

SENATE BILL 55

1 (b) 1. For taxable years beginning before January 1, 2006, if the numerator of
2 the sales factor under sub. (9) related to a taxpayer's remaining net income is a
3 negative number and the denominator of the sales factor under sub. (9) related to a
4 taxpayer's remaining net income is not zero, the sales factor under sub. (9) is zero.

5 2. For taxable years beginning after December 31, 2005, if the numerator of the
6 sales factor under sub. (9) related to a taxpayer's remaining net income is a negative
7 number and the denominator of the sales factor under sub. (9) related to a taxpayer's
8 remaining net income is not zero, none of the taxpayer's remaining net income is
9 apportioned to this state.

10 (c) 1. For taxable years beginning before January 1, 2006, if the numerator of
11 the sales factor under sub. (9) related to a taxpayer's remaining net income is a
12 positive number and the denominator of the sales factor under sub. (9) related to a
13 taxpayer's remaining net income is zero or a negative number, the sales factor under
14 sub. (9) is one.

15 2. For taxable years beginning after December 31, 2005, if the numerator of the
16 sales factor under sub. (9) related to a taxpayer's remaining net income is a positive
17 number and the denominator of the sales factor under sub. (9) related to a taxpayer's
18 remaining net income is zero or a negative number, all of the taxpayer's remaining
19 net income is apportioned to this state.

20 *-1059/6.19* SECTION 2167. 71.25 (7) (intro.) of the statutes is amended to
21 read:

22 71.25 (7) PROPERTY FACTOR. (intro.) For purposes of sub. (5) (6) and for taxable
23 years beginning before January 1, 2006:

24 *-1059/6.20* SECTION 2168. 71.25 (8) (intro.) of the statutes is amended to
25 read:

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SECTION 2168

1 71.25 (8) PAYROLL FACTOR. (intro.) For purposes of sub. ~~(5)~~ (6) and for taxable
2 years beginning before January 1, 2006:

3 *~~1059/6.21~~* SECTION 2169. 71.25 (9) (d) of the statutes is amended to read:

4 71.25 (9) (d) Sales, other than sales of tangible personal property, are in this
5 state if the income-producing activity is performed in this state. If the
6 income-producing activity is performed both in and outside this state the sales shall
7 be divided between those states having jurisdiction to tax such business in
8 proportion to the direct costs of performance incurred in each such state in rendering
9 this service. Services performed in states which do not have jurisdiction to tax the
10 business shall be deemed to have been performed in the state to which compensation
11 is allocated by ~~sub. s. 71.25 (8), 1999 stats.~~

12 *~~1059/6.22~~* SECTION 2170. 71.25 (10) (b) of the statutes is renumbered 71.25
13 (10) (b) 1. and amended to read:

14 71.25 (10) (b) 1. In this section, for taxable years beginning before January 1,
15 2004, “public utility” means any business entity described under subd. 2. and any
16 business entity which owns or operates any plant, equipment, property, franchise,
17 or license for the transmission of communications or the production, transmission,
18 sale, delivery, or furnishing of electricity, water or steam the rates of charges for
19 goods or services of which have been established or approved by a federal, state or
20 local government or governmental agency. “Public

21 2. In this section, for taxable years beginning after December 31, 2003, “public
22 utility” ~~also~~ means any business entity providing service to the public and engaged
23 in the transportation of goods and persons for hire, as defined in s. 194.01 (4),
24 regardless of whether or not the entity’s rates or charges for services have been

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1 established or approved by a federal, state or local government or governmental
2 agency.

3 ***-1059/6.23*** SECTION 2171. 71.25 (10) (c) of the statutes is amended to read:

4 71.25 (10) (c) The net business income of railroads, sleeping car companies, car
5 line companies, pipeline companies, financial organizations, air carriers and public
6 utilities requiring apportionment shall be apportioned pursuant to rules of the
7 department of revenue, but the income taxed is limited to the income derived from
8 business transacted and property located within the state.

9 ***-1059/6.24*** SECTION 2172. 71.25 (11) of the statutes is amended to read:

10 71.25 (11) DEPARTMENT MAY WAIVE FACTOR. Where, in the case of any corporation
11 engaged in business ~~within in~~ and ~~without the~~ outside this state of Wisconsin and
12 required to apportion its income as provided in sub. (6), it shall be shown to the
13 satisfaction of the department of revenue that the use of any one of the 3 factors
14 provided in sub. (6) gives an unreasonable or inequitable final average ratio because
15 of the fact that such corporation does not employ, to any appreciable extent in its
16 trade or business in producing the income taxed, the factors made use of in obtaining
17 such ratio, this factor may, with the approval of the department of revenue, be
18 omitted in obtaining the final average ratio which is to be applied to the remaining
19 net income. This subsection does not apply to taxable years beginning after
20 December 31, 2005.

21 ***-1493/1.2*** SECTION 2173. 71.25 (15) of the statutes is created to read:

22 71.25 (15) PARTNERSHIPS AND LIMITED LIABILITY COMPANIES. (a) A general or
23 limited partner's share of the numerator and denominator of a partnership's
24 apportionment factors under this section are included in the numerator and

SENATE BILL 55**SECTION 2173**

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 *~~1335/7.54~~* **SECTION 2174.** 71.26 (1) (be) of the statutes is amended to read:

8 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
9 Hospitals and Clinics Authority and of the Fox River Navigational System Authority.

10 *~~0667/5.5~~* **SECTION 2175.** 71.26 (2) (a) of the statutes is amended to read:

11 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
12 the gross income as computed under the ~~internal revenue code~~ Internal Revenue
13 Code as modified under sub. (3) minus the amount of recapture under s. 71.28 (1di)
14 plus the amount of credit computed under s. 71.28 (1) ~~and, (3) to, (4), and (5)~~ plus the
15 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
16 (1ds) ~~and, and (3g)~~ (1dx) and not passed through by a partnership, limited liability
17 company, or tax-option corporation that has added that amount to the partnership's,
18 limited liability company's, or tax-option corporation's income under s. 71.21 (4) or
19 71.34 (1) (g) plus the amount of losses from the sale or other disposition of assets the
20 gain from which would be wholly exempt income, as defined in sub. (3) (L), if the
21 assets were sold or otherwise disposed of at a gain and minus deductions, as
22 computed under the ~~internal revenue code~~ Internal Revenue Code as modified under
23 sub. (3), plus or minus, as appropriate, an amount equal to the difference between
24 the federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or

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1 otherwise disposed of in a taxable transaction during the taxable year, except as
2 provided in par. (b) and s. 71.45 (2) and (5).

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3 *b0685/1.3* SECTION 2175d. 71.26 (2) (b) 7. of the statutes is repealed.

4 *b0685/1.3* SECTION 2175db. 71.26 (2) (b) 8. of the statutes is amended to
5 read:

6 71.26 (2) (b) 8. For taxable years that begin after December 31, 1992, and
7 before January 1, 1994, for a corporation, conduit or common law trust which
8 qualifies as a regulated investment company, real estate mortgage investment
9 conduit or real estate investment trust under the Internal Revenue Code as amended
10 to December 31, 1992, excluding sections 103, 104, and 110 of P.L. 102-227, and as
11 amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1., 13113, 13150, 13171,
12 13174, and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
13 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554,
14 excluding sections 162 and 165 of P.L. 106-554, and as indirectly affected in the
15 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
16 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
17 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
18 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and
19 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L.
20 104-188, 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, "net income" means the federal regulated
22 investment company taxable income, federal real estate mortgage investment
23 conduit taxable income or federal real estate investment trust taxable income of the
24 corporation, conduit or trust as determined under the Internal Revenue Code as
25 amended to December 31, 1992, excluding sections 103, 104, and 110 of P.L. 102-227,

SENATE BILL 55**SECTION 2175db**

1 and as amended by P.L. 103–66, excluding sections 13101 (a) and (c) 1, 13113, 13150,
2 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding
3 section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
4 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly affected
5 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
6 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
7 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
8 102–486, P.L. 103–66, excluding sections 13101 (a) and (c) 1., 13113, 13150, 13171,
9 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311
10 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554,
11 excluding sections 162 and 165 of P.L. 106–554, except that property that, under s.
12 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983
13 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall
14 continue to be depreciated under the Internal Revenue Code as amended to
15 December 31, 1980, and except that the appropriate amount shall be added or
16 subtracted to reflect differences between the depreciation or adjusted basis for
17 federal income tax purposes and the depreciation or adjusted basis under this
18 chapter of any property disposed of during the taxable year. The Internal Revenue
19 Code as amended to December 31, 1992, excluding sections 103, 104, and 110 of P.L.
20 102–227, and as amended by P.L. 103–66, excluding sections 13101 (a) and (c) 1,
21 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188,
22 excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
23 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly
24 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
25 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,

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1 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
2 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,
3 13174, and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
4 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554,
5 excluding sections 162 and 165 of P.L. 106-554, applies for Wisconsin purposes at the
6 same time as for federal purposes. Amendments to the Internal Revenue Code
7 enacted after December 31, 1992, do not apply to this subdivision with respect to
8 taxable years that begin after December 31, 1992, and before January 1, 1994,
9 except that changes to the Internal Revenue Code made by P.L. 103-66, P.L.
10 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, 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 changes that indirectly affect the provisions applicable to this
13 subchapter made by P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
14 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554,
15 excluding sections 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the
16 same time as for federal purposes.

17 *b0685/1.3* **SECTION 2175dc.** 71.26 (2) (b) 9. of the statutes is amended to
18 read:

19 71.26 (2) (b) 9. For taxable years that begin after December 31, 1993, and
20 before January 1, 1995, for a corporation, conduit or common law trust which
21 qualifies as a regulated investment company, real estate mortgage investment
22 conduit or real estate investment trust under the Internal Revenue Code as amended
23 to December 31, 1993, excluding sections 103, 104, and 110 of P.L. 102-227 and
24 sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103-66, and
25 as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding

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1 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
2 104-191, P.L. 104-193, 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, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
6 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
7 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, 13203
8 (d), and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
9 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
10 104-188, P.L. 104-191, P.L. 104-193, 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, “net income”
12 means the federal regulated investment company taxable income, federal real estate
13 mortgage investment conduit taxable income or federal real estate investment trust
14 taxable income of the corporation, conduit or trust as determined under the Internal
15 Revenue Code as amended to December 31, 1993, excluding sections 103, 104, and
16 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and
17 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465,
18 P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311
19 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
20 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as
21 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
22 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
23 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
24 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
25 13174, 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465,

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1 P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311
2 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
3 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except
4 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
5 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
6 amended to December 31, 1980, shall continue to be depreciated under the Internal
7 Revenue Code as amended to December 31, 1980, and except that the appropriate
8 amount shall be added or subtracted to reflect differences between the depreciation
9 or adjusted basis for federal income tax purposes and the depreciation or adjusted
10 basis under this chapter of any property disposed of during the taxable year. The
11 Internal Revenue Code as amended to December 31, 1993, excluding sections 103,
12 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203
13 (d), and 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L.
14 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
15 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
16 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
17 and as indirectly affected in the provisions applicable to this subchapter by P.L.
18 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
19 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
20 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
21 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337,
22 P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
23 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
24 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
25 applies for Wisconsin purposes at the same time as for federal purposes.

