

1 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
2 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
3 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
4 104–117, 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.
6 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
7 and 165 of P.L. 106–554. The Internal Revenue Code applies for Wisconsin purposes
8 at the same time as for federal purposes. Amendments to the federal Internal
9 Revenue Code enacted after December 31, 1996, do not apply to this paragraph with
10 respect to taxable years beginning after December 31, 1996, and before
11 January 1, 1998, except that changes to the Internal Revenue Code made by P.L.
12 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554,
13 excluding sections 162 and 165 of P.L. 106–554, and changes that indirectly affect the
14 provisions applicable to this subchapter made by P.L. 105–33, P.L. 105–34, P.L.
15 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
16 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time as for federal
17 purposes.

18 ***b0685/1.1* SECTION 2130dL.** 71.01 (6) (m) of the statutes is amended to read:
19 71.01 (6) (m) For taxable years that begin after December 31, 1997, and before
20 January 1, 1999, for natural persons and fiduciaries, except fiduciaries of nuclear
21 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
22 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,
23 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
24 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
25 104–188, and as amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36

1 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and
2 P.L. 106–573, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647,
3 P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280, P.L. 101–508,
4 P.L. 102–90, 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. 104–117, 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 and, P.L. 106–170,
10 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573. The
11 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
12 purposes. Amendments to the federal Internal Revenue Code enacted after
13 December 31, 1997, do not apply to this paragraph with respect to taxable years
14 beginning after December 31, 1997, and before January 1, 1999, except that
15 changes to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206, P.L.
16 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
17 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the
18 provisions applicable to this subchapter made by P.L. 105–178, P.L. 105–206, P.L.
19 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and
20 165 of P.L. 106–554, and P.L. 106–573 apply for Wisconsin purposes at the same time
21 as for federal purposes.

22 *b0685/1.1* SECTION 2130dn. 71.01 (6) (n) of the statutes is amended to read:

23 71.01 (6) (n) For taxable years that begin after December 31, 1998, and before
24 January 1, 2000, for natural persons and fiduciaries, except fiduciaries of nuclear
25 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal

1 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,
2 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
3 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
4 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L.
5 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as
6 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
7 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L.
8 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
9 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
10 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.
11 104-117, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
12 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
13 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230,
14 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573. 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, 1998, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1998, and before January 1, 2000, except that
19 changes to the Internal Revenue Code made by P.L. 106-36 and, P.L. 106-170, P.L.
20 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
21 106-573 and changes that indirectly affect the provisions applicable to this
22 subchapter made by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
23 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for Wisconsin
24 purposes at the same time as for federal purposes.

25 *b0685/1.1* SECTION 2130dp. 71.01 (6) (o) of the statutes is amended to read:

1 71.01 (6) (o) For taxable years that begin after December 31, 1999, and before
2 January 1, 2001, for natural persons and fiduciaries, except fiduciaries of nuclear
3 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
4 Internal Revenue Code as amended to December 31, 1999, excluding sections 103,
5 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
6 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
7 104–188, and as amended by P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding
8 sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected by
9 P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
10 P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding
11 sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66,
12 excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
13 P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188,
14 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
15 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
16 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554,
17 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573. The Internal
18 Revenue Code applies for Wisconsin purposes at the same time as for federal
19 purposes. Amendments to the federal Internal Revenue Code enacted after
20 December 31, 1999, do not apply to this paragraph with respect to taxable years
21 beginning after December 31, 1999, and before January 1, 2001, except that changes
22 to the Internal Revenue Code made by P.L. 106–200, P.L. 106–230, P.L. 106–554,
23 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 and changes that
24 indirectly affect the provisions applicable to this subchapter made by P.L. 106–200,

1 P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
2 106–573 apply for Wisconsin purposes at the same time as for federal purposes.

3 ***b0685/1.1* SECTION 2130dr.** 71.01 (6) (p) of the statutes is created to read:

4 71.01 (6) (p) For taxable years that begin after December 31, 2000, for natural
5 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or
6 reserve funds, “Internal Revenue Code” means the federal Internal Revenue Code
7 as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.
8 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66
9 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as
10 indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.
11 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L.
12 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
13 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
14 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.
15 104–117, 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, P.L. 106–170, P.L. 106–200, 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. The Internal Revenue Code applies for Wisconsin purposes at the same
20 time as for federal purposes. Amendments to the federal Internal Revenue Code
21 enacted after December 31, 2000, do not apply to this paragraph with respect to
22 taxable years beginning after December 31, 2000.

23 ***b0685/1.1* SECTION 2130dt.** 71.01 (7r) of the statutes is amended to read:

24 71.01 (7r) Notwithstanding sub. (6), for purposes of computing amortization
25 or depreciation, “Internal Revenue Code” means either the federal Internal Revenue

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

7 ***-1059/6.1* SECTION 2131.** 71.04 (4) of the statutes is renumbered 71.04 (4)
8 (intro.) and amended to read:

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

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

3 ***-1059/6.2* SECTION 2132.** 71.04 (4) (a) of the statutes is created to read:

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

8 ***-1059/6.3* SECTION 2133.** 71.04 (4) (b) of the statutes is created to read:

9 71.04 (4) (b) For taxable years beginning after December 31, 2003, and before
10 January 1, 2005, an apportionment fraction composed of a sales factor under sub. (7)
11 representing 60% of the fraction, a property factor under sub. (5) representing 20%
12 of the fraction, and a payroll factor under sub. (6) representing 20% of the fraction.

13 ***-1059/6.4* SECTION 2134.** 71.04 (4) (c) of the statutes is created to read:

14 71.04 (4) (c) For taxable years beginning after December 31, 2004, and before
15 January 1, 2006, an apportionment fraction composed of a sales factor under sub. (7)
16 representing 80% of the fraction, a property factor under sub. (5) representing 10%
17 of the fraction, and a payroll factor under sub. (6) representing 10% of the fraction.

18 ***-1059/6.5* SECTION 2135.** 71.04 (4) (d) of the statutes is created to read:

19 71.04 (4) (d) For taxable years beginning after December 31, 2005, an
20 apportionment fraction composed of the sales factor under sub. (7).

