

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

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

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

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

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

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

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

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

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



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

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

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

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

1 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
2 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
3 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.  
4 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.  
5 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–554, excluding sections 162 and  
6 165 of P.L. 106–554, and P.L. 106–573, except that property that, under s. 71.02 (1)  
7 (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986  
8 under the Internal Revenue Code as amended to December 31, 1980, shall continue  
9 to be depreciated under the Internal Revenue Code as amended to  
10 December 31, 1980, and except that the appropriate amount shall be added or  
11 subtracted to reflect differences between the depreciation or adjusted basis for  
12 federal income tax purposes and the depreciation or adjusted basis under this  
13 chapter of any property disposed of during the taxable year. The Internal Revenue  
14 Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.  
15 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,  
16 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as  
17 amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,  
18 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and  
19 as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514,  
20 P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,  
21 P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.  
22 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),  
23 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.  
24 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d)  
25 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,

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

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

15 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and  
16 before January 1, 2000, for a corporation, conduit or common law trust which  
17 qualifies as a regulated investment company, real estate mortgage investment  
18 conduit, real estate investment trust or financial asset securitization investment  
19 trust under the Internal Revenue Code as amended to December 31, 1998, excluding  
20 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
21 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
22 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, P.L.  
23 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.  
24 106-573, and as indirectly affected in the provisions applicable to this subchapter  
25 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,

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

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

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

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

8 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, and  
9 before January 1, 2001, for a corporation, conduit or common law trust which  
10 qualifies as a regulated investment company, real estate mortgage investment  
11 conduit, real estate investment trust or financial asset securitization investment  
12 trust under the Internal Revenue Code as amended to December 31, 1999, excluding  
13 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
14 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
15 1605 (d) of P.L. 104-188, and as amended by P.L. 106-200, P.L. 106-230, P.L.  
16 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as  
17 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
18 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.  
19 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.  
20 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),  
21 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.  
22 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605  
23 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
24 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200,  
25 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.

1 106-573, “net income” means the federal regulated investment company taxable  
2 income, federal real estate mortgage investment conduit taxable income, federal real  
3 estate investment trust or financial asset securitization investment trust taxable  
4 income of the corporation, conduit or trust as determined under the Internal  
5 Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and  
6 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
7 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
8 and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections 162  
9 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected in the  
10 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,  
11 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
12 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
13 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
14 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
15 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
16 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
17 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554,  
18 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that  
19 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated  
20 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to  
21 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
22 Code as amended to December 31, 1980, and except that the appropriate amount  
23 shall be added or subtracted to reflect differences between the depreciation or  
24 adjusted basis for federal income tax purposes and the depreciation or adjusted basis  
25 under this chapter of any property disposed of during the taxable year. The Internal



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

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

1           71.26 (2) (b) 16. For taxable years that begin after December 31, 2000, for a  
2 corporation, conduit, or common law trust which qualifies as a regulated investment  
3 company, real estate mortgage investment conduit, real estate investment trust, or  
4 financial asset securitization investment trust under the Internal Revenue Code as  
5 amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102–227,  
6 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections  
7 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188 and as indirectly  
8 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
9 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,  
10 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.  
11 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
12 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.  
13 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
14 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
15 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L.  
16 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, “net  
17 income” means the federal regulated investment company taxable income, federal  
18 real estate mortgage investment conduit taxable income, federal real estate  
19 investment trust or financial asset securitization investment trust taxable income  
20 of the corporation, conduit, or trust as determined under the Internal Revenue Code  
21 as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.  
22 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66  
23 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as  
24 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.  
25 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.