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

14 *b0685/1.3* **SECTION 2175dd.** 71.26 (2) (b) 10. of the statutes is amended to
15 read:

16 71.26 (2) (b) 10. For taxable years that begin after December 31, 1994, and
17 before January 1, 1996, for a corporation, conduit or common law trust which
18 qualifies as a regulated investment company, real estate mortgage investment
19 conduit or real estate investment trust under the Internal Revenue Code as amended
20 to December 31, 1994, excluding sections 103, 104, and 110 of P.L. 102-227 and
21 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, and as
22 amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605
23 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
24 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as
25 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.

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1 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
2 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
3 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
4 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
5 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188,
6 P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
7 106-554, excluding sections 162 and 165 of P.L. 106-554, “net income” means the
8 federal regulated investment company taxable income, federal real estate mortgage
9 investment conduit taxable income or federal real estate investment trust taxable
10 income of the corporation, conduit or trust as determined under the Internal
11 Revenue Code as amended to December 31, 1994, excluding sections 103, 104, and
12 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
13 of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202,
14 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
15 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
16 106-554, and as indirectly affected in the provisions applicable to this subchapter
17 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,
18 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
19 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
20 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
21 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of
22 P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
23 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except
24 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
25 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as

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1 amended to December 31, 1980, shall continue to be depreciated under the Internal
2 Revenue Code as amended to December 31, 1980, and except that the appropriate
3 amount shall be added or subtracted to reflect differences between the depreciation
4 or adjusted basis for federal income tax purposes and the depreciation or adjusted
5 basis under this chapter of any property disposed of during the taxable year. The
6 Internal Revenue Code as amended to December 31, 1994, excluding sections 103,
7 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and
8 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding
9 sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
10 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
11 and 165 of 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, P.L. 101-73, P.L. 101-140,
13 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
14 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
15 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
16 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204,
17 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
18 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
19 106-554, applies for Wisconsin purposes at the same time as for federal purposes.
20 Amendments to the Internal Revenue Code enacted after December 31, 1994, do not
21 apply to this subdivision with respect to taxable years that begin after
22 December 31, 1994, and before January 1, 1996, except that changes made by P.L.
23 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188,
24 P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
25 106-554, excluding sections 162 and 165 of P.L. 106-554, and changes that indirectly

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1 affect the provisions applicable to this subchapter made by 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, apply for Wisconsin purposes at the same time
5 as for federal purposes.

6 *b0685/1.3* **SECTION 2175de.** 71.26 (2) (b) 11. of the statutes is amended to
7 read:

8 71.26 (2) (b) 11. For taxable years that begin after December 31, 1995, and
9 before January 1, 1997, for a corporation, conduit or common law trust which
10 qualifies as a regulated investment company, real estate mortgage investment
11 conduit or real estate investment trust under the Internal Revenue Code as amended
12 to December 31, 1995, excluding sections 103, 104, and 110 of P.L. 102-227 and
13 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, and as
14 amended by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L.
15 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and,
16 P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
17 as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,
18 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
19 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
20 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
21 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
22 104-7, P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L.
23 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and,
24 P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, “net
25 income” means the federal regulated investment company taxable income, federal

SENATE BILL 55**SECTION 2175de**

1 real estate mortgage investment conduit taxable income or federal real estate
2 investment trust taxable income of the corporation, conduit or trust as determined
3 under the Internal Revenue Code as amended to December 31, 1995, excluding
4 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
5 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188, excluding
6 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
7 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
8 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly affected
9 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
10 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
11 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
12 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
13 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
14 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L.
15 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
16 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except that
17 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
18 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
19 December 31, 1980, shall continue to be depreciated under the Internal Revenue
20 Code as amended to December 31, 1980, and except that the appropriate amount
21 shall be added or subtracted to reflect differences between the depreciation or
22 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
23 under this chapter of any property disposed of during the taxable year. The Internal
24 Revenue Code as amended to December 31, 1995, excluding sections 103, 104, and
25 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)

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

SENATE BILL 55**SECTION 2175df**

1 ***b0685/1.3* SECTION 2175df.** 71.26 (2) (b) 12. of the statutes is amended to
2 read:

3 71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and
4 before January 1, 1998, for a corporation, conduit or common law trust which
5 qualifies as a regulated investment company, real estate mortgage investment
6 conduit, real estate investment trust or financial asset securitization investment
7 trust under the Internal Revenue Code as amended to December 31, 1996, excluding
8 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
9 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
10 1605 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206,
11 P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of
12 P.L. 106–554, and as indirectly affected in the provisions applicable to this
13 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
14 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
15 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
16 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
17 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
18 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
19 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554,
20 excluding sections 162 and 165 of P.L. 106–554, “net income” means the federal
21 regulated investment company taxable income, federal real estate mortgage
22 investment conduit taxable income, federal real estate investment trust or financial
23 asset securitization investment trust taxable income of the corporation, conduit or
24 trust as determined under the Internal Revenue Code as amended to
25 December 31, 1996, excluding sections 103, 104, and 110 of P.L. 102–227, sections

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1 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123
2 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188 and as amended by P.L.
3 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554,
4 excluding sections 162 and 165 of P.L. 106-554, and as indirectly affected in the
5 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,
6 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
7 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
8 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
9 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
10 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
11 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and,
12 P.L. 106-36, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except
13 that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
14 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
15 amended to December 31, 1980, shall continue to be depreciated under the Internal
16 Revenue Code as amended to December 31, 1980, and except that the appropriate
17 amount shall be added or subtracted to reflect differences between the depreciation
18 or adjusted basis for federal income tax purposes and the depreciation or adjusted
19 basis under this chapter of any property disposed of during the taxable year. The
20 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,
21 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
22 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
23 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277
24 and, P.L. 106-36, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
25 and as indirectly affected in the provisions applicable to this subchapter by P.L.

SENATE BILL 55**SECTION 2175df**

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

18 *b0685/1.3* SECTION 2175dg. 71.26 (2) (b) 13. of the statutes is amended to
19 read:

20 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and
21 before January 1, 1999, for a corporation, conduit or common law trust which
22 qualifies as a regulated investment company, real estate mortgage investment
23 conduit, real estate investment trust or financial asset securitization investment
24 trust under the Internal Revenue Code as amended to December 31, 1997, excluding
25 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),

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1 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
2 1605 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206, P.L.
3 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
4 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in the provisions
5 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
6 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
7 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
8 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
9 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
10 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
11 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
12 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
13 165 of P.L. 106–554, and P.L. 106–573, “net income” means the federal regulated
14 investment company taxable income, federal real estate mortgage investment
15 conduit taxable income, federal real estate investment trust or financial asset
16 securitization investment trust taxable income of the corporation, conduit or trust
17 as determined under the Internal Revenue Code as amended to December 31, 1997,
18 excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171
19 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311,
20 and 1605 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206, P.L.
21 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
22 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in the provisions
23 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
24 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
25 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.

SENATE BILL 55**SECTION 2175dg**

1 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
2 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
3 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
4 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
5 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
6 165 of P.L. 106–554, and P.L. 106–573, except that property that, under s. 71.02 (1)
7 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986
8 under the Internal Revenue Code as amended to December 31, 1980, shall continue
9 to be depreciated under the Internal Revenue Code as amended to
10 December 31, 1980, and except that the appropriate amount shall be added or
11 subtracted to reflect differences between the depreciation or adjusted basis for
12 federal income tax purposes and the depreciation or adjusted basis under this
13 chapter of any property disposed of during the taxable year. The Internal Revenue
14 Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
15 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
16 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
17 amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
18 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and
19 as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514,
20 P.L. 100–203, 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 (d)
25 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,

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1 P.L. 105-206, P.L. 105-277, P.L. 106-36 and ~~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, applies for
3 Wisconsin purposes at the same time as for federal purposes. Amendments to the
4 Internal Revenue Code enacted after December 31, 1997, do not apply to this
5 subdivision with respect to taxable years that begin after December 31, 1997, and
6 before January 1, 1999, except that changes to the Internal Revenue Code made by
7 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 ~~and~~, P.L. 106-170, P.L.
8 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 and
9 changes that indirectly affect the provisions applicable to this subchapter made by
10 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 ~~and~~, P.L. 106-170, P.L.
11 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for
12 Wisconsin purposes at the same time as for federal purposes.

13 *b0685/1.3* **SECTION 2175dgm.** 71.26 (2) (b) 14. of the statutes is amended to
14 read:

15 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and
16 before January 1, 2000, for a corporation, conduit or common law trust which
17 qualifies as a regulated investment company, real estate mortgage investment
18 conduit, real estate investment trust or financial asset securitization investment
19 trust under the Internal Revenue Code as amended to December 31, 1998, excluding
20 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
21 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
22 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36 ~~and~~, P.L. 106-170, P.L.
23 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
24 106-573, and as indirectly affected in the provisions applicable to this subchapter
25 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,

SENATE BILL 55**SECTION 2175dgm**

1 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
2 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
3 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
4 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
5 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
6 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
7 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
8 106-573, “net income” means the federal regulated investment company taxable
9 income, federal real estate mortgage investment conduit taxable income, federal real
10 estate investment trust or financial asset securitization investment trust taxable
11 income of the corporation, conduit or trust as determined under the Internal
12 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
13 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
14 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
15 and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
16 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly
17 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
18 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
19 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
20 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
21 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.
22 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
23 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
24 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
25 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that

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1 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated
2 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to
3 December 31, 1980, shall continue to be depreciated under the Internal Revenue
4 Code as amended to December 31, 1980, and except that the appropriate amount
5 shall be added or subtracted to reflect differences between the depreciation or
6 adjusted basis for federal income tax purposes and the depreciation or adjusted basis
7 under this chapter of any property disposed of during the taxable year. The Internal
8 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
9 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
10 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
11 and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
12 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly
13 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
14 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,
15 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
16 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
17 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
18 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
19 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
20 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
21 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, applies for
22 Wisconsin purposes at the same time as for federal purposes. Amendments to the
23 Internal Revenue Code enacted after December 31, 1998, do not apply to this
24 subdivision with respect to taxable years that begin after December 31, 1998, and
25 before January 1, 2000, except that changes to the Internal Revenue Code made by

SENATE BILL 55**SECTION 2175dgm**

1 P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162
2 and 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the
3 provisions applicable to this subchapter made by P.L. 106-36 and, P.L. 106-170, P.L.
4 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
5 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

6 *b0685/1.3* **SECTION 2175dh.** 71.26 (2) (b) 15. of the statutes is amended to
7 read:

8 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, and
9 before January 1, 2001, for a corporation, conduit or common law trust which
10 qualifies as a regulated investment company, real estate mortgage investment
11 conduit, real estate investment trust or financial asset securitization investment
12 trust under the Internal Revenue Code as amended to December 31, 1999, excluding
13 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
14 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
15 1605 (d) of P.L. 104-188, and as amended by P.L. 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, and as
17 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
18 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
19 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
20 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
21 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
22 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
23 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
24 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200,
25 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.