21 ***-1059/6.6* SECTION 2136.** 71.04 (4) (e) of the statutes is created to read:

22 71.04 (4) (e) For taxable years beginning after December 31, 2003, and before
23 January 1, 2006, the apportionment fraction for the remaining net income of a
24 financial organization shall include a sales factor that represents more than 50% of
25 the apportionment fraction, as determined by rule by the department. For taxable

1 years beginning after December 31, 2005, the apportionment fraction for the
2 remaining net income of a financial organization is composed of a sales factor, as
3 determined by rule by the department.

4 ***b0679/3.10* SECTION 2136m.** 71.04 (4m) of the statutes is created to read:

5 71.04 (4m) APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years
6 beginning before January 1, 2006, if both the numerator and the denominator of the
7 sales factor under sub. (7) related to a taxpayer's remaining net income are zero, the
8 sales factor under sub. (7) is eliminated from the apportionment formula to
9 determine the taxpayer's remaining net income under sub. (4).

10 2. For taxable years beginning after December 31, 2005, if both the numerator
11 and the denominator of the sales factor under sub. (7) related to a taxpayer's
12 remaining net income are zero, none of the taxpayer's remaining net income is
13 apportioned to this state.

14 (b) 1. For taxable years beginning before January 1, 2006, if the numerator of
15 the sales factor under sub. (7) related to a taxpayer's remaining net income is a
16 negative number and the denominator of the sales factor under sub. (7) related to a
17 taxpayer's remaining net income is not zero, the sales factor under sub. (7) is zero.

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

23 (c) 1. For taxable years beginning before January 1, 2006, if the numerator of
24 the sales factor under sub. (7) related to a taxpayer's remaining net income is a
25 positive number and the denominator of the sales factor under sub. (7) related to a

1 taxpayer's remaining net income is zero or a negative number, the sales factor under
2 sub. (7) is one.

3 2. For taxable years beginning after December 31, 2005, if the numerator of the
4 sales factor under sub. (7) related to a taxpayer's remaining net income is a positive
5 number and the denominator of the sales factor under sub. (7) related to a taxpayer's
6 remaining net income is zero or a negative number, all of the taxpayer's remaining
7 net income is apportioned to this state.

8 ***-1059/6.7* SECTION 2137.** 71.04 (5) (intro.) of the statutes is amended to read:

9 71.04 (5) PROPERTY FACTOR. (intro.) For purposes of sub. (4) and for taxable
10 years beginning before January 1, 2006:

11 ***-1059/6.8* SECTION 2138.** 71.04 (6) (intro.) of the statutes is amended to read:

12 71.04 (6) PAYROLL FACTOR. (intro.) For purposes of sub. (4) and for taxable years
13 beginning before January 1, 2006:

14 ***-1059/6.9* SECTION 2139.** 71.04 (7) (d) of the statutes is amended to read:

15 71.04 (7) (d) Sales, other than sales of tangible personal property, are in this
16 state if the income-producing activity is performed in this state. If the
17 income-producing activity is performed both in and outside this state the sales shall
18 be divided between those states having jurisdiction to tax such business in
19 proportion to the direct costs of performance incurred in each such state in rendering
20 this service. Services performed in states which do not have jurisdiction to tax the
21 business shall be deemed to have been performed in the state to which compensation
22 is allocated by sub. s. 71.04 (6), 1999 stats.

23 ***-1059/6.10* SECTION 2140.** 71.04 (8) (b) of the statutes is renumbered 71.04

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

1 71.04 (8) (b) 1. “Public For taxable years beginning before January 1, 2004,
2 “public utility”, as used in this section, means any business entity described under
3 subd. 2. and any business entity which owns or operates any plant, equipment,
4 property, franchise, or license for the transmission of communications or the
5 production, transmission, sale, delivery, or furnishing of electricity, water or steam,
6 the rates of charges for goods or services of which have been established or approved
7 by a federal, state or local government or governmental agency. “Public

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

14 ***-1059/6.11*** SECTION 2141. 71.04 (8) (c) of the statutes is amended to read:

15 71.04 (8) (c) The net business income of railroads, sleeping car companies, car
16 line companies, pipeline companies, financial organizations, air carriers and public
17 utilities requiring apportionment shall be apportioned pursuant to rules of the
18 department of revenue, but the income taxed is limited to the income derived from
19 business transacted and property located within the state.

20 ***-1059/6.12*** SECTION 2142. 71.04 (10) of the statutes is amended to read:

21 71.04 (10) DEPARTMENT MAY WAIVE FACTOR. Where, in the case of any nonresident
22 individual or nonresident estate or trust engaged in business ~~within in~~ and without
23 the ~~outside this~~ state of ~~Wisconsin~~ and required to apportion its income as provided
24 in this section, it shall be shown to the satisfaction of the department of revenue that
25 the use of any one of the 3 factors provided under sub. (4) gives an unreasonable or

1 inequitable final average ratio because of the fact that such nonresident individual
2 or nonresident estate or trust does not employ, to any appreciable extent in its trade
3 or business in producing the income taxed, the factors made use of in obtaining such
4 ratio, this factor may, with the approval of the department of revenue, be omitted in
5 obtaining the final average ratio which is to be applied to the remaining net income.

6 This subsection does not apply to taxable years beginning after December 31, 2005.

7 *~~0667/5.1~~* SECTION 2143. 71.05 (6) (a) 15. of the statutes is amended to read:

8 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
9 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx) ~~and, (3g), and (3s)~~ and not passed through
10 by a partnership, limited liability company, or tax-option corporation that has added
11 that amount to the partnership's, company's, or tax-option corporation's income
12 under s. 71.21 (4) or 71.34 (1) (g).

13 *~~0546/2.6~~* SECTION 2144. 71.05 (11) (b) of the statutes is amended to read:

14 71.05 (11) (b) The cost of the following described property, less any federal
15 depreciation or amortization taken, may be deducted as a subtraction modification
16 or as subtraction modifications in the year or years in which paid or accrued,
17 dependent on the method of accounting employed: All property purchased or
18 constructed as a waste treatment facility utilized for the treatment of industrial
19 wastes, as defined in s. 281.01 (5), or air contaminants, as defined in s. 285.01 (1),
20 but not for other wastes, as defined in s. 281.01 (7) ~~and approved by the department~~
21 ~~of revenue under s. 70.11 (21) (a)~~, for the purpose of abating or eliminating pollution
22 of surface waters, the air, or waters of the state and, if the property's owner is taxed
23 under ch. 76, if the property is approved by the department of revenue. In case of
24 such election, appropriate add modifications shall be made in subsequent years to
25 reverse federal depreciation or amortization or to correct gain or loss on disposition.