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

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

6 **\*-0667/5.6\* SECTION 2176.** 71.26 (3) (n) of the statutes is amended to read:

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

11 **\*b0685/1.4\* SECTION 2176d.** 71.26 (3) (y) of the statutes is amended to read:

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

23 **\*-0667/5.7\* SECTION 2177.** 71.28 (1dm) of the statutes is created to read:

24 71.28 (1dm) DEVELOPMENT ZONE CAPITAL INVESTMENT CREDIT. (a) In this  
25 subsection:

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

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

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

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

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

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

22           (c) A claimant may claim the credit under par. (b) 1., if the tangible personal  
23 property is purchased after the claimant is certified and the personal property is  
24 used for at least 50% of its use in the claimant’s business at a location in a

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

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

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

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

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

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

24 (g) In calculating the credit under par. (b) a claimant shall reduce the amount  
25 expended to acquire property by a percentage equal to the percentage of the area of

1 the real property not used for the purposes for which the claimant is certified and  
2 shall reduce the amount expended for other purposes by the amount expended on the  
3 part of the property not used for the purposes for which the claimant is certified.

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

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

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

1 day on which the person becomes ineligible for tax benefits, the taxable year that  
2 includes the day on which the certification is revoked, or succeeding taxable years.

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

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

11 **\*-0669/1.2\* SECTION 2178.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

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

25 **\*-1856/6.3\* SECTION 2179.** 71.28 (3g) of the statutes is created to read:



1           71.28 (3g) TECHNOLOGY ZONES CREDIT. (a) Subject to the limitations under this  
2 subsection and ss. 73.03 (35m) and 560.96, a business that is certified under s. 560.96  
3 (3) may claim as a credit against the taxes imposed under s. 71.23 an amount equal  
4 to the sum of the following, as established under s. 560.96 (3) (c):

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

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

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

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

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

15           (d) 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 the credit are based on their payment of amounts under par. (a). A partnership,  
18 limited liability company, or tax-option corporation shall compute the amount of  
19 credit that each of its partners, members, or shareholders may claim and shall  
20 provide that information to each of them. Partners, members of limited liability  
21 companies, and shareholders of tax-option corporations may claim the credit in  
22 proportion to their ownership interest.

23           \*~~0667/5.8~~\* SECTION 2180. 71.30 (3) (emb) of the statutes is created to read:

24           71.30 (3) (emb) Development zone capital investment credit under s. 71.28  
25 (1dm).

1           \*~~1856/6.4~~\* SECTION 2181. 71.30 (3) (eon) of the statutes is created to read:  
2           71.30 (3) (eon) Technology zones credit under s. 71.28 (3g).

3           \*~~0667/5.9~~\* SECTION 2182. 71.34 (1) (g) of the statutes is amended to read:  
4           71.34 (1) (g) An addition shall be made for credits computed by a tax-option  
5           corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx) ~~and~~, (3),  
6           and (3g) and passed through to shareholders.

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

8           \*~~b0685/1.5~~\* SECTION 2182db. 71.34 (1g) (h) of the statutes is amended to read:  
9           71.34 (1g) (h) "Internal Revenue Code" for tax-option corporations, for taxable  
10          years that begin after December 31, 1992, and before January 1, 1994, means the  
11          federal Internal Revenue Code as amended to December 31, 1992, excluding  
12          sections 103, 104 and 110 of P.L. 102–227, and as amended by P.L. 103–66, excluding  
13          sections 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66,  
14          P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, 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 13101 (a) and (c) 1, 13113, 13150, 13171,  
22          13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311  
23          of P.L. 104–188, P.L. 105–34, P.L. 105–206 ~~and~~, P.L. 105–277, and P.L. 106–554,  
24          excluding sections 162 and 165 of P.L. 106–554, except that section 1366 (f) (relating  
25          to pass-through of items to shareholders) is modified by substituting the tax under

