and if so shall assess a supplemental severance tax

1 which, in all respects, shall have the same force and effect as the former severance
2 tax, except only it shall not be a lien on any property the title of which has passed
3 to a purchaser for value without notice.

4 **SECTION 2243p.** 77.09 (1) of the statutes is amended to read:

5 77.09 (1) Any person who fails to report or shall intentionally make any false
6 statement or report to the department of ~~natural resources~~ forestry required by s.
7 77.06 shall forfeit not more than \$1,000. An action under this section shall not be
8 a bar to a cancellation of entry and order of withdrawal under s. 77.10.

9 **SECTION 2243q.** 77.10 (1) (a) of the statutes is amended to read:

10 77.10 (1) (a) The department of ~~natural resources~~ forestry shall on the
11 application of the department of revenue or the owner of any forest croplands or the
12 town board of the town in which said lands lie and may on its own motion at any time
13 cause an investigation to be made and hearing to be had as to whether any forest
14 croplands shall continue under this subchapter. If on such hearing after due notice
15 to and opportunity to be heard by the department of revenue, the town and the owner,
16 the department of ~~natural resources~~ forestry finds that any such lands are not
17 meeting the requirements set forth in s. 77.02 or that the owner has made use of the
18 land for anything other than forestry or has failed to practice sound forestry on the
19 land, the department of ~~natural resources~~ forestry shall cancel the entry of such
20 description and issue an order of withdrawal, and the owner shall be liable for the
21 tax and penalty under sub. (2). Copies of the order of withdrawal specifying the
22 description shall be filed by the department of ~~natural resources~~ forestry with all
23 officers designated to receive copies of the order of entry and withdrawal and this
24 subchapter shall not thereafter apply to the lands withdrawn, except s. 77.07 so far
25 as it may be needed to collect any previously levied severance or supplemental

1 severance tax. If the owner shall not repay the amounts on or before the last day of
2 February next succeeding the return of such lands to the general property tax roll
3 as provided in sub. (4), the department of ~~natural resources~~ forestry shall certify to
4 the county treasurer the descriptions and the amounts due, and the county treasurer
5 shall sell such lands as delinquent as described in s. 77.04 (2). Whenever any county
6 clerk has certified to the taking of tax deed under s. 77.04 (2) the department of
7 ~~natural resources~~ forestry shall issue an order of withdrawal as to the lands covered
8 in such tax deed. Such order may also be issued when examination of tax records
9 reveals prolonged delinquency and noncompliance with the requirements of s. 77.04
10 (2).

11 **SECTION 2243r.** 77.10 (1) (b) of the statutes is amended to read:

12 77.10 (1) (b) Whenever any owner of forest croplands conveys such land the
13 owner shall, within 10 days of the date of the deed, file with the department of
14 ~~natural resources~~ forestry on forms prepared by the department a transfer of
15 ownership signed by the owner and an acceptance of transfer signed by the grantee
16 certifying that the grantee intends to continue the practice of forestry on such land.
17 The department of ~~natural resources~~ forestry shall immediately issue a notice of
18 transfer to all officers designated to receive copies of orders of entry and withdrawal.
19 Whenever a purchaser of forest croplands declines to certify his or her intention to
20 continue the practice of forestry thereon, such action shall constitute cause for
21 cancellation of entry under par. (a) without hearing.

22 **SECTION 2243s.** 77.10 (2) (a) 1. of the statutes is amended to read:

23 77.10 (2) (a) 1. Any owner of forest croplands may elect to withdraw all or any
24 of such lands from under this subchapter, by filing with the department of ~~natural~~
25 ~~resources~~ forestry a declaration withdrawing from this subchapter any description

1 owned by such person which he or she specified, and by payment by such owner to
2 the department of ~~natural resources~~ forestry within 60 days the amount of tax due
3 from the date of entry or the most recent date of renewal, whichever is later, as
4 determined by the department of revenue under s. 77.04 (1) with simple interest
5 thereon at 12% per year, less any severance tax and supplemental severance tax or
6 acreage share paid thereon, with interest computed according to the rule of partial
7 payments at the rate of 12% per year.