1 This paragraph is intended to apply only to depreciable property except that where
2 wastes are disposed of through a lagoon process, lagooning costs and the cost of land
3 containing such lagoons may be treated as depreciable property for purposes of this
4 paragraph. In no event may any amount in excess of cost be deducted. Paragraph
5 (a) applies to all property purchased prior to July 31, 1975, or purchased and
6 constructed in fulfillment of a written construction contract or formal written bid,
7 which contract was entered into or which bid was made prior to July 31, 1975.

8 *–1460/2.1* SECTION 2145. 71.06 (2e) of the statutes is amended to read:

9 71.06 (2e) BRACKET INDEXING. For taxable years beginning after
10 December 31, 1998, and before January 1, 2000, the maximum dollar amount in
11 each tax bracket, and the corresponding minimum dollar amount in the next bracket,
12 under subs. (1m) and (2) (c) and (d), and for taxable years beginning after
13 December 31, 1999, the maximum dollar amount in each tax bracket, and the
14 corresponding minimum dollar amount in the next bracket, under subs. (1n), (1p),
15 and (2) (e), (f), (g), and (h), shall be increased each year by a percentage equal to the
16 percentage change between the U.S. consumer price index for all urban consumers,
17 U.S. city average, for the month of August of the previous year and the U.S. consumer
18 price index for all urban consumers, U.S. city average, for the month of August 1997,
19 as determined by the federal department of labor, except that for taxable years
20 beginning after December 31, 2000, and before January 1, 2002, the dollar amount
21 in the top bracket under subs. (1p) (c) and (d), (2) (g) 3. and 4. and (h) 3. and 4. shall
22 be increased each year by a percentage equal to the percentage change between the
23 U.S. consumer price index for all urban consumers, U.S. city average, for the month
24 of August of the previous year and the U.S. consumer price index for all urban
25 consumers, U.S. city average, for the month of August 1999, as determined by the

1 federal department of labor. Each amount that is revised under this subsection shall
2 be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of
3 \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased
4 to the next higher multiple of \$10. The department of revenue shall annually adjust
5 the changes in dollar amounts required under this subsection and incorporate the
6 changes into the income tax forms and instructions.

7 *~~0667/5.2~~* SECTION 2146. 71.07 (2dm) of the statutes is created to read:

8 71.07 (2dm) DEVELOPMENT ZONE CAPITAL INVESTMENT CREDIT. (a) In this
9 subsection:

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

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

13 3. "Development zone" means a development opportunity zone under s. 560.795
14 (1) (e).

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

24 (b) Subject to the limitations provided in this subsection and in s. 73.03 (35),
25 for any taxable year for which the claimant is certified, a claimant may claim as a

1 credit against the taxes imposed under s. 71.02 an amount that is equal to 3% of the
2 following:

- 3 1. The purchase price of depreciable, tangible personal property.
- 4 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
5 real property in a development zone.

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

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

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

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

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

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

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

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

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

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

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

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

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

20 ***-0669/1.1* SECTION 2147.** 71.07 (2dx) (a) 5. of the statutes is amended to read:

21 71.07 (2dx) (a) 5. "Member of a targeted group" means ~~a person under sub. (2d)~~
22 ~~(am) 1.~~, a person who resides in an empowerment zone, or an enterprise community,
23 that the U.S. government designates, a person who is employed in an unsubsidized
24 job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin
25 works employment position, a person who is employed in a trial job, as defined in s.

1 49.141 (1) (n), or a person who is eligible for child care assistance under s. 49.155, a
2 person who is a vocational rehabilitation referral, an economically disadvantaged
3 youth, an economically disadvantaged veteran, a supplemental security income
4 recipient, a general assistance recipient, an economically disadvantaged ex-convict,
5 a qualified summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated
6 worker, as defined in 29 USC 2801 (9), or a food stamp recipient; if the person has
7 been certified in the manner under sub. (2dj) (am) 3. by a designated local agency,
8 as defined in sub. (2dj) (am) 2.

9 ***-1856/6.1* SECTION 2148.** 71.07 (3g) of the statutes is created to read:

10 71.07 (3g) TECHNOLOGY ZONES CREDIT. (a) Subject to the limitations under this
11 subsection and ss. 73.03 (35m) and 560.96, a business that is certified under s. 560.96
12 (3) may claim as a credit against the taxes imposed under s. 71.02 an amount equal
13 to the sum of the following, as established under s. 560.96 (3) (c):

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

16 2. The amount of income and franchise taxes imposed under s. 71.02 that the
17 business paid in the taxable year.

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

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

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

24 (d) Partnerships, limited liability companies, and tax-option corporations may
25 not claim the credit under this subsection, but the eligibility for, and the amount of,

1 the credit are based on their payment of amounts under par. (a). A partnership,
2 limited liability company, or tax-option corporation shall compute the amount of
3 credit that each of its partners, members, or shareholders may claim and shall
4 provide that information to each of them. Partners, members of limited liability
5 companies, and shareholders of tax-option corporations may claim the credit in
6 proportion to their ownership interest.

7 ***-0659/1.1* SECTION 2149.** 71.07 (7) (b) of the statutes is amended to read:

8 71.07 (7) (b) If a resident individual, estate or trust pays a net income tax to
9 another state, that resident individual, estate or trust may credit the net tax paid to
10 that other state on that income against the net income tax otherwise payable to the
11 state on income of the same year. The credit may not be allowed unless the income
12 taxed by the other state is also considered income for Wisconsin tax purposes. The
13 credit may not be allowed unless claimed within the time provided in s. 71.75 (2), but
14 s. 71.75 (4) does not apply to those credits. For purposes of this paragraph, amounts
15 declared and paid pursuant to under the income tax law of another state ~~shall be~~
16 ~~deemed~~ are considered a net income tax paid to that other state only in the year in
17 which the income tax return for that state was required to be filed. Income and
18 franchise taxes paid to another state by a tax-option corporation, partnership, or
19 limited liability company that is treated as a partnership may be claimed as a credit
20 under this paragraph by that corporation's shareholders, that partnership's
21 partners, or that limited liability company's members who are residents of this state
22 and who otherwise qualify under this paragraph.