1 s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code  
2 applies for Wisconsin purposes at the same time as for federal purposes.  
3 Amendments to the federal Internal Revenue Code enacted after  
4 December 31, 1992, do not apply to this paragraph with respect to taxable years  
5 beginning after December 31, 1992, and before January 1, 1994, except that  
6 changes to the Internal Revenue Code made by P.L. 103–66, P.L. 103–465, P.L.  
7 104–188, excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L.  
8 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and  
9 changes that indirectly affect the provisions applicable to this subchapter made by  
10 P.L. 103–66, P.L. 103–465, P.L. 104–188, excluding section 1311 of P.L. 104–188, 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 \*b0685/1.5\* SECTION 2182dc. 71.34 (1g) (i) of the statutes is amended to read:  
15 71.34 (1g) (i) “Internal Revenue Code” for tax-option corporations, for taxable  
16 years that begin after December 31, 1993, and before January 1, 1995, means the  
17 federal Internal Revenue Code as amended to December 31, 1993, excluding  
18 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),  
19 13174, 13203 (d), and 13215 of P.L. 103–66, and as amended by P.L. 103–296, P.L.  
20 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188,  
21 excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.  
22 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.  
23 106–554, and as indirectly affected in the provisions applicable to this subchapter  
24 by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d)  
25 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of 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, 13203  
4 (d), and 13215 of P.L. 103–66, 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, except that section  
8 1366 (f) (relating to pass-through of items to shareholders) is modified by  
9 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The  
10 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
11 purposes. Amendments to the federal Internal Revenue Code enacted after  
12 December 31, 1993, do not apply to this paragraph with respect to taxable years  
13 beginning after December 31, 1993, and before January 1, 1995, except that  
14 changes to the Internal Revenue Code made by P.L. 103–296, P.L. 103–337, P.L.  
15 103–465, P.L. 104–7, excluding section 1 of P.L. 104–7, P.L. 104–188, excluding  
16 section 1311 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206  
17 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,  
18 and changes that indirectly affect the provisions applicable to this subchapter made  
19 by P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, excluding section 1 of P.L.  
20 104–7, P.L. 104–188, excluding section 1311 of P.L. 104–188, P.L. 104–191, P.L.  
21 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding  
22 sections 162 and 165 of P.L. 106–554, apply for Wisconsin purposes at the same time  
23 as for federal purposes.

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

1           71.34 (1g) (j) "Internal Revenue Code" for tax-option corporations, for taxable  
2 years that begin after December 31, 1994, and before January 1, 1996, means the  
3 federal Internal Revenue Code as amended to December 31, 1994, excluding  
4 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),  
5 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188,  
6 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.  
7 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding  
8 sections 162 and 165 of P.L. 106-554, and as indirectly affected in the provisions  
9 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding  
10 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514  
11 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
12 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
13 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
14 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
15 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of  
16 P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.  
17 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, except  
18 that section 1366 (f) (relating to pass-through of items to shareholders) is modified  
19 by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375.  
20 The Internal Revenue Code applies for Wisconsin purposes at the same time as for  
21 federal purposes. Amendments to the federal Internal Revenue Code enacted after  
22 December 31, 1994, do not apply to this paragraph with respect to taxable years  
23 beginning after December 31, 1994, and before January 1, 1996, except changes to  
24 the Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding sections  
25 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34,

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

7 \*b0685/1.5\* SECTION 2182de. 71.34 (1g) (k) of the statutes is amended to read:

8 71.34 (1g) (k) “Internal Revenue Code” for tax-option corporations, for taxable  
9 years that begin after December 31, 1995, and before January 1, 1997, means the  
10 federal Internal Revenue Code as amended to December 31, 1995, excluding  
11 sections 103, 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d),  
12 13174, and 13203 (d) of P.L. 103–66, and as amended by P.L. 104–188, excluding  
13 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.  
14 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L.  
15 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly affected  
16 in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.  
17 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823  
18 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L.  
19 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
20 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
21 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.  
22 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
23 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
24 105–33, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding  
25 sections 162 and 165 of P.L. 106–554, except that section 1366 (f) (relating to

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

15 \*b0685/1.5\* SECTION 2182df. 71.34 (1g) (L) of the statutes is amended to read:  
16 71.34 (1g) (L) “Internal Revenue Code” for tax-option corporations, for taxable  
17 years that begin after December 31, 1996, and before January 1, 1998, means the  
18 federal Internal Revenue Code as amended to December 31, 1996, excluding  
19 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),  
20 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
21 1605 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206,  
22 P.L. 105–277 and, P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of  
23 P.L. 106–554, and as indirectly affected in the provisions applicable to this  
24 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2)  
25 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008