8 **SECTION 2243t.** 77.10 (2) (a) 2. of the statutes is amended to read:

9 77.10 (2) (a) 2. The amount of the tax shall be determined by the department
10 of revenue and furnished to the department of ~~natural resources~~ forestry, which shall
11 determine the exact amount of payment. When the tax rate or assessed value ratio
12 of the current year has not been determined the rate of the preceding tax year may
13 be used. On receiving such payment the department of ~~natural resources~~ forestry
14 shall issue an order of withdrawal and file copies thereof with the department of
15 revenue, the supervisor of equalization and the clerk of the town, and shall record
16 the order with the register of deeds of the county, in which the land lies. The land
17 shall then cease to be forest croplands.

18 **SECTION 2243u.** 77.10 (2) (b) of the statutes is amended to read:

19 77.10 (2) (b) Upon receipt of any taxes under this section by the state, the
20 department of ~~natural resources~~ forestry shall first deduct all moneys paid by the
21 state on account of the lands under s. 77.05 with interest on the moneys computed
22 according to the rule of partial payments at the rate of interest paid under par. (a)
23 by the person withdrawing such lands. The department shall within 20 days remit
24 the balance to the town treasurer who shall pay 20% to the county treasurer and
25 retain the remainder.

1 **SECTION 2243v.** 77.10 (4) of the statutes is amended to read:

2 **77.10 (4) TAXATION AFTER WITHDRAWAL.** When any description ceases to be a part
3 of the forest croplands, by virtue of any order of withdrawal issued by the department
4 of ~~natural resources~~ forestry, taxes thereafter levied thereon shall be payable and
5 collectible as if such description had never been under this subchapter.

6 **SECTION 2243w.** 77.11 of the statutes is amended to read:

7 **77.11 Accounts of department of ~~natural resources~~ forestry.** The
8 department of ~~natural resources~~ forestry shall keep a set of forest croplands books
9 in which shall always appear as to each description in each town containing any
10 forest croplands, the amount of taxes paid by the state to the town and received by
11 the state from the owner. All tax payments shall be paid out of and receipts credited
12 to the forestry ~~account of the conservation~~ fund.

13 **SECTION 2243x.** 77.13 (1) of the statutes is amended to read:

14 **77.13 (1)** On and after July 20, 1985, no person may petition the department
15 of ~~natural resources~~ forestry requesting it to approve any land as forest croplands
16 under this subchapter.

17 **SECTION 2243y.** 77.13 (2) of the statutes is amended to read:

18 **77.13 (2)** On and after January 1, 1986, the department of ~~natural resources~~
19 forestry may not act on any petition requesting the designation of land as forest
20 croplands, issue any order entering land as forest croplands or enter into a renewal
21 of any forest croplands contract under this subchapter.

22 **SECTION 2243z.** 77.14 of the statutes is amended to read:

23 **77.14 Forest croplands information, protection, appropriation.** The
24 department of ~~natural resources~~ forestry shall publish and distribute information
25 regarding the method of taxation of forest croplands under this subchapter, and may

1 employ a fire warden in charge of fire prevention in forest croplands. All actual and
2 necessary expenses incurred by the department of ~~natural resources forestry~~ or by
3 the department of revenue in the performance of their duties under this subchapter
4 shall be paid from the appropriation made in s. ~~20.370 (1) (mu)~~ 20.375 (2) (q) upon
5 certification by the department incurring such expenses.

6 **SECTION 2243zm.** 77.16 (1) of the statutes is amended to read:

7 77.16 (1) In this section "department" means the department of ~~natural~~
8 ~~resources forestry~~.

9 **SECTION 2245.** 77.52 (2) (a) 10. of the statutes is amended to read:

10 77.52 (2) (a) 10. Except for installing or applying tangible personal property
11 which, when installed or applied, will constitute an addition or capital improvement
12 of real property, the repair, service, alteration, fitting, cleaning, painting, coating,
13 towing, inspection and maintenance of all items of tangible personal property unless,
14 at the time of such repair, service, alteration, fitting, cleaning, painting, coating,
15 towing, inspection or maintenance, a sale in this state of the type of property
16 repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected or
17 maintained would have been exempt to the customer from sales taxation under this
18 subchapter, other than the exempt sale of a motor vehicle or truck body to a
19 nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. 77.51
20 (14r). For purposes of this paragraph, the following items shall be deemed to have
21 retained their character as tangible personal property, regardless of the extent to
22 which any such item is fastened to, connected with or built into real property:
23 furnaces, boilers, stoves, ovens, including associated hoods and exhaust systems,
24 heaters, air conditioners, humidifiers, dehumidifiers, refrigerators, coolers, freezers,
25 water pumps, water heaters, water conditioners and softeners, clothes washers,