23 ***-1256/5.8* SECTION 2150.** 71.07 (7m) of the statutes is created to read:

24 71.07 (7m) TAX RELIEF FUND TAX CREDIT. (a) *Definitions.* In this subsection:

25 1. "Claimant" means an individual taxpayer who is not a dependent.

1 2. “Credit unit” means an amount calculated by the department by dividing the
2 amount certified under par. (c) 3. by the sum of all claimants, all spouses of claimants,
3 and all dependents.

4 3. “Department” means the department of revenue.

5 4. “Dependent” means an individual who is claimed by the claimant as a
6 dependent under section 151 (c) of the Internal Revenue Code.

7 (b) *Filing claims.* Subject to the limitations and conditions provided in this
8 subsection, a claimant, or a claimant and his or her spouse, may claim as a credit
9 against the tax imposed under s. 71.02, up to the amount of those taxes, an amount
10 determined by the department under par. (c). One credit amount may be claimed by
11 each claimant, by the claimant’s spouse, and for each dependent of a claimant. No
12 credit may be claimed by a dependent.

13 (c) *Determination of credit amount.* 1. Not later than September 1 each year,
14 the secretary of administration shall certify to the secretary of the department the
15 amount that is in the tax relief fund under s. 25.63.

16 2. If the amount of the certification is \$100,000,000 or less, the amount that
17 may be claimed in that taxable year is zero.

18 3. If the amount of the certification exceeds \$100,000,000, the department shall
19 determine the credit amount for that taxable year. The credit amount shall be based
20 on the credit unit, but shall be modified such that the certified amount in the tax
21 relief fund is expended as fully as possible and that the credit amount for each
22 claimant, spouse of a claimant, and dependent of a claimant is rounded down to the
23 nearest whole dollar amount.

24 (d) *Certification of amounts claimed.* Not later than August 15 of the year
25 following the year in which the department determines a credit amount under par.

1 (c) 3., the department shall determine the amount of revenue lost because of credits
2 claimed in the taxable year to which that credit amount relates. The amount of
3 revenue lost shall be certified to the secretary of administration.

4 (e) *Limitations and conditions.* 1. No credit may be allowed under this
5 subsection unless it is claimed within the time period under s. 71.75 (2).

6 2. Part-year residents and nonresidents of this state are not eligible for the
7 credit under this subsection.

8 (f) *Administration.* Subsection (9e) (d), to the extent that it applies to the credit
9 under that subsection, applies to the credit under this subsection.

10 ***-1256/5.9* SECTION 2151.** 71.10 (4) (dt) of the statutes is created to read:

11 71.10 (4) (dt) Tax relief fund credit under s. 71.07 (7m).

12 ***-0667/5.3* SECTION 2152.** 71.10 (4) (grb) of the statutes is created to read:

13 71.10 (4) (grb) Development zone capital investment credit under s. 71.07
14 (2dm).

15 ***-1856/6.2* SECTION 2153.** 71.10 (4) (grd) of the statutes is created to read:

16 71.10 (4) (grd) Technology zones credit under s. 71.07 (3g).

17 ***b0684/2.2* SECTION 2153g.** 71.10 (5f) of the statutes is created to read:

18 71.10 (5f) LOCAL PROFESSIONAL BASEBALL PARK DISTRICT DONATION. (a)

19 *Definitions.* In this subsection:

20 1. "Baseball donation" means a designation made under this subsection, the
21 net proceeds of which shall be deposited into the fund under s. 229.685 to be used for
22 the repayment of bonds issued for purposes related to baseball park facilities under
23 s. 229.65 (1).

24 2. "Department" means the department of revenue.

1 (b) *Voluntary payments.* 1. 'Designation on return.' Every individual filing an
2 income tax return who has a tax liability or is entitled to a tax refund may designate
3 on the return any amount of additional payment or any amount of a refund due that
4 individual as a baseball donation.

5 2. 'Designation added to tax owed.' If the individual owes any tax, the
6 individual shall remit in full the tax due and the amount designated on the return
7 as a baseball donation when the individual files a tax return.

8 3. 'Designation deducted from refund.' Except as provided under par. (d), if the
9 individual is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80
10 (3), the department shall deduct the amount designated on the return as a baseball
11 donation from the amount of the refund.

12 (c) *Errors; failure to remit correct amount.* If an individual who owes taxes fails
13 to remit an amount equal to or in excess of the total of the actual tax due, after error
14 corrections, and the amount designated on the return as a baseball donation:

15 1. The department shall reduce the designation for the baseball donation to
16 reflect the amount remitted in excess of the actual tax due, after error corrections,
17 if the individual remitted an amount in excess of the actual tax due, after error
18 corrections, but less than the total of the actual tax due, after error corrections, and
19 the amount originally designated on the return as a baseball donation.

20 2. The designation for the baseball donation is void if the individual remitted
21 an amount equal to or less than the actual tax due, after error corrections.

22 (d) *Errors; insufficient refund.* If an individual who is owed a refund that does
23 not equal or exceed the amount designated on the return as a baseball donation, after
24 crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections, the department
25 shall reduce the designation for the baseball donation to reflect the actual amount

1 of the refund the individual is otherwise owed, after crediting under ss. 71.75 (9) and
2 71.80 (3) and after error corrections.

3 (e) *Conditions.* If an individual places any conditions on a designation for the
4 baseball donation, the designation is void.

5 (f) *Void designation.* If a designation for the baseball donation is void, the
6 department shall disregard the designation and determine amounts due, owed,
7 refunded, and received without regard to the void designation.

8 (g) *Tax return.* The secretary of revenue shall provide a place for the
9 designations under this subsection on the individual income tax return, and the
10 secretary shall highlight that place on the return by a symbol chosen by the
11 department that relates to a baseball park that is part of baseball park facilities, as
12 defined in s. 229.65 (1).