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1 ~~106-573~~, “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

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SECTION 2175dh

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

***b0685/1.3* SECTION 2175d.** 71.26 (2) (b) 16. of the statutes is created to read:

Handwritten notes and corrections:

- A circled "dj" with an arrow pointing to the word "SECTION" in the text above.
- A bracketed note on the right side containing "LPS:" and "FIX".

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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.

SENATE BILL 55**SECTION 2175j**

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.

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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.

****NOTE: This is reconciled s. 71.26 (2) (a). This SECTION has been affected by drafts
 with the following LRB numbers: – 0667 and – 1856.

6 ***-0667/5.6* 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 ***b0685/1.4* 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.

****NOTE: This is reconciled s. 71.26 (3) (n). This SECTION has been affected by
 drafts with the following LRB numbers: – 0667 and – 1856.

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p. 809

SENATE BILL 55**SECTION 2177**

1 ***-0667/5.7*** **SECTION 2177.** 71.28 (1dm) of the statutes is created to read:

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

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

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

7 3. “Development zone” means a development opportunity zone under s. 560.795
8 (1) (e).

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

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

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

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

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

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

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

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

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

SENATE BILL 55**SECTION 2177**

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

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

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

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

24 (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
25 becomes ineligible for such tax benefits, or if a person's certification under s. 560.795

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1 (5) is revoked, that person may claim no credits under this subsection for the taxable
2 year that includes the day on which the person becomes ineligible for tax benefits,
3 the taxable year that includes the day on which the certification is revoked, or
4 succeeding taxable years, and that person may carry over no unused credits from
5 previous years to offset tax under this chapter for the taxable year that includes the
6 day on which the person becomes ineligible for tax benefits, the taxable year that
7 includes the day on which the certification is revoked, or succeeding taxable years.

8 (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
9 or certified under s. 560.795 (5) 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 (L) Subsection (4) (g) and (h) as it applies to the credit under sub. (4) applies
15 to the credit under this subsection.

16 *-0669/1.2* SECTION 2178. 71.28 (1dx) (a) 5. of the statutes is amended to read:

17 71.28 (1dx) (a) 5. "Member of a targeted group" means ~~a person under sub. (2d)~~
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,

SENATE BILL 55**SECTION 2178**

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 ***-1856/6.3* SECTION 2179.** 71.28 (3g) of the statutes is created to read:

6 71.28 (3g) TECHNOLOGY ZONES CREDIT. (a) Subject to the limitations under this
7 subsection and ss. 73.03 (35m) and 560.96, a business that is certified under s. 560.96
8 (3) may claim as a credit against the taxes imposed under s. 71.23 an amount equal
9 to the sum of the following, as established under s. 560.96 (3) (c):

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

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

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

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

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

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

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1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interest.

3 ***-0667/5.8* SECTION 2180.** 71.30 (3) (emb) of the statutes is created to read:
4 71.30 (3) (emb) Development zone capital investment credit under s. 71.28
5 (1dm).

6 ***-1856/6.4* SECTION 2181.** 71.30 (3) (eon) of the statutes is created to read:
7 71.30 (3) (eon) Technology zones credit under s. 71.28 (3g).

8 ***-0667/5.9* SECTION 2182.** 71.34 (1) (g) of the statutes is amended to read:
9 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
10 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx) ~~and~~, (3),
11 and (3g) and passed through to shareholders.

12 ***b0685/1.5* SECTION 2182d.** 71.34 (1g) (g) of the statutes is repealed.

13 ***b0685/1.5* SECTION 2182db.** 71.34 (1g) (h) of the statutes is amended to read:
14 71.34 (1g) (h) "Internal Revenue Code" for tax-option corporations, for taxable
15 years that begin after December 31, 1992, and before January 1, 1994, means the
16 federal Internal Revenue Code as amended to December 31, 1992, excluding
17 sections 103, 104 and 110 of P.L. 102-227, and as amended by P.L. 103-66, excluding
18 sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66,
19 P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L.
20 105-206 ~~and~~, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
21 106-554, and as indirectly affected in the provisions applicable to this subchapter
22 by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d)
23 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
24 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
25 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.

Insert
from
P. 861

SENATE BILL 55**SECTION 2182db**

1 102-486, P.L. 103-66, excluding sections 13101 (a) and (c) 1, 13113, 13150, 13171,
2 13174, and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311
3 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554,
4 excluding sections 162 and 165 of P.L. 106-554, except that section 1366 (f) (relating
5 to pass-through of items to shareholders) is modified by substituting the tax under
6 s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code
7 applies for Wisconsin purposes at the same time as for federal purposes.
8 Amendments to the federal Internal Revenue Code enacted after
9 December 31, 1992, do not apply to this paragraph with respect to taxable years
10 beginning after December 31, 1992, and before January 1, 1994, except that
11 changes to the Internal Revenue Code made by P.L. 103-66, P.L. 103-465, P.L.
12 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L.
13 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
14 changes that indirectly affect the provisions applicable to this subchapter made by
15 P.L. 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
16 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
17 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time as for federal
18 purposes.

19 ***b0685/1.5* SECTION 2182dc.** 71.34 (1g) (i) of the statutes is amended to read:
20 71.34 (1g) (i) "Internal Revenue Code" for tax-option corporations, for taxable
21 years that begin after December 31, 1993, and before January 1, 1995, means the
22 federal Internal Revenue Code as amended to December 31, 1993, excluding
23 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
24 13174, 13203 (d), and 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L.
25 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188,

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1 excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
2 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
3 106-554, and as indirectly affected in the provisions applicable to this subchapter
4 by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d)
5 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
6 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
7 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
8 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, 13203
9 (d), and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
10 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
11 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
12 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except that section
13 1366 (f) (relating to pass-through of items to shareholders) is modified by
14 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
15 Internal 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, 1993, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1993, and before January 1, 1995, except that
19 changes to the Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L.
20 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
21 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
22 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
23 and changes that indirectly affect the provisions applicable to this subchapter made
24 by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L.
25 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L.

SENATE BILL 55**SECTION 2182dc**

1 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
2 sections 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time
3 as for federal purposes.

4 *b0685/1.5* **SECTION 2182dd.** 71.34 (1g) (j) of the statutes is amended to read:

5 71.34 (1g) (j) "Internal Revenue Code" for tax-option corporations, for taxable
6 years that begin after December 31, 1994, and before January 1, 1996, means the
7 federal Internal Revenue Code as amended to December 31, 1994, excluding
8 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
9 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188,
10 excluding sections 1202, 1204, 1311, and 1605 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, and as indirectly affected in the provisions
13 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding
14 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
15 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
16 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
17 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
18 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
19 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of
20 P.L. 104-188, P.L. 104-191, P.L. 104-193, 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, except
22 that section 1366 (f) (relating to pass-through of items to shareholders) is modified
23 by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375.
24 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
25 federal purposes. Amendments to the federal Internal Revenue Code enacted after

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1 December 31, 1994, do not apply to this paragraph with respect to taxable years
2 beginning after December 31, 1994, and before January 1, 1996, except changes to
3 the Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding sections
4 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34,
5 P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165
6 of P.L. 106-554, and changes that indirectly affect the provisions applicable to this
7 subchapter made by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311
8 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and,
9 P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
10 apply for Wisconsin purposes at the same time as for federal purposes.

11 *b0685/1.5* SECTION 2182de. 71.34 (1g) (k) of the statutes is amended to read:
12 71.34 (1g) (k) "Internal Revenue Code" for tax-option corporations, for taxable
13 years that begin after December 31, 1995, and before January 1, 1997, means the
14 federal Internal Revenue Code as amended to December 31, 1995, excluding
15 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
16 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188, excluding
17 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
18 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
19 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly affected
20 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
21 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
22 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
23 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
24 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
25 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.

SENATE BILL 55**SECTION 2182de**

1 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
2 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
3 105–33, 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 section 1366 (f) (relating to
5 pass-through of items to shareholders) is modified by substituting the tax under s.
6 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies
7 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
8 federal Internal Revenue Code enacted after December 31, 1995, do not apply to this
9 paragraph with respect to taxable years beginning after December 31, 1995, and
10 before January 1, 1997, except that changes to the Internal Revenue Code made by
11 P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188,
12 P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L.
13 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and
14 changes that indirectly affect the provisions applicable to this subchapter made by
15 P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188,
16 P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L.
17 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply for
18 Wisconsin purposes at the same time as for federal purposes.

19 *b0685/1.5* SECTION 2182df. 71.34 (1g) (L) of the statutes is amended to read:
20 71.34 (1g) (L) “Internal Revenue Code” for tax-option corporations, for taxable
21 years that begin after December 31, 1996, and before January 1, 1998, means the
22 federal Internal Revenue Code as amended to December 31, 1996, excluding
23 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
24 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
25 1605 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206,

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

25 *b0685/1.5* **SECTION 2182dg.** 71.34 (1g) (m) of the statutes is amended to read:

SENATE BILL 55**SECTION 2182dg**

1 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
2 years that begin after December 31, 1997, and before January 1, 1999, means the
3 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
4 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
5 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
6 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
7 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L.
8 106-554, and P.L. 106-573, and as indirectly affected in the provisions applicable to
9 this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803
10 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section
11 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239,
12 P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
13 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
14 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
15 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
16 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
17 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554,
18 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section
19 1366 (f) (relating to pass-through of items to shareholders) is modified by
20 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
21 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
22 purposes. Amendments to the federal Internal Revenue Code enacted after
23 December 31, 1997, do not apply to this paragraph with respect to taxable years
24 beginning after December 31, 1997, and before January 1, 1999, except that
25 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.