1 clothes dryers, dishwashers, garbage disposal units, radios and radio antennas,
2 incinerators, television receivers and antennas, record players, tape players,
3 jukeboxes, vacuum cleaners, furniture and furnishings, carpeting and rugs,
4 bathroom fixtures, sinks, awnings, blinds, gas and electric logs, heat lamps,
5 electronic dust collectors, grills and rotisseries, bar equipment, intercoms,
6 recreational, sporting, gymnasium and athletic goods and equipment including by
7 way of illustration but not of limitation bowling alleys, golf practice equipment, pool
8 tables, punching bags, ski tows and swimming pools; ~~office, restaurant and tavern~~
9 type equipment in offices, business facilities, schools, and hospitals but not in
10 residential facilities including personal residences, apartments, long-term care
11 facilities, as defined under s. 16.009 (1) (em), state institutions, as defined under s.
12 101.123 (1) (i), or similar facilities, including by way of illustration but not of
13 limitation lamps, chandeliers, and fans, venetian blinds, canvas awnings, office and
14 business machines, ice and milk dispensers, beverage-making equipment, vending
15 machines, soda fountains, steam warmers and tables, compressors, condensing units
16 and evaporative condensers, pneumatic conveying systems; laundry, dry cleaning,
17 and pressing machines, power tools, burglar alarm and fire alarm fixtures, electric
18 clocks and electric signs. “Service” does not include services performed by
19 veterinarians. The tax imposed under this subsection applies to the repair, service,
20 alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance of
21 items listed in this subdivision, regardless of whether the installation or application
22 of tangible personal property related to the items is an addition to or a capital
23 improvement of real property, except that the tax imposed under this subsection does
24 not apply to the original installation or the complete replacement of an item listed

1 in this subdivision, if such installation or replacement is a real property construction
2 activity under s. 77.51 (2).

3 **SECTION 2245d.** 77.52 (2) (a) 10. of the statutes, as affected by 2001 Wisconsin
4 Act (this act), is amended to read:

5 77.52 (2) (a) 10. Except for installing or applying tangible personal property
6 which, when installed or applied, will constitute an addition or capital improvement
7 of real property, the repair, service, alteration, fitting, cleaning, painting, coating,
8 towing, inspection and maintenance of all items of tangible personal property unless,
9 at the time of such repair, service, alteration, fitting, cleaning, painting, coating,
10 towing, inspection or maintenance, a sale in this state of the type of property
11 repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected or
12 maintained would have been exempt to the customer from sales taxation under this
13 subchapter, other than the exempt sale of a motor vehicle or truck body to a
14 nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. 77.51
15 (14r). For purposes of this paragraph, the following items shall be deemed to have
16 retained their character as tangible personal property, regardless of the extent to
17 which any such item is fastened to, connected with or built into real property:
18 furnaces, boilers, stoves, ovens, including associated hoods and exhaust systems,
19 heaters, air conditioners, humidifiers, dehumidifiers, refrigerators, coolers, freezers,
20 water pumps, water heaters, water conditioners and softeners, clothes washers,
21 clothes dryers, dishwashers, garbage disposal units, radios and radio antennas,
22 incinerators, television receivers and antennas, record players, tape players,
23 jukeboxes, vacuum cleaners, furniture and furnishings, carpeting and rugs,
24 bathroom fixtures, sinks, awnings, blinds, gas and electric logs, heat lamps,
25 electronic dust collectors, grills and rotisseries, bar equipment, intercoms,