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

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

22 71.34 (1g) (m) “Internal Revenue Code” for tax-option corporations, for taxable  
23 years that begin after December 31, 1997, and before January 1, 1999, means the  
24 federal Internal Revenue Code as amended to December 31, 1997, excluding sections  
25 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and



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

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

3 \*b0685/1.5\* SECTION 2182dh. 71.34 (1g) (n) of the statutes is amended to read:

4 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable  
5 years that begin after December 31, 1998, and before January 1, 2000, means the  
6 federal Internal Revenue Code as amended to December 31, 1998, excluding sections  
7 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and  
8 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)  
9 of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L.  
10 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as  
11 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
12 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
13 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.  
14 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
15 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
16 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
17 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
18 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
19 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
20 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding  
21 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section 1366 (f)  
22 (relating to pass-through of items to shareholders) is modified by substituting the  
23 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue  
24 Code applies for Wisconsin purposes at the same time as for federal purposes.  
25 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,

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

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

10 71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable  
11 years that begin after December 31, 1999, and before January 1, 2001, means the  
12 federal Internal Revenue Code as amended to December 31, 1999, excluding sections  
13 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and  
14 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)  
15 of P.L. 104-188, and as amended by P.L. 106-200, P.L. 106-230, P.L. 106-554,  
16 excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly  
17 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
18 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and  
19 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.  
20 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections  
21 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding  
22 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.  
23 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections  
24 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
25 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.

1     106-36 and, P.L. 106-170, P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding  
2     sections 162 and 165 of P.L. 106-554, and P.L. 106-573, except that section 1366 (f)  
3     (relating to pass-through of items to shareholders) is modified by substituting the  
4     tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue  
5     Code applies for Wisconsin purposes at the same time as for federal purposes.  
6     Amendments to the federal Internal Revenue Code enacted after December 31, 1999,  
7     do not apply to this paragraph with respect to taxable years beginning after  
8     December 31, 1999, and before January 1, 2001, except that changes to the Internal  
9     Revenue Code made by P.L. 106-200, P.L. 106-230, P.L. 106-554, excluding sections  
10    162 and 165 of P.L. 106-554, and P.L. 106-573 and changes that indirectly affect the  
11    provisions applicable to this subchapter made by P.L. 106-200, P.L. 106-230, P.L.  
12    106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L. 106-573 apply for  
13    Wisconsin purposes at the same time as for federal purposes.

14        **\*b0685/1.5\* SECTION 2182dk.** 71.34 (1g) (p) of the statutes is created to read:  
15        71.34 (1g) (p) “Internal Revenue Code” for tax-option corporations, for taxable  
16        years that begin after December 31, 2000, means the federal Internal Revenue Code  
17        as amended to December 31, 2000, excluding sections 103, 104, and 110 of P.L.  
18        102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
19        and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
20        indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.  
21        100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821  
22        (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.  
23        101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
24        excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
25        103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

1 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
2 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.  
3 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.  
4 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–200, P.L. 106–230, P.L. 106–554,  
5 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, except that section  
6 1366 (f) (relating to pass-through of items to shareholders) is modified by  
7 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The  
8 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal  
9 purposes. Amendments to the federal Internal Revenue Code enacted after  
10 December 31, 2000, do not apply to this paragraph with respect to taxable years  
11 beginning after December 31, 2000.