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

7 ***b0685/1.5* SECTION 2182dh.** 71.34 (1g) (n) of the statutes is amended to read:
8 71.34 (1g) (n) “Internal Revenue Code” for tax-option corporations, for taxable
9 years that begin after December 31, 1998, and before January 1, 2000, means the
10 federal Internal Revenue Code as amended to December 31, 1998, excluding sections
11 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
12 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
13 of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L.
14 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as
15 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
16 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
17 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
18 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
19 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
20 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
21 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
22 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
23 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
24 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
25 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section 1366 (f)

SENATE BILL 55**SECTION 2182dh**

1 (relating to pass-through of items to shareholders) is modified by substituting the
2 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
3 Code applies for Wisconsin purposes at the same time as for federal purposes.
4 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,
5 do not apply to this paragraph with respect to taxable years beginning after
6 December 31, 1998, and before January 1, 2000, except that changes to the Internal
7 Revenue Code made by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
8 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 and changes that
9 indirectly affect the provisions applicable to this subchapter made by P.L. 106-36
10 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
11 106-554, and P.L. 106-573 apply for Wisconsin purposes at the same time as for
12 federal purposes.

13 *b0685/1.5* SECTION 2182dj. 71.34 (1g) (o) of the statutes is amended to read:

14 71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable
15 years that begin after December 31, 1999, and before January 1, 2001, means the
16 federal Internal Revenue Code as amended to December 31, 1999, excluding sections
17 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
18 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
19 of P.L. 104-188, and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554,
20 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly
21 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
22 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
23 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
24 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
25 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding

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1 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
2 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
3 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
4 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
5 106-36 and, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding
6 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section 1366 (f)
7 (relating to pass-through of items to shareholders) is modified by substituting the
8 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
9 Code applies for Wisconsin purposes at the same time as for federal purposes.
10 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,
11 do not apply to this paragraph with respect to taxable years beginning after
12 December 31, 1999, and before January 1, 2001, except that changes to the Internal
13 Revenue Code made by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections
14 162 and 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the
15 provisions applicable to this subchapter made by 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 apply for
17 Wisconsin purposes at the same time as for federal purposes.

18 ***b0685/1.5* SECTION 2182dk.** 71.34 (1g) (p) of the statutes is created to read:
19 71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable
20 years that begin after December 31, 2000, means the federal 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, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821

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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, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554,
9 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that section
10 1366 (f) (relating to pass-through of items to shareholders) is modified by
11 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
12 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
13 purposes. Amendments to the federal Internal Revenue Code enacted after
14 December 31, 2000, do not apply to this paragraph with respect to taxable years
15 beginning after December 31, 2000.

16 *b0685/1.5* SECTION 2182dL. 71.365 (1m) of the statutes is amended to read:
17 71.365 (1m) TAX-OPTION CORPORATIONS; DEPRECIATION. A tax-option corporation
18 may compute amortization and depreciation under either the federal Internal
19 Revenue Code as amended to December 31, 1999 2000, or the federal Internal
20 Revenue Code in effect for the taxable year for which the return is filed, except that
21 property first placed in service by the taxpayer on or after January 1, 1983, but
22 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required
23 to be depreciated under the Internal Revenue Code as amended to
24 December 31, 1980, and property first placed in service in taxable year 1981 or
25 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is

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

18 *b0685/1.5* SECTION 2182dm. 71.42 (2) (f) of the statutes is repealed.

19 *b0685/1.5* SECTION 2182dn. 71.42 (2) (g) of the statutes is amended to read:

20 71.42 (2) (g) For taxable years that begin after December 31, 1992, and before
21 January 1, 1994, "Internal Revenue Code" means the federal Internal Revenue Code
22 as amended to December 31, 1992, excluding sections 103, 104, and 110 of P.L.
23 102-227, and as amended by P.L. 103-66, excluding sections 13101 (a) and (c) 1,
24 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66, P.L. 103-465, P.L. 104-188,
25 excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,

SENATE BILL 55**SECTION 2182dn**

1 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly
2 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
3 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
4 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
5 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66, P.L.
6 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L.
7 105-206 and P.L. 105-277and, P.L. 105-277, and P.L. 106-554, excluding sections
8 162 and 165 of P.L. 106-554, except that “Internal Revenue Code” does not include
9 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
10 applies for Wisconsin purposes at the same time as for federal purposes.
11 Amendments to the federal Internal Revenue Code enacted after
12 December 31, 1992, do not apply to this paragraph with respect to taxable years
13 beginning after December 31, 1992, and before January 1, 1994, except that
14 changes to the Internal Revenue Code made by P.L. 103-66, P.L. 103-465, P.L.
15 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L.
16 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and
17 changes that indirectly affect the federal Internal Revenue Code made by P.L.
18 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
19 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162
20 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time as for federal
21 purposes.

22 ***b0685/1.5* SECTION 2182dp.** 71.42 (2) (h) of the statutes is amended to read:
23 71.42 (2) (h) For taxable years that begin after December 31, 1993, and before
24 January 1, 1995, “Internal Revenue Code” means the federal Internal Revenue Code
25 as amended to December 31, 1993 excluding sections 103, 104, and 110 of P.L.

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1 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L.
2 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
3 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
4 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
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 and P.L. 103-66, excluding sections
9 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296,
10 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.
11 104-188, excluding section 1311 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, except that “Internal Revenue Code” does not include
14 section 847 of the federal Internal Revenue Code. 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, 1993, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1993, and before January 1, 1995, except that
19 changes to the Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L.
20 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
21 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
22 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
23 and changes that indirectly affect the provisions applicable to this subchapter made
24 by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L.
25 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L.

SENATE BILL 55**SECTION 2182dp**

1 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
2 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
3 as for federal purposes.

4 ***b0685/1.5* SECTION 2182dq.** 71.42 (2) (i) of the statutes is amended to read:

5 71.42 (2) (i) For taxable years that begin after December 31, 1994, and before
6 January 1, 1996, “Internal Revenue Code” means the federal Internal Revenue Code
7 as amended to December 31, 1994, excluding sections 103, 104, and 110 of P.L.
8 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
9 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,
10 1311, and 1605 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 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
13 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
14 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
15 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
16 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
17 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
18 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
19 sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code” does not
20 include section 847 of the federal Internal Revenue Code. The Internal Revenue
21 Code applies for Wisconsin purposes at the same time as for federal purposes.
22 Amendments to the federal Internal Revenue Code enacted after
23 December 31, 1994, do not apply to this paragraph with respect to taxable years
24 beginning after December 31, 1994, and before January 1, 1996, except that
25 changes to the Internal Revenue Code made by P.L. 104–7, P.L. 104–188, excluding

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

8 *b0685/1.5* SECTION 2182dr. 71.42 (2) (j) of the statutes is amended to read:
9 71.42 (2) (j) For taxable years that begin after December 31, 1995, and before
10 January 1, 1997, "Internal Revenue Code" means the federal Internal Revenue Code
11 as amended to December 31, 1995, excluding sections 103, 104, and 110 of P.L.
12 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
13 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311,
14 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.
15 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
16 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
17 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
18 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
19 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
20 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
21 excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191,
22 P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
23 106-554, excluding sections 162 and 165 of P.L. 106-554, except that "Internal
24 Revenue Code" does not include section 847 of the federal Internal Revenue Code.
25 The Internal Revenue Code applies for Wisconsin purposes at the same time as for

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1 federal purposes. Amendments to the federal Internal Revenue Code enacted after
2 December 31, 1995, do not apply to this paragraph with respect to taxable years
3 beginning after December 31, 1995, and before January 1, 1997, except that
4 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections
5 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
6 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding
7 sections 162 and 165 of P.L. 106-554, and changes that indirectly affect the
8 provisions applicable to this subchapter made by P.L. 104-188, excluding sections
9 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
10 105-33, P.L. 105-34, P.L. 105-206 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 *b0685/1.5* SECTION 2182ds. 71.42 (2) (k) of the statutes is amended to read:

14 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
15 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code
16 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.
17 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
18 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
19 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36,
20 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly
21 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
22 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
23 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
24 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
25 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202

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1 (c) 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
2 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554,
3 excluding sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code”
4 does not include section 847 of the federal Internal Revenue Code. The Internal
5 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, 1996, do not apply to this paragraph with respect to taxable years
8 beginning after December 31, 1996, and before January 1, 1998, except that
9 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
10 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
11 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable
12 to this subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and,
13 P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply
14 for Wisconsin purposes at the same time as for federal purposes.

15 *b0685/1.5* **SECTION 2182dt.** 71.42 (2) (L) of the statutes is amended to read:
16 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
17 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code
18 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
19 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
20 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
21 amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
22 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and
23 as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
24 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections
25 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding

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1 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
2 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
3 1123 (b), 1202 (c) 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
4 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
5 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L.
6 106–554, and P.L. 106–573, except that “Internal Revenue Code” does not include
7 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
8 applies for Wisconsin purposes at the same time as for federal purposes.
9 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,
10 do not apply to this paragraph with respect to taxable years beginning after
11 December 31, 1997, and before January 1, 1999, except that changes to the Internal
12 Revenue Code made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and,
13 P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
14 106–573 and changes that indirectly affect the provisions applicable to this
15 subchapter made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
16 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
17 106–573 apply for Wisconsin purposes at the same time as for federal purposes.