13 (h) *Certification of amounts.* Annually, on or before September 15, the
14 secretary of revenue shall certify to the district board under subch. III of ch. 229, the
15 department of administration, and the state treasurer:

16 1. The total amount of the administrative costs, including data processing
17 costs, incurred by the department in administering this subsection during the
18 previous fiscal year.

19 2. The total amount received from all designations for baseball donations made
20 by taxpayers during the previous fiscal year.

21 3. The net amount remaining after the administrative costs, including data
22 processing costs, under subd. 1. are subtracted from the total received under subd.

23 2.

24 4. From the moneys received from designations for baseball donations, an
25 amount equal to the sum of administrative expenses, including data processing

1 costs, certified under subd. 1. shall be deposited into the general fund and credited
2 to the appropriation under s. 20.566 (1) (hp), and the net amount remaining that is
3 certified under subd. 3. shall be deposited into the fund created under s. 229.685 and
4 credited to retire bonds issued for the initial construction of baseball park facilities
5 under s. 229.65 (1).

6 (i) *Amounts subject to refund.* Amounts designated for baseball donations
7 under this subsection are not subject to refund to the taxpayer unless the taxpayer
8 submits information to the satisfaction of the department within 18 months after the
9 date on which taxes are due or the date on which the return is filed, whichever is
10 later, that the amount designated is clearly in error. Any refund granted by the
11 department under this paragraph shall be deducted from the moneys received under
12 this subsection in the fiscal year that the refund is certified.

13 ***-1726/1.1* SECTION 2154.** 71.14 (3) (intro.) of the statutes is amended to read:

14 71.14 (3) (intro.) Except as provided in sub. (2) and s. 71.04 (1) (b) 2., trusts
15 created by contract, declaration of trust or implication of law that are made
16 irrevocable and were administered in this state before October 29, 1999, shall be
17 considered resident at the place where the trust is being administered. The following
18 trusts shall be considered to be administered in the state of domicile of the corporate
19 trustee of the trust at any time that the grantor of the trust is not a resident of this
20 state:

21 ***-1726/1.2* SECTION 2155.** 71.14 (3m) (a) (intro.) of the statutes is amended
22 to read:

23 71.14 (3m) (a) (intro.) Subject to par. (b) and except as provided in sub. (2) and
24 s. 71.04 (1) (b) 2., only the following trusts, or portions of trusts, that become
25 irrevocable on or after October 29, 1999, or that became irrevocable before October

1 29, 1999, and are first administered in this state on or after October 29, 1999, are
2 resident of this state:

3 ***-1726/1.3* SECTION 2156.** 71.14 (3m) (b) 2. of the statutes is amended to read:
4 71.14 (3m) (b) 2. Is irrevocable if the power to revest title, as described in par.
5 (a) subd. 1., does not exist.

6 ***-0667/5.4* SECTION 2157.** 71.21 (4) of the statutes is amended to read:
7 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
8 (2dj), (2dL), (2dm), (2ds), (2dx) and, (3g), and (3s) and passed through to partners
9 shall be added to the partnership's income.

10 ***-1493/1.1* SECTION 2158.** 71.22 (1r) of the statutes is amended to read:
11 71.22 (1r) “Doing business in this state” includes issuing credit, debit, or travel
12 and entertainment cards to customers in this state; owning, directly or indirectly, a
13 general or limited partnership interest in a partnership that does business in this
14 state, regardless of the percentage of ownership; and owning, directly or indirectly,
15 an interest in a limited liability company that does business in this state, regardless
16 of the percentage of ownership, if the limited liability company is treated as a
17 partnership for federal income tax purposes.

18 ***b0685/1.2* SECTION 2158d.** 71.22 (4) (g) of the statutes is repealed.

19 ***b0685/1.2* SECTION 2158db.** 71.22 (4) (h) of the statutes is amended to read:
20 71.22 (4) (h) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
21 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
22 December 31, 1992, and before January 1, 1994, means the federal Internal
23 Revenue Code as amended to December 31, 1992, excluding sections 103, 104, and
24 110 of P.L. 102–227, and as amended by P.L. 103–66, excluding sections 13101 (a) and
25 (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L.

1 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L.
2 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as
3 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
4 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
5 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of 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 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and
9 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L.
10 104–188, 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. The Internal Revenue Code applies for
12 Wisconsin purposes at the same time as for federal purposes. Amendments to the
13 federal Internal Revenue Code enacted after December 31, 1992, do not apply to this
14 paragraph with respect to taxable years beginning after December 31, 1992, and
15 before January 1, 1994, except that changes to the Internal Revenue Code made by
16 P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L.
17 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
18 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable
19 to this subchapter made by P.L. 103–66, P.L. 103–465. P.L. 104–188, excluding
20 section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
21 106–554, excluding sections 162 and 165 of P.L. 106–554, apply for Wisconsin
22 purposes at the same time as for federal purposes.

23 ***b0685/1.2* SECTION 2158dd.** 71.22 (4) (i) of the statutes is amended to read:
24 71.22 (4) (i) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
25 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after

1 December 31, 1993, and before January 1, 1995, means the federal Internal
2 Revenue Code as amended to December 31, 1993, excluding sections 103, 104, and
3 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and
4 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465,
5 P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311
6 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
7 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as
8 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
9 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
10 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
11 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
12 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
13 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215
14 of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding
15 section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.
16 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
17 106-554, excluding sections 162 and 165 of P.L. 106-554. The Internal Revenue
18 Code applies for Wisconsin purposes at the same time as for federal purposes.
19 Amendments to the federal Internal Revenue Code enacted after
20 December 31, 1993, do not apply to this paragraph with respect to taxable years
21 beginning after December 31, 1993, and before January 1, 1995, except that
22 changes to the Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L.
23 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
24 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
25 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,

1 and changes that indirectly affect the provisions applicable to this subchapter made
2 by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L.
3 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L.
4 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
5 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
6 as for federal purposes.