12 \*b0685/1.5\* SECTION 2182dL. 71.365 (1m) of the statutes is amended to read:  
13 71.365 (1m) TAX-OPTION CORPORATIONS; DEPRECIATION. A tax-option corporation  
14 may compute amortization and depreciation under either the federal Internal  
15 Revenue Code as amended to December 31, ~~1999~~ 2000, or the federal Internal  
16 Revenue Code in effect for the taxable year for which the return is filed, except that  
17 property first placed in service by the taxpayer on or after January 1, 1983, but  
18 before January 1, 1987, that, under s. 71.04 (15) (b) and (br), 1985 stats., is required  
19 to be depreciated under the Internal Revenue Code as amended to  
20 December 31, 1980, and property first placed in service in taxable year 1981 or  
21 thereafter but before January 1, 1987, that, under s. 71.04 (15) (bm), 1985 stats., is  
22 required to be depreciated under the Internal Revenue Code as amended to  
23 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
24 Code as amended to December 31, 1980. Any difference between the adjusted basis  
25 for federal income tax purposes and the adjusted basis under this chapter shall be

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

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

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

16 71.42 (2) (g) For taxable years that begin after December 31, 1992, and before  
17 January 1, 1994, "Internal Revenue Code" means the federal Internal Revenue Code  
18 as amended to December 31, 1992, excluding sections 103, 104, and 110 of P.L.  
19 102–227, and as amended by P.L. 103–66, excluding sections 13101 (a) and (c) 1,  
20 13113, 13150, 13171, 13174, and 13203 of P.L. 103–66, P.L. 103–465, P.L. 104–188,  
21 excluding section 1311 of P.L. 104–188, P.L. 105–34, P.L. 105–206 and, P.L. 105–277,  
22 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly  
23 affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.  
24 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and  
25 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections

1 13101 (a) and (c) 1, 13113, 13150, 13171, 13174, and 13203 of P.L. 103-66, P.L.  
2 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L.  
3 105-206 and P.L. 105-277 and, P.L. 105-277, and P.L. 106-554, excluding sections  
4 162 and 165 of P.L. 106-554, except that "Internal Revenue Code" does not include  
5 section 847 of the federal Internal Revenue Code. The Internal Revenue Code  
6 applies for Wisconsin purposes at the same time as for federal purposes.  
7 Amendments to the federal Internal Revenue Code enacted after  
8 December 31, 1992, do not apply to this paragraph with respect to taxable years  
9 beginning after December 31, 1992, and before January 1, 1994, except that  
10 changes to the Internal Revenue Code made by P.L. 103-66, P.L. 103-465, P.L.  
11 104-188, excluding section 1311 of P.L. 104-188, P.L. 105-34, P.L. 105-206 and, P.L.  
12 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and  
13 changes that indirectly affect the federal Internal Revenue Code made by P.L.  
14 103-66, P.L. 103-465, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L.  
15 105-34, P.L. 105-206 and, P.L. 105-277, 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 \*b0685/1.5\* SECTION 2182dp. 71.42 (2) (h) of the statutes is amended to read:  
19 71.42 (2) (h) For taxable years that begin after December 31, 1993, and before  
20 January 1, 1995, "Internal Revenue Code" means the federal Internal Revenue Code  
21 as amended to December 31, 1993 excluding sections 103, 104, and 110 of P.L.  
22 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L.  
23 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,  
24 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.  
25 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,

1 and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and as indirectly  
2 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
3 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and  
4 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486 and P.L. 103-66, excluding sections  
5 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296,  
6 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.  
7 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
8 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162  
9 and 165 of P.L. 106-554, except that "Internal Revenue Code" does not include  
10 section 847 of the federal Internal Revenue Code. The Internal Revenue Code  
11 applies for Wisconsin purposes at the same time as for federal purposes.  
12 Amendments to the federal Internal Revenue Code enacted after  
13 December 31, 1993, do not apply to this paragraph with respect to taxable years  
14 beginning after December 31, 1993, and before January 1, 1995, except that  
15 changes to the Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L.  
16 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding  
17 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206  
18 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,  
19 and changes that indirectly affect the provisions applicable to this subchapter made  
20 by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L.  
21 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L.  
22 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, excluding  
23 sections 162 and 165 of P.L. 106-554, apply for Wisconsin purposes at the same time  
24 as for federal purposes.