1 recreational, sporting, gymnasium and athletic goods and equipment including by
2 way of illustration but not of limitation bowling alleys, golf practice equipment, pool
3 tables, punching bags, ski tows and swimming pools; equipment in offices, business
4 facilities, schools and hospitals but not in residential facilities including personal
5 residences, apartments, long-term care facilities, as defined under s. 16.009 (1) (em),
6 state institutions, as defined under s. 101.123 (1) (i), Type 1 secured correctional
7 facilities, as defined in s. 938.02 (19), or similar facilities, including by way of
8 illustration but not of limitation lamps, chandeliers, and fans, venetian blinds,
9 canvas awnings, office and business machines, ice and milk dispensers,
10 beverage-making equipment, vending machines, soda fountains, steam warmers
11 and tables, compressors, condensing units and evaporative condensers, pneumatic
12 conveying systems; laundry, dry cleaning, and pressing machines, power tools,
13 burglar alarm and fire alarm fixtures, electric clocks and electric signs. “Service”
14 does not include services performed by veterinarians. The tax imposed under this
15 subsection applies to the repair, service, alteration, fitting, cleaning, painting,
16 coating, towing, inspection, or maintenance of items listed in this subdivision,
17 regardless of whether the installation or application of tangible personal property
18 related to the items is an addition to or a capital improvement of real property, except
19 that the tax imposed under this subsection does not apply to the original installation
20 or the complete replacement of an item listed in this subdivision, if such installation
21 or replacement is a real property construction activity under s. 77.51 (2).

22 **SECTION 2245dm.** 77.524 of the statutes is created to read:

23 **77.524 Seller and 3rd-party liability.** (1) In this subsection:

24 (a) “Certified automated system” means software that is certified jointly by the
25 states that are signatories to the agreement, as defined in s. 77.65 (2) (a), and that

1 is used to calculate the sales tax and use tax imposed under this subchapter and
2 subch. V on a transaction by each appropriate jurisdiction, to determine the amount
3 of tax to remit to the appropriate state, and to maintain a record of the transaction.

4 (b) "Certified service provider" means an agent that is certified jointly by the
5 states that are signatories to the agreement, as defined in s. 77.65 (2) (a), and that
6 performs all of a seller's sales tax and use tax functions related to the seller's retail
7 sales.

8 (c) "Seller" has the meaning given in s. 77.65 (2) (e).

9 (2) A certified service provider is the agent of the seller with whom the certified
10 service provider has contracted and is liable for the sales and use taxes that are due
11 the state on all sales transactions that the provider processes for a seller, except as
12 provided in sub. (3).

13 (3) A seller that contracts with a certified service provider is not liable for sales
14 and use taxes that are due the state on transactions that the provider processed,
15 unless the seller has misrepresented the type of items that the seller sells or has
16 committed fraud. The seller is subject to an audit on transactions that the certified
17 service provider processed only if there is probable cause to believe that the seller has
18 committed fraud or made a material misrepresentation. The seller is subject to an
19 audit on transactions that the certified service provider does not process. The states
20 that are signatories to the agreement, as defined in s. 77.65 (2) (a), may jointly check
21 the seller's business system and review the seller's business procedures to determine
22 if the certified service provider's system is functioning properly and to determine the
23 extent to which the seller's transactions are being processed by the certified service
24 provider.

1 (4) A person that provides a certified automated system is responsible for the
2 system's proper functioning and is liable to this state for tax underpayments that are
3 attributable to errors in the system's functioning. A seller that uses a certified
4 automated system is responsible and liable to this state for reporting and remitting
5 sales and use tax.

6 (5) A seller that has a proprietary system for determining the amount of tax
7 that is due on transactions and that has signed an agreement with the states that
8 are signatories to the agreement, as defined in [§]77.65 (2) (a), establishing a
9 performance standard for the system is liable for the system's failure to meet the
10 performance standard.

11 SECTION 2246. 77.54 (9a) (a) of the statutes is amended to read:

12 77.54 (9a) (a) This state or any agency thereof ~~and~~, the University of Wisconsin
13 Hospitals and Clinics Authority, and the Fox River Navigational System Authority.

14 SECTION 2246m. 77.54 (45) of the statutes is amended to read:

15 77.54 (45) The gross receipts from the sale of and the use or other consumption
16 of a onetime license or similar right to purchase admission to professional football
17 games at a football stadium, as defined in s. 229.821 (6), that is granted by a
18 municipality; a local professional football stadium district; or a professional football
19 team or related party, as defined in s. 229.821 (12); if the person who buys the license
20 or right is entitled, at the time the license or right is transferred to the person, to
21 purchase admission to at least 3 professional football games in this state during one
22 football season. ~~The exemption under this subsection does not apply to a license or~~
23 ~~right that is sold after December 31, 2003.~~

24 SECTION 2246p. 77.65 of the statutes is created to read:

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add (cjs)

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