7 *b0685/1.2* SECTION 2158df. 71.22 (4) (j) of the statutes is amended to read:
8 71.22 (4) (j) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
9 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
10 December 31, 1994, and before January 1, 1996, means the federal 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 excluding sections 803 (d) (2) (B), 805 (d)
18 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L.
19 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
20 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
21 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
22 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
23 104–188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L.
24 104–191, 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. The Internal Revenue

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

13 *b0685/1.2* SECTION 2158dh. 71.22 (4) (k) of the statutes is amended to read:

14 71.22 (4) (k) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
15 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
16 December 31, 1995, and before January 1, 1997, means the federal Internal
17 Revenue Code as amended to December 31, 1995, excluding sections 103, 104, and
18 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
19 of P.L. 103–66, and as amended by P.L. 104–188, excluding sections 1123, 1202, 1204,
20 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34,
21 P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165
22 of P.L. 106–554, and as indirectly affected in the provisions applicable to this
23 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2)
24 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008
25 (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.

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, 1202, 1204, 1311, and 1605 of P.L.
5 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and,
6 P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554. The
7 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
8 purposes. Amendments to the federal Internal Revenue Code enacted after
9 December 31, 1995, do not apply to this paragraph with respect to taxable years
10 beginning after December 31, 1995, and before January 1, 1997, except that
11 changes to the Internal Revenue Code made by P.L. 104–188, excluding sections
12 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
13 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
14 sections 162 and 165 of P.L. 106–554, and changes that indirectly affect the
15 provisions applicable to this subchapter made by P.L. 104–188, excluding sections
16 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
17 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
18 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
19 as for federal purposes.

20 ***b0685/1.2* SECTION 2158dj.** 71.22 (4) (L) of the statutes is amended to read:
21 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
22 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
23 December 31, 1996, and before January 1, 1998, means the federal Internal
24 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and
25 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

1 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,
2 and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L.
3 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as
4 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
5 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
6 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L.
7 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
8 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
9 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
10 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
11 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
12 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, 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. The
14 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
15 purposes. Amendments to the federal Internal Revenue Code enacted after
16 December 31, 1996, do not apply to this paragraph with respect to taxable years
17 beginning after December 31, 1996, and before January 1, 1998, except that
18 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
19 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162
20 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable
21 to this subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and,
22 P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply
23 for Wisconsin purposes at the same time as for federal purposes.

24 *b0685/1.2* SECTION 2158dL. 71.22 (4) (m) of the statutes is amended to read:

1 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
2 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
3 December 31, 1997, and before January 1, 1999, means the federal Internal
4 Revenue Code as amended to December 31, 1997, excluding sections 103, 104, and
5 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
6 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,
7 and as amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
8 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
9 106–573, and as indirectly affected in the provisions applicable to this subchapter
10 by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d)
11 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L.
12 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
13 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
14 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
15 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.
16 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
17 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
18 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding
19 sections 162 and 165 of P.L. 106–554, and P.L. 106–573. The Internal Revenue Code
20 applies for Wisconsin purposes at the same time as for federal purposes.
21 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,
22 do not apply to this paragraph with respect to taxable years beginning after
23 December 31, 1997, and before January 1, 1999, except that changes to the Internal
24 Revenue Code made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and,
25 P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.

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

5 *b0685/1.2* SECTION 2158dn. 71.22 (4) (n) of the statutes is amended to read:
6 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
7 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
8 December 31, 1998, and before January 1, 2000, means the federal Internal
9 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
10 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
11 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
12 and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554,
13 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly
14 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
15 P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
16 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
17 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
18 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
19 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
20 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
21 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
22 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
23 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and
24 165 of P.L. 106-554, and P.L. 106-573. The Internal Revenue Code applies for
25 Wisconsin purposes at the same time as for federal purposes. Amendments to the

1 federal Internal Revenue Code enacted after December 31, 1998, do not apply to this
2 paragraph with respect to taxable years beginning after December 31, 1998, and
3 before January 1, 2000, except that changes to the Internal Revenue Code made by
4 P.L. 106-36 and, P.L. 106-170, 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 changes that indirectly affect the
6 provisions applicable to this subchapter made by P.L. 106-36 and, P.L. 106-170, 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 apply for Wisconsin purposes at the same time as for federal purposes.

9 *b0685/1.2* SECTION 2158dp. 71.22 (4) (o) of the statutes is amended to read:
10 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
11 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
12 December 31, 1999, and before January 1, 2001, means the federal Internal Revenue
13 Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
14 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
15 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
16 amended by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162 and
17 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected in the provisions
18 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding
19 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
20 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
21 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
22 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
23 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
24 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
25 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.

1 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,
2 P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.
3 106–554, and P.L. 106–573. The Internal Revenue Code applies for Wisconsin
4 purposes at the same time as for federal purposes. Amendments to the federal
5 Internal Revenue Code enacted after December 31, 1999, do not apply to this
6 paragraph with respect to taxable years beginning after December 31, 1999, and
7 before January 1, 2001, except that changes to the Internal Revenue Code made by
8 P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.
9 106–554, and P.L. 106–573 and changes that indirectly affect the provisions
10 applicable to this subchapter made by P.L. 106–200, P.L. 106–230, P.L. 106–554,
11 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 apply for Wisconsin
12 purposes at the same time as for federal purposes.

13 *b0685/1.2* SECTION 2158dr. 71.22 (4) (p) of the statutes is created to read:

14 71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
15 (1g), and 71.42 (2), “Internal Revenue Code,” for taxable years that begin after
16 December 31, 2000, means the federal Internal Revenue Code as amended to
17 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102–227, sections
18 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123
19 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, 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.

1 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
2 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
3 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
4 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections
5 162 and 165 of P.L. 106–554, and P.L. 106–573. The Internal Revenue Code applies
6 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
7 federal Internal Revenue Code enacted after December 31, 2000, do not apply to this
8 paragraph with respect to taxable years beginning after December 31, 2000.

9 ***b0685/1.2* SECTION 2158dt.** 71.22 (4m) (e) of the statutes is repealed.