18 ***b0685/1.5* SECTION 2182du.** 71.42 (2) (m) of the statutes is amended to read:

19 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
20 January 1, 2000, “Internal Revenue Code” means the federal Internal Revenue Code
21 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
22 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
23 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
24 amended by P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding
25 sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected by

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1 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
2 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
3 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
4 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
5 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c) 1204 (f),
6 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
7 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
8 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
9 106-573, except that “Internal Revenue Code” does not include section 847 of the
10 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
11 purposes at the same time as for federal purposes. Amendments to the federal
12 Internal Revenue Code enacted after December 31, 1998, do not apply to this
13 paragraph with respect to taxable years beginning after December 31, 1998, and
14 before January 1, 2000, except that changes to the Internal Revenue Code made by
15 P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162
16 and 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the
17 provisions applicable to this subchapter made by P.L. 106-36 and, P.L. 106-170, P.L.
18 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
19 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

20 *b0685/1.5* SECTION 2182dv. 71.42 (2) (n) of the statutes is amended to read:
21 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
22 January 1, 2001, “Internal Revenue Code” means the federal Internal Revenue Code
23 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
24 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
25 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as

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1 amended by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and
2 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected by P.L. 99-514, P.L.
3 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
4 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
5 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
6 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
7 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311, and 1605 (d)
8 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,
9 P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200, P.L.
10 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
11 106-573, except that “Internal Revenue Code” does not include section 847 of the
12 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
13 purposes at the same time as for federal purposes. Amendments to the federal
14 Internal Revenue Code enacted after December 31, 1999, do not apply to this
15 paragraph with respect to taxable years beginning after December 31, 1999, and
16 before January 1, 2001, except that changes to the Internal Revenue Code made by
17 P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
18 106-554, and P.L. 106-573 and changes that indirectly affect the provisions
19 applicable to this subchapter made by P.L. 106-200, P.L. 106-230, P.L. 106-554,
20 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin
21 purposes at the same time as for federal purposes.

22 ***b0685/1.5* SECTION 2182dw.** 71.42 (2) (o) of the statutes is created to read:

23 71.42 (2) (o) For taxable years that begin after December 31, 2000, “Internal
24 Revenue Code” means the federal Internal Revenue Code as amended to
25 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102-227, sections

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1 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123
 2 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as indirectly affected
 3 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
 4 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
 5 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
 6 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
 7 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f),
 8 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
 9 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L.
 10 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
 11 and P.L. 106–573, except that “Internal Revenue Code” does not include section 847
 12 of the federal Internal Revenue Code. The Internal Revenue Code applies for
 13 Wisconsin purposes at the same time as for federal purposes. Amendments to the
 14 federal Internal Revenue Code enacted after December 31, 2000, do not apply to this
 15 paragraph with respect to taxable years beginning after December 31, 2000.

****NOTE: This is reconciled s. 71.34 (1) (g). This SECTION has been affected by drafts with the following LRB numbers: – 0667 and – 1856.

*move to
p.
839*

16 ***-0538/2.3* SECTION 2183.** 71.42 (3d) of the statutes is created to read:
 17 71.42 (3d) “Member” does not include a member of a limited liability company
 18 treated as a corporation under s. 71.22 (1).

19 ***-0538/2.4* SECTION 2184.** 71.42 (3h) of the statutes is created to read:
 20 71.42 (3h) “Partner” does not include a partner of a publicly traded partnership
 21 treated as a corporation under s. 71.22 (1).

22 ***b0685/1.6* SECTION 2184r.** 71.45 (2) (a) 13. of the statutes is amended to read:

SENATE BILL 55**SECTION 2184r**

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

14 *~~1059/6.25~~* **SECTION 2185.** 71.45 (3) (intro.) of the statutes is amended to
15 read:

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

25 *~~1059/6.26~~* **SECTION 2186.** 71.45 (3) (a) of the statutes is amended to read:

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1 71.45 (3) (a) ~~The Subject to sub. (3d), the percentage of total determined by~~
2 ~~dividing the sum of direct premiums written on all property and risks for insurance~~
3 ~~other than life insurance, with respects to all property and risks resident, located,~~
4 ~~or to be performed in this state, and assumed premiums written for reinsurance,~~
5 ~~other than life insurance, with respect to all property and risks resident, located, or~~
6 ~~to be performed in this state, by the sum of direct premiums written for insurance~~
7 ~~on all property and risks, other than life insurance, wherever located during the~~
8 ~~taxable year, as reflects, and assumed premiums written on insurance for~~
9 ~~reinsurance on all property and risks, other than life insurance, where the subject~~
10 ~~of insurance was resident, located or to be performed outside this state wherever~~
11 ~~located. In this paragraph, “direct premiums” means direct premiums as reported~~
12 ~~for the taxable year on an annual statement that is filed by the insurer with the~~
13 ~~commissioner of insurance under s. 601.42 (1g) (a). In this paragraph, “assumed~~
14 ~~premiums” means assumed reinsurance premiums from domestic insurance~~
15 ~~companies as reported for the taxable year on an annual statement that is filed with~~
16 ~~the commissioner of insurance under s. 601.42 (1g) (a).~~

17 *~~-1059/6.27~~* SECTION 2187. 71.45 (3) (b) of the statutes is renumbered 71.45
18 (3) (b) 1. and amended to read:

19 71.45 (3) (b) 1. ~~The Subject to sub. (3d), the percentage of determined by~~
20 ~~dividing the payroll, exclusive of life insurance payroll, paid in this state in the~~
21 ~~taxable year by total payroll, exclusive of life insurance payroll, paid everywhere in~~
22 ~~the taxable year as reflects such compensation paid outside this state.~~
23 ~~Compensation.~~

24 2. ~~Under subd. 1., payroll is paid outside in~~ this state if the individual's service
25 is performed entirely ~~outside in~~ this state; or the individual's service is performed

SENATE BILL 55**SECTION 2187**

1 both ~~within and without~~ in and outside this state, but the service performed ~~within~~
2 outside this state is incidental to the individual's service ~~without~~ in this state; or
3 some service is performed ~~without~~ in this state and the base of operations, or if there
4 is no base of operations, the place from which the service is directed or controlled is
5 ~~without~~ in this state, or the base of operations or the place from which the service is
6 directed or controlled is not in any state in which some part of the service is
7 performed, but the individual's residence is ~~outside~~ in this state.

8 ***-1059/6.28* SECTION 2188.** 71.45 (3d) of the statutes is created to read:

9 71.45 (3d) PHASE IN; DOMESTIC INSURERS. (a) For taxable years beginning after
10 December 31, 2003, and before January 1, 2005, a domestic insurer that is subject
11 to apportionment under sub. (3) and this subsection shall multiply the net income
12 figure derived by the application of sub. (2) by an apportionment fraction composed
13 of the percentage under sub. (3) (a) representing 60% of the fraction and the
14 percentage under sub. (3) (b) 1. representing 40% of the fraction.

15 (b) For taxable years beginning after December 31, 2004, and before January
16 1, 2006, a domestic insurer that is subject to apportionment under sub. (3) and this
17 subsection shall multiply the net income figure derived by the application of sub. (2)
18 by an apportionment fraction composed of the percentage under sub. (3) (a)
19 representing 80% of the fraction and the percentage under sub. (3) (b) 1. representing
20 20% of the fraction.

21 (c) For taxable years beginning after December 31, 2005, a domestic insurer
22 that is subject to apportionment under sub. (3) and this subsection shall multiply the
23 net income figure derived by the application of sub. (2) by the percentage under sub.
24 (3) (a).

25 ***b0679/3.35* SECTION 2188m.** 71.45 (3e) of the statutes is created to read:

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1 71.45 (3e) APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years
2 beginning before January 1, 2006, if both the numerator and the denominator used
3 to determine the percentage under sub. (3) (a) related to a taxpayer's net income are
4 zero, the percentage under sub. (3) (a) is eliminated from the apportionment formula
5 to determine the taxpayer's income under sub. (3).

6 2. For taxable years beginning after December 31, 2005, if both the numerator
7 and the denominator used to determine the percentage under sub. (3) (a) related to
8 a taxpayer's net income are zero, none of the taxpayer's net income is apportioned
9 to this state.

10 (b) 1. For taxable years beginning before January 1, 2006, if the numerator
11 used to determine the percentage under sub. (3) (a) related to a taxpayer's net income
12 is a negative number and the denominator used to determine the percentage under
13 sub. (3) (a) related to a taxpayer's net income is not zero, the percentage under sub.
14 (3) (a) is zero.

15 2. For taxable years beginning after December 31, 2005, if the numerator used
16 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is
17 a negative number and the denominator used to determine the percentage under
18 sub. (3) (a) related to a taxpayer's net income is not zero, none of the taxpayer's net
19 income is apportioned to this state.

20 (c) 1. For taxable years beginning before January 1, 2006, if the numerator used
21 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is
22 a positive number and the denominator used to determine the percentage under sub.
23 (3) (a) related to a taxpayer's net income is zero or a negative number, the percentage
24 under sub. (3) (a) is one.

SENATE BILL 55**SECTION 2188m**

1 2. For taxable years beginning after December 31, 2005, if the numerator used
2 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is
3 a positive number and the denominator used to determine the percentage under sub.
4 (3) (a) related to a taxpayer's net income is zero or a negative number, all of the
5 taxpayer's net income is apportioned to this state.

6 ***-1059/6.29*** **SECTION 2189.** 71.45 (3m) of the statutes is amended to read:

7 71.45 (3m) ARITHMETIC AVERAGE. The Except as provided in sub. (3d), the
8 arithmetic average of the 2 percentages referred to in sub. (3) shall be applied to the
9 net income figure arrived at by the successive application of sub. (2) (a) and (b) with
10 respect to Wisconsin insurers to which sub. (2) (a) and (b) applies and which have
11 collected received premiums, other than life insurance premiums, written upon for
12 insurance, other than life insurance, where the subject of such insurance was on
13 property or risks resident, located or to be performed outside this state, to arrive at
14 Wisconsin income constituting the measure of the franchise tax.

15 ***-1493/1.3*** **SECTION 2190.** 71.45 (6) of the statutes is created to read:

16 71.45 (6) PARTNERSHIPS AND LIMITED LIABILITY COMPANIES. (a) A general or
17 limited partner's share of the numerator and denominator of a partnership's
18 apportionment factors under this section are included in the numerator and
19 denominator of the general or limited partner's apportionment factors under this
20 section.

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

25 ***-0667/5.10*** **SECTION 2191.** 71.47 (1dm) of the statutes is created to read:

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1 71.47 (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).

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).

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. 71.43 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

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

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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 s. 71.28 (4) (e) and (f) as they relate to the credit
7 under s. 71.28 (4) relate to the credit under this subsection.

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

21 (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim tax benefits
22 becomes ineligible for such tax benefits, or if a person's certification under s. 560.795
23 (5) is revoked, that person may claim no credits under this subsection for the taxable
24 year that includes the day on which the person becomes ineligible for tax benefits,
25 the taxable year that includes the day on which the certification is revoked, or

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1 succeeding taxable years, and that person may carry over no unused credits from
2 previous years to offset tax under this chapter for the taxable year that includes the
3 day on which the person becomes ineligible for tax benefits, the taxable year that
4 includes the day on which the certification is revoked, or succeeding taxable years.