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



1           71.42 (2) (i) For taxable years that begin after December 31, 1994, and before  
2 January 1, 1996, “Internal Revenue Code” means the federal Internal Revenue Code  
3 as amended to December 31, 1994, excluding sections 103, 104, and 110 of P.L.  
4 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
5 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,  
6 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.  
7 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.  
8 106–554, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.  
9 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,  
10 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.  
11 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
12 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
13 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.  
14 104–193, P.L. 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding  
15 sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code” does not  
16 include section 847 of the federal Internal Revenue Code. The Internal Revenue  
17 Code applies for Wisconsin purposes at the same time as for federal purposes.  
18 Amendments to the federal Internal Revenue Code enacted after  
19 December 31, 1994, do not apply to this paragraph with respect to taxable years  
20 beginning after December 31, 1994, and before January 1, 1996, except that  
21 changes to the Internal Revenue Code made by P.L. 104–7, P.L. 104–188, excluding  
22 sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
23 105–34, P.L. 105–206 and, P.L. 105–277, and P.L. 106–554, excluding sections 162  
24 and 165 of P.L. 106–554, and changes that indirectly affect the provisions applicable  
25 to this subchapter made by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204,

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

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

5 71.42 (2) (j) For taxable years that begin after December 31, 1995, and before  
6 January 1, 1997, "Internal Revenue Code" means the federal Internal Revenue Code  
7 as amended to December 31, 1995, excluding sections 103, 104, and 110 of P.L.  
8 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
9 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311,  
10 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.  
11 105-206 and, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.  
12 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
13 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
14 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
15 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
16 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
17 excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191,  
18 P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.  
19 106-554, excluding sections 162 and 165 of P.L. 106-554, except that "Internal  
20 Revenue Code" does not include section 847 of the federal Internal Revenue Code.  
21 The Internal Revenue Code applies for Wisconsin purposes at the same time as for  
22 federal purposes. Amendments to the federal Internal Revenue Code enacted after  
23 December 31, 1995, do not apply to this paragraph with respect to taxable years  
24 beginning after December 31, 1995, and before January 1, 1997, except that  
25 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections

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

9 \*b0685/1.5\* SECTION 2182ds. 71.42 (2) (k) of the statutes is amended to read:  
10 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before  
11 January 1, 1998, “Internal Revenue Code” means the federal Internal Revenue Code  
12 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.  
13 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66  
14 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as  
15 amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and, P.L. 106–36,  
16 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and as indirectly  
17 affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.  
18 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and  
19 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections  
20 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. 105–206, P.L. 105–277 and, P.L. 106–36, and P.L. 106–554,  
24 excluding sections 162 and 165 of P.L. 106–554, except that “Internal Revenue Code”  
25 does not include section 847 of the federal Internal Revenue Code. The Internal

1 Revenue Code applies for Wisconsin purposes at the same time as for federal  
2 purposes. Amendments to the federal Internal Revenue Code enacted after  
3 December 31, 1996, do not apply to this paragraph with respect to taxable years  
4 beginning after December 31, 1996, and before January 1, 1998, except that  
5 changes to the Internal Revenue Code made by 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, and changes that indirectly affect the provisions applicable  
8 to this subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277 and,  
9 P.L. 106–36, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, apply  
10 for Wisconsin purposes at the same time as for federal purposes.

11 \*b0685/1.5\* SECTION 2182dt. 71.42 (2) (L) of the statutes is amended to read:

12 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before  
13 January 1, 1999, “Internal Revenue Code” means the federal Internal Revenue Code  
14 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.  
15 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66  
16 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as  
17 amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,  
18 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573, and  
19 as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L.  
20 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections  
21 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding  
22 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.  
23 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections  
24 1123 (b), 1202 (c) 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.  
25 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.