10 ***b0685/1.2* SECTION 2158du.** 71.22 (4m) (f) of the statutes is amended to read:

11 71.22 (4m) (f) For taxable years that begin after December 31, 1992, and before
12 January 1, 1994, “Internal Revenue Code”, for corporations that are subject to a tax
13 on unrelated business income under s. 71.26 (1) (a), means the federal Internal
14 Revenue Code as amended to December 31, 1992, excluding sections 103, 104, and
15 110 of P.L. 102–227, and as amended by P.L. 103–66, excluding sections 13101 (a) and
16 (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L.
17 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L.
18 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as
19 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
20 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
21 101–508, 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 13101 (a) and (c) 1, 13113,
23 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188,
24 excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,
25 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554. The Internal

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

13 ***b0685/1.2* SECTION 2158dv.** 71.22 (4m) (g) of the statutes is amended to read:

14 71.22 (4m) (g) For taxable years that begin after December 31, 1993, and
15 before January 1, 1995, “Internal Revenue Code”, for corporations that are subject
16 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
17 Internal Revenue Code as amended to December 31, 1993, excluding sections 103,
18 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203
19 (d), and 13215 of P.L. 103–66, and as amended 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 as indirectly affected in the provisions applicable to this subchapter by P.L.
24 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L.
25 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.

1 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
2 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103–66, P.L. 103–296, P.L. 103–337,
3 P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding
4 section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206
5 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554.
6 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
7 federal purposes. Amendments to the Internal Revenue Code enacted after
8 December 31, 1993, do not apply to this paragraph with respect to taxable years
9 beginning after December 31, 1993, and before January 1, 1995, except that
10 changes to the Internal Revenue Code made by P.L. 103–296, P.L. 103–337, P.L.
11 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding
12 section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206
13 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
14 and changes that indirectly affect the provisions applicable to this subchapter made
15 by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L.
16 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L.
17 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding
18 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time
19 as for federal purposes.

20 *b0685/1.2* SECTION 2158dw. 71.22 (4m) (h) of the statutes is amended to
21 read:

22 71.22 (4m) (h) For taxable years that begin after December 31, 1994, and
23 before January 1, 1996, “Internal Revenue Code”, for corporations that are subject
24 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
25 Internal Revenue Code as amended to December 31, 1994, excluding sections 103,

1 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and
2 13203 (d) of P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding
3 sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
4 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162
5 and 165 of P.L. 106–554, and as indirectly affected in the provisions applicable to this
6 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
7 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
8 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
9 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
10 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,
11 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
12 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
13 106–554. The Internal Revenue Code applies for Wisconsin purposes at the same
14 time as for federal purposes. Amendments to the Internal Revenue Code enacted
15 after December 31, 1994, do not apply to this paragraph with respect to taxable years
16 beginning after December 31, 1994, and before January 1, 1996, except that
17 changes to the Internal Revenue Code made by P.L. 104–7, P.L. 104–188, excluding
18 sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, 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, and changes that indirectly affect the provisions applicable
21 to this subchapter made by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,
22 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
23 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
24 106–554, apply for Wisconsin purposes at the same time as for federal purposes.

25 *b0685/1.2* SECTION 2158dx. 71.22 (4m) (i) of the statutes is amended to read:

1 71.22 (4m) (i) For taxable years that begin after December 31, 1995, and before
2 January 1, 1997, “Internal Revenue Code”, for corporations that are subject to a tax
3 on unrelated business income under s. 71.26 (1) (a), means the federal Internal
4 Revenue Code as amended to December 31, 1995, excluding sections 103, 104, and
5 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
6 of P.L. 103–66, and as amended by P.L. 104–188, excluding sections 1123, 1202, 1204,
7 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34,
8 P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165
9 of P.L. 106–554, and as indirectly affected in the provisions applicable to this
10 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
11 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
12 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
13 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
14 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123, 1202,
15 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, PL. 105–33, 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. The Internal Revenue Code applies for Wisconsin purposes
18 at the same time as for federal purposes. Amendments to the Internal Revenue Code
19 enacted after December 31, 1995, do not apply to this paragraph with respect to
20 taxable years beginning after December 31, 1995, and before January 1, 1997,
21 except that changes to the Internal Revenue Code made by P.L. 104–188, excluding
22 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
23 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
24 106–554, excluding sections 162 and 165 of P.L. 106–554, and changes that indirectly
25 affect the provisions applicable to this subchapter made by P.L. 104–188, excluding

1 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
2 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.
3 106–554, excluding sections 162 and 165 of P.L. 106–554, apply for Wisconsin
4 purposes at the same time as for federal purposes.

5 *b0685/1.2* SECTION 2158dy. 71.22 (4m) (j) of the statutes is amended to read:

6 71.22 (4m) (j) For taxable years that begin after December 31, 1996, and before
7 January 1, 1998, “Internal Revenue Code”, for corporations that are subject to a tax
8 on unrelated business income under s. 71.26 (1) (a), means the federal Internal
9 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and
10 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
11 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188
12 and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L.
13 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as
14 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
15 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
16 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
17 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
18 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
19 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)
20 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206,
21 P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of
22 P.L. 106–554. The Internal Revenue Code applies for Wisconsin purposes at the
23 same time as for federal purposes. Amendments to the Internal Revenue Code
24 enacted after December 31, 1996, do not apply to this paragraph with respect to
25 taxable years beginning after December 31, 1996, and before January 1, 1998,

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

7 ***b0685/1.2* SECTION 2158dz.** 71.22 (4m) (k) of the statutes is amended to read:
8 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and
9 before January 1, 1999, “Internal Revenue Code”, for corporations that are subject
10 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
11 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,
12 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
13 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
14 104–188, and as amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36
15 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and
16 P.L. 106–573, and as indirectly affected in the provisions applicable to this
17 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
18 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
19 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
20 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
21 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
22 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
23 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L.
24 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
25 106–573. The Internal Revenue Code applies for Wisconsin purposes at the same

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

11 *b0685/1.2* SECTION 2158dzb. 71.22 (4m) (L) of the statutes is amended to
12 read:

13 71.22 (4m) (L) For taxable years that begin after December 31, 1998, and
14 before January 1, 2000, “Internal Revenue Code”, for corporations that are subject
15 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
16 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,
17 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
18 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
19 104–188, and as amended by P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L.
20 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, 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, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.

1 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
2 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
3 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–230,
4 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573. The
5 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
6 purposes. Amendments to the Internal Revenue Code enacted after December 31,
7 1998, do not apply to this paragraph with respect to taxable years beginning after
8 December 31, 1998, and before January 1, 2000, except that changes to the Internal
9 Revenue Code made by P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554,
10 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 and changes that
11 indirectly affect the provisions applicable to this subchapter made by P.L. 106–36
12 and, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.
13 106–554, and P.L. 106–573 apply for Wisconsin purposes at the same time as for
14 federal purposes.