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

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

13 ***-0669/1.3* SECTION 2192.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

14 71.47 (1dx) (a) 5. “Member of a targeted group” means ~~a person under sub. (2dj)~~
15 ~~(am) 1,~~ a person who resides in an empowerment zone, or an enterprise community,
16 that the U.S. government designates, a person who is employed in an unsubsidized
17 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
18 works employment position, a person who is employed in a trial job, as defined in s.
19 49.141 (1) (n), ~~or~~ a person who is eligible for child care assistance under s. 49.155, a
20 person who is a vocational rehabilitation referral, an economically disadvantaged
21 youth, an economically disadvantaged veteran, a supplemental security income
22 recipient, a general assistance recipient, an economically disadvantaged ex-convict,
23 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated
24 worker, as defined in 29 USC 2801 (9), or a food stamp recipient; if the person has

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1 been certified in the manner under sub. (1dj) (am) 3. by a designated local agency,
2 as defined in sub. (1dj) (am) 2.

3 ***-1856/6.5* 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.

SENATE BILL 55**SECTION 2194**

1 *~~0667/5.11~~* **SECTION 2194.** 71.49 (1) (emb) of the statutes is created to read:

2 71.49 (1) (emb) Development zone capital investment credit under s. 71.47

3 (1dm).

4 *~~1856/6.6~~* **SECTION 2195.** 71.49 (1) (eon) of the statutes is created to read:

5 71.49 (1) (eon) Technology zones credit under s. 71.47 (3g).

6 *~~b0303/1.2~~* **SECTION 2200f.** 71.93 (1) (a) 6. of the statutes is created to read:

7 71.93 (1) (a) 6. An amount owed to the department of military affairs under s.

8 21.49 (3m) (b).

9 *~~b0625/3.25~~* **SECTION 2200c.** 71.93 (1) (a) 4. of the statutes is amended to read:

10 71.93 (1) (a) 4. An amount that the department of workforce development may

11 recover under s. ~~49.125 or 49.195 (3) or 49.793~~, if the department of workforce

12 development has certified the amount under s. 49.85.

13 *~~b0677/2.1~~* **SECTION 2200d.** 72.01 (11m) of the statutes is created to read:

14 72.01 (11m) “Federal credit” means, for deaths occurring before October 1,

15 2002, the federal estate tax credit in effect on December 31, 2000, and for deaths

16 occurring after September 30, 2002, the federal estate tax credit in effect on the day

17 of the decedent’s death.

18 *~~b0677/2.1~~* **SECTION 2200e.** 72.01 (11n) of the statutes is created to read:

19 72.01 (11n) “Federal estate tax” means, for deaths occurring before October 1,

20 2002, the federal estate tax in effect on December 31, 2000, and for deaths occurring

21 after September 30, 2002, the federal estate tax in effect on the day of the decedent’s

22 death.

23 *~~b0677/2.1~~* **SECTION 2200g.** 72.02 of the statutes is amended to read:

24 **72.02 Estate tax imposed.** An estate tax is imposed upon the transfer of all

25 property that is subject to a federal estate tax and that has a taxable situs in this

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1 state. The tax imposed is equal to the federal credit allowed for state death taxes
2 against the federal estate tax as finally determined. If only a portion of a decedent's
3 property has a taxable situs in this state, the tax imposed is the amount obtained by
4 multiplying the federal credit allowed for state death taxes by a fraction the
5 numerator of which is the value of the decedent's estate that has a taxable situs in
6 this state and the denominator of which is the total value of the property in the estate
7 that qualifies for the federal credit allowed for state death taxes.

8 ***b0677/2.1* SECTION 2200k.** 72.30 (1) of the statutes is renumbered 72.30 (1)
9 (a) and amended to read:

10 72.30 (1) (a) If Except as provided in par. (b), if a federal estate tax return is
11 required, the personal representative, special administrator, trustee, distributee or
12 other person interested shall prepare the return for the tax under this chapter,
13 compute the tax due under this chapter and on or before the due date, as extended,
14 of the federal estate tax return file the return for the tax under this chapter, a copy
15 of the federal estate tax return and a copy of all documents submitted with the
16 federal estate tax return.

17 ***b0677/2.1* SECTION 2200L.** 72.30 (1) (b) of the statutes is created to read:

18 72.30 (1) (b) For deaths occurring after December 31, 2001, and before October
19 1, 2002, the personal representative, special administrator, trustee, distributee, or
20 other person interested shall prepare the return for the tax under this chapter in the
~~21~~ manner prescribed by the department.

22 ***-0546/2.7* SECTION 2201.** 73.01 (4) (a) of the statutes is amended to read:

23 73.01 (4) (a) Subject to the provisions for judicial review contained in s. 73.015,
24 the commission shall be the final authority for the hearing and determination of all
25 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.

SENATE BILL 55**SECTION 2201**

1 70.11 (21), 70.38 (4) (a), 70.397, 70.64, and 70.995 (8), s. 76.38 (12) (a), 1993 stats.,
2 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,
3 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76, 139.78, 341.405, and 341.45,
4 subch. XIV of ch. 71, and subch. VII of ch. 77. Whenever with respect to a pending
5 appeal there is filed with the commission a stipulation signed by the department of
6 revenue and the adverse party, under s. 73.03 (25), or the department of
7 transportation and the adverse party agreeing to an affirmance, modification, or
8 reversal of the department of revenue's or department of transportation's position
9 with respect to some or all of the issues raised in the appeal, the commission shall
10 enter an order affirming or modifying in whole or in part, or canceling the assessment
11 appealed from, or allowing in whole or in part or denying the petitioner's refund
12 claim, as the case may be, pursuant to and in accordance with the stipulation filed.
13 No responsibility shall devolve upon the commission, respecting the signing of an
14 order of dismissal as to any pending appeal settled by the department of revenue or
15 the department of transportation without the approval of the commission.

16 ***-0546/2.8* SECTION 2202.** 73.01 (5) (a) of the statutes is amended to read:

17 73.01 (5) (a) Any person who is aggrieved by a determination of the state board
18 of assessors under s. 70.995 (8) ~~or by the department of revenue under s. 70.11 (21)~~
19 or who has filed a petition for redetermination with the department of revenue and
20 who is aggrieved by the redetermination of the department of revenue may, within
21 60 days of the determination of the state board of assessors or of the department of
22 revenue or, in all other cases, within 60 days after the redetermination but not
23 thereafter, file with the clerk of the commission a petition for review of the action of
24 the department of revenue and the number of copies of the petition required by rule
25 adopted by the commission. Any person who is aggrieved by a determination of the

SENATE BILL 55

1 department of transportation under s. 341.405 or 341.45 may, within 30 days after
2 the determination of the department of transportation, file with the clerk of the
3 commission a petition for review of the action of the department of transportation
4 and the number of copies of the petition required by rule adopted by the commission.
5 If a municipality appeals, its appeal shall set forth that the appeal has been
6 authorized by an order or resolution of its governing body and the appeal shall be
7 verified by a member of that governing body as pleadings in courts of record are
8 verified. The clerk of the commission shall transmit one copy to the department of
9 revenue, or to the department of transportation, and to each party. In the case of
10 appeals from manufacturing property assessments, the person assessed shall be a
11 party to a proceeding initiated by a municipality. At the time of filing the petition,
12 the petitioner shall pay to the commission a \$25 filing fee. The commission shall
13 deposit the fee in the general fund. Within 30 days after such transmission the
14 department of revenue, except for petitions objecting to manufacturing property
15 assessments, or the department of transportation, shall file with the clerk of the
16 commission an original and the number of copies of an answer to the petition
17 required by rule adopted by the commission and shall serve one copy on the petitioner
18 or the petitioner's attorney or agent. Within 30 days after service of the answer, the
19 petitioner may file and serve a reply in the same manner as the petition is filed. Any
20 person entitled to be heard by the commission under s. 76.38 (12) (a), 1993 stats., or
21 s. 76.39 (4) (c), 76.48, or 76.91 may file a petition with the commission within the time
22 and in the manner provided for the filing of petitions in income or franchise tax cases.
23 Such papers may be served as a circuit court summons is served or by certified mail.
24 For the purposes of this subsection, a petition for review is considered timely filed

SENATE BILL 55**SECTION 2202**

1 if mailed by certified mail in a properly addressed envelope, with postage duly
2 prepaid, which envelope is postmarked before midnight of the last day for filing.

3 ***-0667/5.12* SECTION 2203.** 73.03 (35) of the statutes is amended to read:

4 73.03 (35) To deny a portion of a credit claimed under s. 71.07 (2dd), (2de), (2di),
5 (2dj), (2dL), (2dm), (2dr), (2ds) or (2dx), 71.28 (1dd), (1de), (1di), (1dj), (1dm), (1dL),
6 (1ds), (1dx), or (4) (am) or 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), or
7 (4) (am) if granting the full amount claimed would violate a requirement under s.
8 560.785 or would bring the total of the credits granted to that claimant under all of
9 those subsections over the limit for that claimant under s. 560.768, 560.795 (2) (b),
10 or 560.797 (5) (b).

11 ***-1856/6.7* SECTION 2204.** 73.03 (35m) of the statutes is created to read:

12 73.03 (35m) To deny a portion of a credit claimed under s. 71.07 (3g), 71.28 (3g),
13 or 71.47 (3g), if granting the full amount claimed would violate a requirement under
14 s. 560.96 or would bring the total of the credits claimed under ss. 71.07 (3g), 71.28
15 (3g), and 71.47 (3g) over the limit for all claimants under s. 560.96 (2).

~~16~~ ***b0494/1.1* SECTION 2204m.** 73.03 (46) of the statutes is repealed.

17 ***-0937/1.1* SECTION 2205.** 73.03 (52m) of the statutes is created to read:

18 73.03 (52m) To enter into agreements with other states that provide for
19 offsetting state tax refunds against tax obligations of other states and offsetting tax
20 refunds of other states against state tax obligations, if the agreements provide that
21 setoffs under ss. 71.93 and 71.935 occur before the setoffs under those agreements.

~~22~~ ***b0686/1.1* SECTION 2205m.** 73.03 (56) of the statutes is created to read:

23 73.03 (56) To work with the Internal Revenue Service and the University of
24 Wisconsin—Extension to undertake a program that accomplishes all of the following:

SENATE BILL 55

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

3 (b) Provides training for the volunteers.