1 106-36 and, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L.  
2 106-554, and P.L. 106-573, except that "Internal Revenue Code" does not include  
3 section 847 of the federal Internal Revenue Code. The Internal Revenue Code  
4 applies for Wisconsin purposes at the same time as for federal purposes.  
5 Amendments to the federal Internal Revenue Code enacted after December 31, 1997,  
6 do not apply to this paragraph with respect to taxable years beginning after  
7 December 31, 1997, and before January 1, 1999, except that changes to the Internal  
8 Revenue Code made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and,  
9 P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.  
10 106-573 and changes that indirectly affect the provisions applicable to this  
11 subchapter made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.  
12 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.  
13 106-573 apply for Wisconsin purposes at the same time as for federal purposes.

14 **\*b0685/1.5\* SECTION 2182du.** 71.42 (2) (m) of the statutes is amended to read:  
15 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before  
16 January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code  
17 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.  
18 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66  
19 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
20 amended by P.L. 106-36 and, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding  
21 sections 162 and 165 of P.L. 106-554, and P.L. 106-573, and as indirectly affected by  
22 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,  
23 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
24 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
25 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.

1 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f),  
2 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.  
3 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170,  
4 P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.  
5 106–573, except that “Internal Revenue Code” does not include section 847 of the  
6 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin  
7 purposes at the same time as for federal purposes. Amendments to the federal  
8 Internal Revenue Code enacted after December 31, 1998, do not apply to this  
9 paragraph with respect to taxable years beginning after December 31, 1998, and  
10 before January 1, 2000, except that changes to the Internal Revenue Code made by  
11 P.L. 106–36 and, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162  
12 and 165 of P.L. 106–554, and P.L. 106–573 and changes that indirectly affect the  
13 provisions applicable to this subchapter made by P.L. 106–36 and, P.L. 106–170, P.L.  
14 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.  
15 106–573 apply for Wisconsin purposes at the same time as for federal purposes.

16 \*b0685/1.5\* SECTION 2182dv. 71.42 (2) (n) of the statutes is amended to read:

17 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before  
18 January 1, 2001, “Internal Revenue Code” means the federal Internal Revenue Code  
19 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.  
20 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66  
21 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as  
22 amended by P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and  
23 165 of P.L. 106–554, and P.L. 106–573, and as indirectly affected by P.L. 99–514, P.L.  
24 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.  
25 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.

1 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),  
2 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.  
3 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c) 1204 (f), 1311, and 1605 (d)  
4 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178,  
5 P.L. 105–206, P.L. 105–277, P.L. 106–36 and, P.L. 106–170, P.L. 106–200, P.L.  
6 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.  
7 106–573, except that “Internal Revenue Code” does not include section 847 of the  
8 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin  
9 purposes at the same time as for federal purposes. Amendments to the federal  
10 Internal Revenue Code enacted after December 31, 1999, do not apply to this  
11 paragraph with respect to taxable years beginning after December 31, 1999, and  
12 before January 1, 2001, except that changes to the Internal Revenue Code made by  
13 P.L. 106–200, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.  
14 106–554, and P.L. 106–573 and changes that indirectly affect the provisions  
15 applicable to this subchapter made by P.L. 106–200, P.L. 106–230, P.L. 106–554,  
16 excluding sections 162 and 165 of P.L. 106–554, and P.L. 106–573 apply for Wisconsin  
17 purposes at the same time as for federal purposes.

18 \*b0685/1.5\* SECTION 2182dw. 71.42 (2) (o) of the statutes is created to read:  
19 71.42 (2) (o) For taxable years that begin after December 31, 2000, “Internal  
20 Revenue Code” means the federal Internal Revenue Code as amended to  
21 December 31, 2000, excluding sections 103, 104, and 110 of P.L. 102–227, sections  
22 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123  
23 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as indirectly affected  
24 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,  
25 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.

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

12 \*–0538/2.3\* SECTION 2183. 71.42 (3d) of the statutes is created to read:

13 71.42 (3d) “Member” does not include a member of a limited liability company  
14 treated as a corporation under s. 71.22 (1).

15 \*–0538/2.4\* SECTION 2184. 71.42 (3h) of the statutes is created to read:

16 71.42 (3h) “Partner” does not include a partner of a publicly traded partnership  
17 treated as a corporation under s. 71.22 (1).

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

19 71.45 (2) (a) 13. By adding or subtracting, as appropriate, the difference  
20 between the depreciation deduction under the federal Internal Revenue Code as  
21 amended to December 31, ~~1999~~ 2000, and the depreciation deduction under the  
22 federal Internal Revenue Code in effect for the taxable year for which the return is  
23 filed, so as to reflect the fact that the insurer may choose between these 2 deductions,  
24 except that property first placed in service by the taxpayer on or after  
25 January 1, 1983, but before January 1, 1987, that, under s. 71.04 (15) (b) and (br),



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

7 \***-1059/6.25\* SECTION 2185.** 71.45 (3) (intro.) of the statutes is amended to  
8 read:

9 71.45 (3) APPORTIONMENT. (intro.) ~~With respect~~ Except as provided in sub. (3d),  
10 to determine Wisconsin income for purposes of the franchise tax, domestic insurers  
11 not engaged in the sale of life insurance but which that, in the taxable year, have  
12 collected received premiums, other than life insurance premiums, written on  
13 subjects of for insurance on property or risks resident, located or to be performed  
14 outside this state, there shall be subtracted from multiply the net income figure  
15 derived by application of sub. (2) (a) to arrive at Wisconsin income constituting the  
16 measure of the franchise tax an amount calculated by multiplying such adjusted  
17 federal taxable income by the arithmetic average of the following 2 percentages:

18 \***-1059/6.26\* SECTION 2186.** 71.45 (3) (a) of the statutes is amended to read:

19 71.45 (3) (a) The Subject to sub. (3d), the percentage of total determined by  
20 dividing the sum of direct premiums written on all property and risks for insurance  
21 other than life insurance, with respect<sup>s</sup> to all property and risks resident, located,  
22 or to be performed in this state, and assumed premiums written for reinsurance,  
23 other than life insurance, with respect to all property and risks resident, located, or  
24 to be performed in this state, by the sum of direct premiums written for insurance  
25 on all property and risks, other than life insurance, wherever located during the

1 ~~taxable year, as reflects, and assumed~~ premiums written on insurance for  
2 ~~reinsurance on all property and risks,~~ other than life insurance, where the subject  
3 of insurance was resident, located or to be performed outside this state ~~wherever~~  
4 ~~located.~~ In this paragraph, “direct premiums” means direct premiums as reported  
5 for the taxable year on an annual statement that is filed by the insurer with the  
6 commissioner of insurance under s. 601.42 (1g) (a). In this paragraph, “assumed  
7 premiums” means assumed reinsurance premiums from domestic insurance  
8 companies as reported for the taxable year on an annual statement that is filed with  
9 the commissioner of insurance under s. 601.42 (1g) (a).

10 \*~~1059/6.27~~\* SECTION 2187. 71.45 (3) (b) of the statutes is renumbered 71.45

11 (3) (b) 1. and amended to read:

12 71.45 (3) (b) 1. The ~~Subject to sub. (3d), the percentage of determined by~~  
13 ~~dividing the payroll, exclusive of life insurance payroll, paid in this state in the~~  
14 ~~taxable year by total payroll, exclusive of life insurance payroll, paid everywhere in~~  
15 ~~the taxable year as reflects such compensation paid outside this state.~~  
16 ~~Compensation.~~

17 2. Under subd. 1., payroll is paid ~~outside in~~ this state if the individual’s service  
18 is performed entirely ~~outside in~~ this state; or the individual’s service is performed  
19 both ~~within and without in and outside~~ this state, but the service performed ~~within~~  
20 ~~outside this state~~ is incidental to the individual’s service ~~without in~~ this state; or  
21 some service is performed ~~without in~~ this state and the base of operations, or if there  
22 is no base of operations, the place from which the service is directed or controlled is  
23 ~~without in~~ this state, or the base of operations or the place from which the service is  
24 directed or controlled is not in any state in which some part of the service is  
25 performed, but the individual’s residence is ~~outside in~~ this state.