15 ***b0685/1.2* SECTION 2158dzd.** 71.22 (4m) (m) of the statutes is amended to
16 read:

17 71.22 (4m) (m) For taxable years that begin after December 31, 1999, and
18 before January 1, 2001, “Internal Revenue Code”, for corporations that are subject
19 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
20 Internal Revenue Code as amended to December 31, 1999, 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. 106–200, P.L. 106–230, P.L. 106–554, excluding
24 sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected in
25 the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.

1 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
2 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
3 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
4 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
5 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
6 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
7 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–200, P.L. 106–230,
8 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573. The
9 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
10 purposes. Amendments to the Internal Revenue Code enacted after December 31,
11 1999, 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 *b0685/1.2* SECTION 2158dzf. 71.22 (4m) (n) of the statutes is created to read:

19 71.22 (4m) (n) For taxable years that begin after December 31, 2000, “Internal
20 Revenue Code,” for corporations that are subject to a tax on unrelated business
21 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended
22 to December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102–227, sections
23 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, and sections 1123
24 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as indirectly affected
25 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.

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

13 ***-0538/2.1* SECTION 2159.** 71.22 (6m) of the statutes is created to read:

14 71.22 (6m) “Member” does not include a member of a limited liability company
15 treated as a corporation under sub. (1).

16 ***-0538/2.2* SECTION 2160.** 71.22 (7m) of the statutes is created to read:

17 71.22 (7m) “Partner” does not include a partner of a publicly traded
18 partnership treated as a corporation under sub. (1).

19 ***-1059/6.13* SECTION 2161.** 71.25 (6) of the statutes is renumbered 71.25 (6)
20 (intro.) and amended to read:

21 71.25 (6) ALLOCATION AND SEPARATE ACCOUNTING AND APPORTIONMENT FORMULA.
22 (intro.) Corporations engaged in business within and without the state shall be taxed
23 only on such income as is derived from business transacted and property located
24 within the state. The amount of such income attributable to Wisconsin may be
25 determined by an allocation and separate accounting thereof, when the business of

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

16 ***-1059/6.14* SECTION 2162.** 71.25 (6) (a) of the statutes is created to read:

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

21 ***-1059/6.15* SECTION 2163.** 71.25 (6) (b) of the statutes is created to read:

22 71.25 (6) (b) For taxable years beginning after December 31, 2003, and before
23 January 1, 2005, an apportionment fraction composed of a sales factor under sub. (9)
24 representing 60% of the fraction, a property factor under sub. (7) representing 20%
25 of the fraction, and a payroll factor under sub. (8) representing 20% of the fraction.

1 ***-1059/6.16*** SECTION 2164. 71.25 (6) (c) of the statutes is created to read:

2 71.25 (6) (c) For taxable years beginning after December 31, 2004, and before
3 January 1, 2006, an apportionment fraction composed of a sales factor under sub. (9)
4 representing 80% of the fraction, a property factor under sub. (7) representing 10%
5 of the fraction, and a payroll factor under sub. (8) representing 10% of the fraction.

6 ***-1059/6.17*** SECTION 2165. 71.25 (6) (d) of the statutes is created to read:

7 71.25 (6) (d) For taxable years beginning after December 31, 2005, an
8 apportionment fraction composed of the sales factor under sub. (9).

9 ***-1059/6.18*** SECTION 2166. 71.25 (6) (e) of the statutes is created to read:

10 71.25 (6) (e) For taxable years beginning after December 31, 2003, and before
11 January 1, 2006, the apportionment fraction for the remaining net income of a
12 financial organization shall include a sales factor that represents more than 50% of
13 the apportionment fraction, as determined by rule by the department. For taxable
14 years beginning after December 31, 2005, the apportionment fraction for the
15 remaining net income of a financial organization is composed of a sales factor, as
16 determined by rule by the department.

17 ***b0679/3.25*** SECTION 2166m. 71.25 (6m) of the statutes is created to read:

18 71.25 (6m) APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years
19 beginning before January 1, 2006, if both the numerator and the denominator of the
20 sales factor under sub. (9) related to a taxpayer's remaining net income are zero, the
21 sales factor under sub. (9) is eliminated from the apportionment formula to
22 determine the taxpayer's remaining net income under sub. (6).

23 2. For taxable years beginning after December 31, 2005, if both the numerator
24 and the denominator of the sales factor under sub. (9) related to a taxpayer's

1 remaining net income are zero, none of the taxpayer's remaining net income is
2 apportioned to this state.

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

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

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

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

22 ***-1059/6.19* SECTION 2167.** 71.25 (7) (intro.) of the statutes is amended to
23 read:

24 71.25 (7) PROPERTY FACTOR. (intro.) For purposes of sub. (5) (6) and for taxable
25 years beginning before January 1, 2006:

1 ***-1059/6.20*** SECTION 2168. 71.25 (8) (intro.) of the statutes is amended to
2 read:

3 71.25 (8) PAYROLL FACTOR. (intro.) For purposes of sub. (5) (6) and for taxable
4 years beginning before January 1, 2006:

5 ***-1059/6.21*** SECTION 2169. 71.25 (9) (d) of the statutes is amended to read:

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

14 ***-1059/6.22*** SECTION 2170. 71.25 (10) (b) of the statutes is renumbered 71.25
15 (10) (b) 1. and amended to read:

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

23 2. In this section, for taxable years beginning after December 31, 2003, “public
24 utility” also means any business entity providing service to the public and engaged
25 in the transportation of goods and persons for hire, as defined in s. 194.01 (4),

1 regardless of whether or not the entity's rates or charges for services have been
2 established or approved by a federal, state or local government or governmental
3 agency.

4 ***-1059/6.23* SECTION 2171.** 71.25 (10) (c) of the statutes is amended to read:

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

10 ***-1059/6.24* SECTION 2172.** 71.25 (11) of the statutes is amended to read:

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

22 ***-1493/1.2* SECTION 2173.** 71.25 (15) of the statutes is created to read:

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

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

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

7 ***-1335/7.54* SECTION 2174.** 71.26 (1) (be) of the statutes is amended to read:

8 71.26 (1) (bc) *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

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).

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,

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,

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

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,

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.

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.

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

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

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