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

7 ***-2057/1.1* SECTION 2207.** 73.0305 of the statutes is amended to read:

8 **73.0305 Revenue limits and intradistrict transfer aid calculations.** The
9 department of revenue shall annually determine and certify to the state
10 superintendent of public instruction, no later than the 4th Monday in June, the
11 allowable rate of increase under s. 121.85 (6) (ar) and subch. VII of ch. 121. The
12 allowable rate of increase is the percentage change in the consumer price index for
13 all urban consumers, U.S. city average, between the preceding March 31 and the 2nd
14 preceding March 31, as computed by the federal department of labor.

15 ***-0401/1.3* SECTION 2208.** 74.23 (1) (a) 2. of the statutes is amended to read:

16 74.23 (1) (a) 2. Pay to the proper treasurer all collections of special
17 assessments, special charges and special taxes, except that occupational taxes under
18 ss. 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land
19 taxes under ch. 77 shall be settled for under s. 74.25 (1) (a) 1. to 8.

20 ***-0543/3.16* SECTION 2209.** 74.23 (1) (a) 5. of the statutes is created to read:

21 74.23 (1) (a) 5. Pay to each taxing jurisdiction within the district its
22 proportionate share of the taxes and interest under s. 70.995 (12) (a).

23 ***-0401/1.4* SECTION 2211.** 74.25 (1) (a) 2. of the statutes is amended to read:

24 74.25 (1) (a) 2. Pay to the proper treasurer all collections of special
25 assessments, special charges and special taxes, except that occupational taxes under

SENATE BILL 55**SECTION 2211**

1 ss. 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land
2 taxes under ch. 77 shall be settled for under subs. 5. to 8.

3 ***-0401/1.5* SECTION 2212.** 74.25 (1) (a) 3. of the statutes is amended to read:

4 74.25 (1) (a) 3. Retain all collections of special assessments, special charges and
5 special taxes due to the taxation district, except that occupational taxes under ss.
6 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land taxes
7 under ch. 77 shall be settled for under subs. 5. to 8.

8 ***-0543/3.17* SECTION 2213.** 74.25 (1) (a) 4m. of the statutes is created to read:

9 74.25 (1) (a) 4m. Pay to each taxing jurisdiction within the district its
10 proportionate share of the taxes and interest under s. 70.995 (12) (a).

11 ***-0401/1.6* SECTION 2216.** 74.30 (1) (b) of the statutes is amended to read:

12 74.30 (1) (b) Pay to the proper treasurer all collections of special assessments,
13 special charges and special taxes, except that occupational taxes under ss. 70.40 to
14 ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land taxes under
15 ch. 77 shall be settled for under pars. (e) to (h).

16 ***-0401/1.7* SECTION 2217.** 74.30 (1) (c) of the statutes is amended to read:

17 74.30 (1) (c) Retain all collections of special assessments, special charges and
18 special taxes due to the taxation district, except that occupational taxes under ss.
19 70.40 to ~~70.425~~ 70.421 and forest cropland, woodland and managed forest land taxes
20 under ch. 77 shall be settled for under pars. (e) to (h).

21 ***-0543/3.18* SECTION 2218.** 74.30 (1) (dm) of the statutes is created to read:

22 74.30 (1) (dm) Pay to each taxing jurisdiction within the district its
23 proportionate share of the taxes and interest under s. 70.995 (12) (a).

24 ***-0925/1.2* SECTION 2226.** 74.41 (1) (d) of the statutes is created to read:
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1 74.41 (1) (d) Have been corrected under s. 70.73 (1m).

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***-0832/5.10* SECTION 2231.** 76.02 (1) of the statutes is amended to read:

4 76.02 (1) "Air carrier company" means any person engaged in the business of
5 transportation in aircraft of persons or property for hire on regularly scheduled
6 flights, except an air carrier company whose property is exempt from taxation under
7 s. 70.11 (42)(b). In this subsection, "aircraft" means a completely equipped operating
8 unit, including spare flight equipment, used as a means of conveyance in air
9 commerce.

***-2389/1.4* SECTION 2234.** 76.28 (1) (f) of the statutes is amended to read:

11 76.28 (1) (f) "Payroll factor" means a fraction the numerator of which is the total
12 amount paid in this state during the tax period by the taxpayer for compensation and
13 the denominator of which is the total compensation paid everywhere during the tax
14 period, except that compensation solely related to the production of nonoperating
15 revenues shall be excluded from the numerator and denominator of the payroll factor
16 and except that compensation related to the production of both operating and
17 nonoperating revenue shall be partially excluded from the numerator and
18 denominator of the payroll factor so as to exclude as near as possible the portion of
19 compensation related to the production of nonoperating revenue. Compensation is
20 paid in this state if the individual's service is performed entirely within this state,
21 or if the individual's service is performed both within and outside this state but the
22 service performed outside this state is incidental to the individual's service within
23 this state, or if some of the service is performed in this state and the base of operations
24 or, if there is no base of operations, the place from which the service is directed or
25 controlled is in this state or the base of operations or the place from which the service

SENATE BILL 55

SECTION 2234

1 is directed or controlled is not in any state in which part of the service is performed
2 and the individual's residence is in this state. In this paragraph, "compensation"
3 includes management and service fees paid to an affiliated service corporation
4 pursuant to 15 USC 79.

~~5.~~ *b0569/2.3* SECTION 2234m. 76.28 (1) (gm) of the statutes is renumbered
6 76.28 (1) (gm) (intro.) and amended to read:

7 76.28 (1) (gm) (intro.) "Qualified wholesale electric company" means any all of
8 the following:

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

15 *b0569/2.3* SECTION 2234n. 76.28 (1) (gm) 2. of the statutes is created to read:
16 76.28 (1) (gm) 2. A wholesale merchant plant, as defined in s. 196.491 (1) (w),
17 that has a total power production capacity of at least 50 megawatts.

~~18~~ *-1321/2.3* SECTION 2235. 76.28 (2) (a) of the statutes is amended to read:
19 76.28 (2) (a) ~~There~~ Except as provided in s. 76.29, there is imposed on every
20 light, heat and power company an annual license fee to be assessed by the
21 department on or before May 1, 1985, and every May 1 thereafter measured by the
~~22~~ gross revenues of the preceding year; excluding for the tax period, as defined in s.
~~23~~ 76.29 (1) (f), gross revenues that are subject to the license fee under s. 76.29; at the
24 rates and by the methods set forth under pars. (b) to (d). The fee shall become
25 delinquent if not paid when due and when delinquent shall be subject to interest at

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1 the rate of 1.5% per month until paid. Payment in full of the May 1 assessment
2 constitutes a license to carry on business for the 12-month period commencing on the
3 preceding January 1.

4 *~~1321/2.4~~* SECTION 2236. 76.29 of the statutes is created to read:

5 **76.29 License fee for selling electricity at wholesale. (1) DEFINITIONS.**

6 In this section:

7 (a) "Apportionment factor" has the meaning given in s. 76.28 (1) (a).

8 (b) "Department" means the department of revenue.

9 (c) "Electric cooperative" has the meaning given in s. 76.48 (1g) (c).

10 (d) "Gross revenues" means total revenues from the sale of electricity for resale
11 by the purchaser of the electricity.

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

13 (e).

~~14~~ (f) "Tax period" means each calendar year or portion of a calendar year from
~~15~~ January 1, 2004, to December 31, 2009.

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

SENATE BILL 55**SECTION 2236**

1 revenues earned by an electric cooperative after December 31, 2009, are subject to
2 the license fee imposed under s. 76.48 (1r).

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

5 *b0521/3.7* SECTION 2236m. 76.31 of the statutes is created to read:

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

14 *-1321/2.5* SECTION 2237. 76.48 (1r) of the statutes is amended to read:

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

SENATE BILL 55

1 the balance is subject to local assessment and taxation, except that the entire general
2 structure is subject to special assessments for local improvements.

3
4 ***-0544/3.3* SECTION 2243.** 76.81 of the statutes is amended to read:

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

16 ***-2302/1.1* SECTION 2244.** 77.51 (20) of the statutes is amended to read:

17 77.51 (20) "Tangible personal property" means all tangible personal property
18 of every kind and description and includes electricity, natural gas, steam, and water,
19 and also leased property affixed to realty if the lessor has the right to remove the
20 property upon breach or termination of the lease agreement, unless the lessor of the
21 property is also the lessor of the realty to which the property is affixed. "Tangible
22 personal property" also includes coins and stamps of the United States sold or traded
23 as collectors' items above their face value and computer programs except, including
24 custom computer programs.

25 ***-0540/1.1* SECTION 2245.** 77.52 (2) (a) 10. of the statutes is amended to read:

SENATE BILL 55**SECTION 2245**

1 77.52 (2) (a) 10. Except for installing or applying tangible personal property
2 which, when installed or applied, will constitute an addition or capital improvement
3 of real property, the ^erepair, service, alteration, fitting, cleaning, painting, coating,
4 towing, inspection and maintenance of all items of tangible personal property unless,
5 at the time of such repair, service, alteration, fitting, cleaning, painting, coating,
6 towing, inspection or maintenance, a sale in this state of the type of property
7 repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected or
8 maintained would have been exempt to the customer from sales taxation under this
9 subchapter, other than the exempt sale of a motor vehicle or truck body to a
10 nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. 77.51
11 (14r). For purposes of this paragraph, the following items shall be deemed to have
12 retained their character as tangible personal property, regardless of the extent to
13 which any such item is fastened to, connected with or built into real property:
14 furnaces, boilers, stoves, ovens, including associated hoods and exhaust systems,
15 heaters, air conditioners, humidifiers, dehumidifiers, refrigerators, coolers, freezers,
16 water pumps, water heaters, water conditioners and softeners, clothes washers,
17 clothes dryers, dishwashers, garbage disposal units, radios and radio antennas,
18 incinerators, television receivers and antennas, record players, tape players,
19 jukeboxes, vacuum cleaners, furniture and furnishings, carpeting and rugs,
20 bathroom fixtures, sinks, awnings, blinds, gas and electric logs, heat lamps,
21 electronic dust collectors, grills and rotisseries, bar equipment, intercoms,
22 recreational, sporting, gymnasium and athletic goods and equipment including by
23 way of illustration but not of limitation bowling alleys, golf practice equipment, pool
24 tables, punching bags, ski tows and swimming pools; ~~office, restaurant and tavern~~
25 type equipment in offices, business facilities, schools, and hospitals but not in

SENATE BILL 55

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

LPS:7
 The underlined text needs to be repeated on page 887, except as plain text - I checked with Joe

***b0338/1.1* SECTION 2245d.** 77.52 (2) (a) 10. of the statutes, as affected by 2001 Wisconsin Act (this act), is amended to read:

77.52 (2) (a) 10. The repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection and maintenance of all items of tangible personal property unless, at the time of such repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection or maintenance, a sale in this state of the type of property repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected or maintained would have been exempt to the customer from sales taxation

SENATE BILL 55**SECTION 2245d**

1 under this subchapter, other than the exempt sale of a motor vehicle or truck body
2 to a nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. 77.51
3 (14r). For purposes of this paragraph, the following items shall be deemed to have
4 retained their character as tangible personal property, regardless of the extent to
5 which any such item is fastened to, connected with or built into real property:
6 furnaces, boilers, stoves, ovens, including associated hoods and exhaust systems,
7 heaters, air conditioners, humidifiers, dehumidifiers, refrigerators, coolers, freezers,
8 water pumps, water heaters, water conditioners and softeners, clothes washers,
9 clothes dryers, dishwashers, garbage disposal units, radios and radio antennas,
10 incinerators, television receivers and antennas, record players, tape players,
11 jukeboxes, vacuum cleaners, furniture and furnishings, carpeting and rugs,
12 bathroom fixtures, sinks, awnings, blinds, gas and electric logs, heat lamps,
13 electronic dust collectors, grills and rotisseries, bar equipment, intercoms,
14 recreational, sporting, gymnasium and athletic goods and equipment including by
15 way of illustration but not of limitation bowling alleys, golf practice equipment, pool
16 tables, punching bags, ski tows and swimming pools; equipment in offices, business
17 facilities, schools and hospitals but not in residential facilities including personal
18 residences, apartments, long-term care facilities, as defined under s. 16.009 (1) (em),
19 state institutions, as defined under s. 101.123 (1) (i), Type 1 secured correctional
20 facilities, as defined in s. 938.02 (19), or similar facilities, including by way of
21 illustration but not of limitation lamps, chandeliers, and fans, venetian blinds,
22 canvas awnings, office and business machines, ice and milk dispensers,
23 beverage-making equipment, vending machines, soda fountains, steam warmers
24 and tables, compressors, condensing units and evaporative condensers, pneumatic
25 conveying systems; laundry, dry cleaning, and pressing machines, power tools,

SENATE BILL 55

1 burglar alarm and fire alarm fixtures, electric clocks and electric signs. "Service"
 2 does not include services performed by veterinarians. *Insert from page 885*
↑ add and plain text

3 ***-1335/7.55* SECTION 2246.** 77.54 (9a) (a) of the statutes is amended to read:

4 77.54 (9a) (a) This state or any agency thereof ~~and~~ the University of Wisconsin
 5 Hospitals and Clinics Authority, and the Fox River Navigational System Authority.

6 ***b0695/1.1* SECTION 2246m.** 77.54 (45) of the statutes is amended to read:

7 77.54 (45) The gross receipts from the sale of and the use or other consumption
 8 of a onetime license or similar right to purchase admission to professional football
 9 games at a football stadium, as defined in s. 229.821 (6), that is granted by a
 10 municipality; a local professional football stadium district; or a professional football
 11 team or related party, as defined in s. 229.821 (12); if the person who buys the license
 12 or right is entitled, at the time the license or right is transferred to the person, to
 13 purchase admission to at least 3 professional football games in this state during one
 14 football season. ~~The exemption under this subsection does not apply to a license or~~
 15 ~~right that is sold after December 31, 2003.~~

16 ***b0475/3.1* SECTION 2247d.** 77.82 (1) (a) 2. of the statutes is amended to read:

17 77.82 (1) (a) 2. At least 80% 65% of the parcel must be producing or capable of
 18 producing a minimum of 20 cubic feet of merchantable timber per acre per year.

19 ***b0475/3.1* SECTION 2247h.** 77.82 (1) (b) 1. of the statutes is amended to read:

20 77.82 (1) (b) 1. A parcel of which more than 20% 35% consists of land that is
 21 unsuitable for producing merchantable timber, including water, marsh, muskeg,
 22 bog, rock outcrops, or sand dunes, ~~farmland, roadway or railroad and utility~~
 23 ~~rights-of-way.~~

24 ***b0475/3.1* SECTION 2247p.** 77.82 (1) (b) 1g. of the statutes is created to read:

SENATE BILL 55**SECTION 2247p**

1 77.82 (1) (b) 1g. A parcel of which more than 20% consists of land that is
2 farmland, roadway, or a railroad or utility right-of-way or that is not capable of
3 producing merchantable timber because the production would affect the land's
4 natural resources including land that contains sensitive soil, as determined by the
5 department, endangered species as defined in s. 29.604 (2) (a), threatened species,
6 as defined in s. 29.604 (2) (b), or an archeological site, or land that lacks sound
7 forestry regeneration options, as determined by the department.

8

9 ***b0475/3.1* SECTION 2247t.** 77.82 (7) (a) 3. of the statutes is amended to read:

10

11 77.82 (7) (a) 3. That a stand of merchantable timber will be developed on at

12

13 least ~~80%~~ 65% of the land within a reasonable period of time.

14

15 ***b0630/1.1* SECTION 2247m.** 77.76 (3) of the statutes is amended to read:

16

17 77.76 (3) From the appropriation under s. 20.835 (4) (g) the department shall

18

19 distribute 98.25% of the county taxes reported for each enacting county, minus the

20

21 county portion of the retailers' discounts, to the county and shall indicate the taxes

22

23 reported by each taxpayer, no later than ~~the end of the 3rd month~~ 75 days following

24

25 the end last day of the calendar quarter in which such amounts were reported. In

26

27 this subsection, the "county portion of the retailers' discount" is the amount

28

29 determined by multiplying the total retailers' discount by a fraction the numerator

30

31 of which is the gross county sales and use taxes payable and the denominator of

32

33 which is the sum of the gross state and county sales and use taxes payable. The

34

35 county taxes distributed shall be increased or decreased to reflect subsequent

36

37 refunds, audit adjustments and all other adjustments of the county taxes previously

38

39 distributed. Interest paid on refunds of county sales and use taxes shall be paid from

40

41 the appropriation under s. 20.835 (4) (g) at the rate paid by this state under s. 77.60

42

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1 (1) (a). The county may retain the amount it receives or it may distribute all or a
2 portion of the amount it receives to the towns, villages, cities and school districts in
3 the county. Any county receiving a report under this subsection is subject to the
4 duties of confidentiality to which the department of revenue is subject under s. 77.61
5 (5).

6 ***-0667/5.13* SECTION 2248.** 77.92 (4) of the statutes is amended to read:

7 77.92 (4) “Net business income”, with respect to a partnership, means taxable
8 income as calculated under section 703 of the Internal Revenue Code; plus the items
9 of income and gain under section 702 of the Internal Revenue Code, including taxable
10 state and municipal bond interest and excluding nontaxable interest income or
11 dividend income from federal government obligations; minus the items of loss and
12 deduction under section 702 of the Internal Revenue Code, except items that are not
13 deductible under s. 71.21; plus guaranteed payments to partners under section 707
14 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
15 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), and (3g), and (3s); and plus or minus, as
16 appropriate, transitional adjustments, depreciation differences, and basis
17 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
18 loss, and deductions from farming. “Net business income”, with respect to a natural
19 person, estate, or trust, means profit from a trade or business for federal income tax
20 purposes and includes net income derived as an employee as defined in section 3121
21 (d) (3) of the Internal Revenue Code.

****NOTE: This is reconciled s. 77.92 (4). This SECTION has been affected by drafts
with the following LRB numbers: – 0667 and – 1856.

22 ***-1446/1.1* SECTION 2249.** 77.94 (1) (b) of the statutes is amended to read:

SENATE BILL 55**SECTION 2249**

1 77.94 (1) (b) On an entity under s. 77.93 (2) ~~or~~, (3), or (5), except an entity that
2 has less than \$4,000,000 of gross receipts, an amount equal to the amount calculated
3 by multiplying net business income as allocated or apportioned to this state by means
4 of the methods under s. 71.04, for the taxable year of the entity by 0.2 %, up to a
5 maximum of \$9,800, or \$25, whichever is greater.

6 ***-1446/1.2*** SECTION 2250. 77.94 (1) (c) of the statutes is repealed.

A ***b0289/4.3*** SECTION 2250m. 77.994 (1) of the statutes is repealed and
8 recreated to read:

9 77.994 (1) Except as provided in sub. (2) and subject to sub. (3), a municipality
10 or a county all of which is included in a premier resort area under s. 66.1113 may, by
11 ordinance, impose a tax at a rate of 0.5% of the gross receipts from the sale, lease,
12 or rental in the municipality or county of goods or services that are taxable under
13 subch. III made by businesses that are classified in the North American Industry
14 Classification System, 1997 edition, published by the U.S. office of management and
15 budget, under the following industry numbers:

16 (a) 452990 — All other general merchandise stores.

17 (b) 445292 — Confectionery and nut stores.

18 (c) 445299 — All other specialty food stores.

19 (d) 311811 — Retail bakeries.

20 (e) 447100 — Gasoline stations.

21 (f) 722110 — Full-service restaurants.

22 (g) 722210 — Limited-service eating places.

23 (h) 722300 — Special food services.

24 (i) 722410 — Drinking places.

25 (j) 446110 — Pharmacies and drug stores.

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- 1 (k) 445310 — Beer, wine, and liquor stores.
2 (L) 451110 — Sporting goods stores.
3 (m) 443130 — Camera and photographic supply stores.
4 (n) 453220 — Gift, novelty, and souvenir stores.
5 (o) 721110 — Hotels and motels.
6 (p) 721120 — Casino hotels.
7 (q) 721191 — Bed-and-breakfast inns.
8 (r) 721199 — All other traveler accommodations.
9 (s) 721214 — Recreational and vacation camps.
10 (t) 721211 — Recreational vehicle parks and campgrounds.
11 (u) 711212 — Racetracks.
12 (v) 713910 — Golf courses and country clubs.
13 (w) 713100 — Amusement parks and arcades.
14 (x) 713200 — Gambling industries.
15 (y) 713920 — Skiing facilities.
16 (z) 713990 — All other amusement and recreation industries.

17 *b0289/4.3* SECTION 2250n. 77.994 (3) of the statutes is created to read:

18 77.994 (3) If a premier resort area has imposed a tax under this subchapter that
19 is based on the standard industrial classification manual, 1987 edition, published by
20 the U.S. office of management and budget, the tax imposed by the premier resort
21 area applies to the businesses specified under sub. (1).

22 *-0320/5.4* SECTION 2251. 77.996 (2) (intro.) of the statutes is amended to
23 read: