

1 51.30 (4) (b) 10m. To the department of justice or a district attorney under s.
2 980.015 (3) (b), if the treatment records are maintained by an agency with
3 jurisdiction, as defined in s. ~~980.015 (1)~~ 980.01 (1d), that has control or custody over
4 a person who may meet the criteria for commitment as a sexually violent person
5 under ch. 980.”

6 ***b0741/2.3* 883.** Page 656, line 11: delete lines 11 to 22 and substitute:

7 ***b0741/2.3* “SECTION 1968d.** 51.42 (3) (ar) 4m. of the statutes is amended to
8 read:

9 51.42 (3) (ar) 4m. If state, federal, and county funding for alcohol and other
10 drug abuse treatment services provided under subd. 4. are insufficient to meet the
11 needs of all eligible individuals, ensure that first priority for services is given to
12 pregnant women who suffer from alcoholism or alcohol abuse or are drug dependent
13 and that second priority be given to individuals who are 20 years of age were eligible
14 for the medical assistance program under s. 49.46 (1) (a) 5m. but became ineligible
15 for the program solely because they attained the age of 20.

16 ***b0741/2.3* SECTION 1968dh.** 51.42 (3) (ar) 4p. of the statutes is created to
17 read:

18 51.42 (3) (ar) 4p. If state, federal, and county funding for mental health services
19 provided under subd. 4. are insufficient to meet the needs of all eligible individuals,
20 ensure that first priority for services is given to individuals who are 20 years of age
21 and were eligible for the medical assistance program under s. 49.46 (1) (a) 5m. but
22 became ineligible for the program solely because they attained the age of 20.”

23 ***b0957/1.6* 884.** Page 665, line 20: after that line insert:

24 ***b0957/1.6* “SECTION 2001r.** 59.52 (29) (c) of the statutes is created to read:

1 59.52 (29) (c) If a county enacts an ordinance or adopts a resolution that
2 authorizes preferences or set-asides to minority businesses in the awarding of a
3 public work contract under par. (a), the ordinance or resolution shall require that the
4 minority business be certified by the department of commerce under s. 560.036 (2).

5 ***b0957/1.6* SECTION 2002j.** 59.57 (1) (b) of the statutes is amended to read:

6 59.57 (1) (b) If a county with a population of 500,000 or more appropriates
7 money under par. (a) to fund nonprofit agencies, the county shall have a goal of
8 expending 20% of the money appropriated for this purpose to fund a nonprofit agency
9 that is actively managed by minority group members, as defined in s. 560.036 (1) (f),
10 a minority business certified by the department of commerce under s. 560.036 (2) and
11 that principally serves minority group members.”.

12 ***b0770/2.8* 885.** Page 669, line 17: after that line insert:

13 ***b0770/2.8* “SECTION 2003t.** 60.61 (2) (j) of the statutes is created to read:

14 60.61 (2) (j) Authorize burials under s. 157.066.

15 ***b0770/2.8* SECTION 2003x.** 62.23 (7) (c) of the statutes is amended to read:

16 62.23 (7) (c) *Purposes in view.* Such regulations shall be made in accordance
17 with a comprehensive plan and designed to lessen congestion in the streets; to secure
18 safety from fire, panic and other dangers; to promote health and the general welfare;
19 to provide adequate light and air, including access to sunlight for solar collectors and
20 to wind for wind energy systems; to encourage the protection of groundwater
21 resources; to prevent the overcrowding of land; to avoid undue concentration of
22 population; to facilitate the adequate provision of transportation, water, sewerage,
23 schools, parks and other public requirements; to authorize burials if an ordinance is
24 enacted under s. 157.066; and to preserve burial sites, as defined in s. 157.70 (1) (b).

1 Such regulations shall be made with reasonable consideration, among other things,
2 of the character of the district and its peculiar suitability for particular uses, and
3 with a view to conserving the value of buildings and encouraging the most
4 appropriate use of land throughout such city.”.

5 *b0820/1.1* **886.** Page 669, line 17: after that line insert:

6 *b0820/1.1* “SECTION 2003s. 60.23 (32) of the statutes is created to read:

7 60.23 (32) TOWN TAX INCREMENT POWERS. If the town is located in a county which
8 does not have any cities or villages, exercise all powers of cities under s. 66.1105. If
9 the town board exercises the powers of a city under s. 66.1105, it is subject to the same
10 duties as a common council under s. 66.1105 and the town is subject to the same
11 duties and liabilities as a city under s. 66.1105.”.

12 *b0957/1.7* **887.** Page 669, line 17: after that line insert:

13 *b0957/1.7* “SECTION 2003t. 60.47 (7) of the statutes is created to read:

14 60.47 (7) MINORITY CONTRACTING. If a town board enacts an ordinance or adopts
15 a resolution that authorizes preferences or set-asides to minority businesses in the
16 awarding of a public work contract under subs. (2) and (3), the ordinance or
17 resolution shall require that the minority business be certified by the department of
18 commerce under s. 560.036 (2).

19 *b0957/1.7* SECTION 2003up. 61.55 of the statutes is renumbered 61.55 (1)
20 and amended to read:

21 61.55 (1) All contracts for public construction, in any such village, exceeding
22 \$15,000, shall be let by the village board to the lowest responsible bidder in
23 accordance with s. 66.0901 insofar as said that section ~~may be~~ is applicable. If the
24 estimated cost of any public construction exceeds \$5,000, but is not greater than

1 \$15,000, the village board shall give a class 1 notice, under ch. 985, of the proposed
2 construction before the contract for the construction is executed.

3 **(2)** This provision does not apply to public construction if the materials for such
4 a project are donated or if the labor for such a project is provided by volunteers, and
5 this provision and s. 281.41 are not mandatory for the repair and reconstruction of
6 public facilities when damage or threatened damage thereto creates an emergency,
7 as determined by resolution of the village board, in which the public health or welfare
8 of the village is endangered. Whenever the village board by majority vote at a regular
9 or special meeting declares that an emergency no longer exists, this exemption no
10 longer applies.

11 ***b0957/1.7* SECTION 2003uq.** 61.55 (3) of the statutes is created to read:

12 61.55 (3) If a village board enacts an ordinance or adopts a resolution that
13 authorizes preferences or set-asides to minority businesses in the awarding of a
14 public work contract under sub. (1), the ordinance or resolution shall require that the
15 minority business be certified by the department of commerce under s. 560.036 (2).

16 ***b0957/1.7* SECTION 2003vp.** 62.15 (1) of the statutes is renumbered 62.15 (1)
17 (a) and amended to read:

18 62.15 (1) CONTRACTS; HOW LET; EXCEPTION FOR DONATED MATERIALS AND LABOR. (a)
19 All public construction, the estimated cost of which exceeds \$15,000, shall be let by
20 contract to the lowest responsible bidder; ~~all.~~ All other public construction shall be
21 let as the council may direct. If the estimated cost of any public construction exceeds
22 \$5,000 but is not greater than \$15,000, the board of public works shall give a class
23 1 notice, under ch. 985, of the proposed construction before the contract for the
24 construction is executed.

1 (b) This provision does not apply to public construction if the materials for such
2 a project are donated or if the labor for such a project is provided by volunteers. The
3 council may also by a vote of three-fourths of all the members-elect provide by
4 ordinance that any class of public construction or any part thereof may be done
5 directly by the city without submitting the same for bids.

6 ***b0957/1.7* SECTION 2003vq.** 62.15 (1) (c) of the statutes is created to read:

7 62.15 (1) (c) If a council enacts an ordinance or adopts a resolution that
8 authorizes preferences or set-asides to minority businesses in the awarding of a
9 public work contract under par. (a), the ordinance or resolution shall require that the
10 minority business be certified by the department of commerce under s. 560.036 (2).”.

11 ***b0982/2.6* 888.** Page 669, line 17: after that line insert:

12 ***b0982/2.6* “SECTION 2003v.** 60.24 (3) (a) of the statutes is amended to read:

13 60.24 (3) (a) Nominate individuals for service as election officials to the town
14 board whenever the town board disapproves the nominee of a party committee under
15 s. 7.30 (4) and the names of additional nominees are not available or whenever the
16 town board determines to appoint reserve inspectors under s. 7.30 (1).”.

17 ***b1221/3.1* 889.** Page 669, line 17: after that line insert:

18 ***b1221/3.1* “SECTION 2003v.** 62.13 (5) (c) of the statutes is amended to read:

19 62.13 (5) (c) A subordinate may be suspended for just cause, as described in par.
20 (em), by the chief or the board as a penalty. The chief shall file a report of ~~sueh~~ the
21 suspension with the commission immediately upon issuing the suspension. No
22 hearing on ~~sueh~~ the suspension shall be held unless requested by the suspended
23 subordinate. If the subordinate suspended by the chief requests a hearing before the
24 board or before an arbitrator appointed by the Wisconsin employment relations

1 commission, the chief shall be required to file the charges with the board or arbitrator
2 upon which such suspension was based.

3 *b1221/3.1* SECTION 2003vb. 62.13 (5) (d) of the statutes is amended to
4 read:

5 62.13 (5) (d) Following the filing of charges in any case, a copy thereof shall be
6 served upon the person charged. ~~The board shall set date for hearing not less than~~
7 ~~10 days nor more than 30 days following service of charges.~~ The hearing on the
8 charges shall be public, and both the accused and the complainant may be
9 represented by an attorney and may compel the attendance of witnesses by
10 subpoenas which shall be issued by ~~the president of the board on request~~ and be
11 served as are subpoenas under ch. 885. The board or arbitrator shall render a final
12 decision on the charges no later than 180 days after the date on which the hearing
13 commences.

14 *b1221/3.1* SECTION 2003vd. 62.13 (5) (e) of the statutes is amended to read:

15 62.13 (5) (e) ~~If the board determines that the charges are not sustained, the~~
16 ~~accused, if suspended, shall be immediately reinstated and all lost pay restored. If~~
17 ~~the board determines that the charges are sustained, the accused, by order of the~~
18 ~~board, may be suspended or reduced in rank, or suspended and reduced in rank, or~~
19 ~~removed, as the good of the service may require.~~

20 *b1221/3.1* SECTION 2003vf. 62.13 (5) (em) (intro.) of the statutes is amended
21 to read:

22 62.13 (5) (em) (intro.) No subordinate may be suspended, reduced in rank,
23 suspended and reduced in rank, or removed ~~by the board under par. (e), based on~~
24 ~~charges filed by the board, members of the board, an aggrieved person or the chief~~
25 ~~under par. (b), unless the board determines whether there is just cause, as described~~

1 in this paragraph, to sustain the charges. In making its determination, the board
2 or arbitrator shall apply the following standards, to the extent applicable:

3 *b1221/3.1* SECTION 2003vh. 62.13 (5) (g) of the statutes is amended to read:

4 62.13 (5) (g) Further rules for the administration of this subsection may be
5 made by the board or collectively bargained with the representative of the collective
6 bargaining unit of which subordinates are members.

7 *b1221/3.1* SECTION 2003vj. 62.13 (5) (i) of the statutes is amended to read:

8 62.13 (5) (i) ~~Any~~ If any person is suspended, reduced, suspended and reduced,
9 or removed by the board, the person or any labor organization that represents such
10 a person may appeal from the order of the board to the circuit court by serving written
11 notice of the appeal on the secretary of the board within 10 days after the order is filed
12 or by filing a motion with the circuit court under s. 788.13. Within 5 days after
13 receiving written notice of the appeal, the board or arbitrator shall certify to the clerk
14 of the circuit court the record of the proceedings, including all documents, testimony
15 and minutes. The action shall then be at issue and shall have precedence over any
16 other cause of a different nature pending in the court, which shall always be open to
17 the trial thereof. The court shall upon application of the accused or of the board fix
18 a date of trial, which shall not be later than 15 days after such application except by
19 agreement. The trial shall be by the court and upon the return of the board, except
20 that the court may require further return or the taking and return of further
21 evidence by the board. The question to be determined by the court shall be: Upon the
22 evidence is there just cause, as described under par. (em), to sustain the charges
23 against the accused? No costs shall be allowed either party and the clerk's fees shall
24 be paid by the city. If the order of the board is reversed, the accused shall be forthwith

1 reinstated and entitled to pay as though in continuous service. If the order of the
2 board is sustained it shall be final and conclusive.”.

3 *b0826/1.1* **890.** Page 669, line 18: after that line insert:

4 *b0826/1.1* “SECTION 2004e. 62.51 (1) (a) of the statutes is amended to read:

5 62.51 (1) (a) “Public office” means the following positions or their equivalent:
6 city engineer; city comptroller; city purchasing agent; commissioner of building
7 inspection, of city development, of health, or of public works; director of
8 administration, of budget and management, of community development agency, of
9 employee relations, of office of telecommunications, or of safety; emergency
10 management coordinator; employee benefits administrator; executive director of the
11 commission on community relations; municipal port director; commissioner of
12 assessments; director of liaison; city personnel director; executive director of the
13 retirement board; executive director of the city board of election commissioners; city
14 librarian; city labor negotiator; executive secretary of the board of fire and police
15 commissioners; and supervisor of the central electronics board.”.

16 *b1026/1.2* **891.** Page 676, line 9: after that line insert:

17 *b1026/1.2* “SECTION 2014mn. 66.0137 (4) of the statutes is amended to read:

18 66.0137 (4) SELF-INSURED HEALTH PLANS. If a city, including a 1st class city, or
19 a village provides health care benefits under its home rule power, or if a town
20 provides health care benefits, to its officers and employees on a self-insured basis,
21 the self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
22 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and (5),
23 632.895 (9) to ~~(14)~~ (15), 632.896, and 767.25 (4m) (d).”.

1 ***b0975/1.1* 892.** Page 677, line 19: delete the material beginning with that
2 line and ending with page 678, line 10.

3 ***b0808/1.1* 893.** Page 678, line 16: delete “~~may~~” and substitute “may”.

4 ***b0808/1.2* 894.** Page 678, line 17: delete “shall”.

5 ***b0808/1.3* 895.** Page 678, line 19: delete “states whether”.

6 ***b0808/1.4* 896.** Page 678, line 19: delete “in the public interest or”.

7 ***b0808/1.5* 897.** Page 678, line 20: delete “is against” and substitute
8 “against”.

9 ***b0808/1.6* 898.** Page 678, line 21: delete “in or”.

10 ***b0816/1.1* 899.** Page 680, line 5: after that line insert:

11 ***b0816/1.1* SECTION 2021.** 66.0627 (title) of the statutes is amended to read:
12 **66.0627 (title) Special charges for current services.**

13 ***b0816/1.1* SECTION 2022.** 66.0627 (2) of the statutes is amended to read:

14 66.0627 (2) Except as provided in sub. (5), the governing body of a city, village
15 or town may impose a special charge against real property for ~~current services that~~
16 are available, regardless of whether the services are actually rendered, by allocating
17 all or part of the cost of the service to the property that is served or that is eligible
18 to be served. The authority under this section is in addition to any other method
19 provided by law.

20 ***b0816/1.1* SECTION 2023.** 66.0707 (2) of the statutes is amended to read:

21 66.0707 (2) A city, village or town may impose a special charge under s. 66.0627
22 against real property in an adjacent city, village or town that is served by ~~current~~
23 services that are available, regardless of whether the services are actually rendered

1 by the municipality imposing the special charge if the municipality in which the
2 property is located approves the imposition by resolution. The owner of the property
3 is entitled to the use and enjoyment of the service for which the special charge is
4 imposed on the same conditions as the owner of property within the city, village or
5 town.”.

6 *b0824/1.1* **900.** Page 680, line 5: after that line insert:

7 *b0824/1.1* “SECTION 2020s. 66.0501 (4) of the statutes is amended to read:

8 66.0501 (4) COMPATIBLE OFFICES AND POSITIONS. A volunteer fire fighter,
9 emergency medical technician or first responder in a city, village or town whose
10 annual compensation, including fringe benefits, does not exceed \$2,500 the amount
11 specified in s. 946.13 (2) (a) may also hold an ~~elected~~ elective office in that city, village
12 or town.”.

13 *b0898/2.22* **901.** Page 680, line 5: after that line insert:

14 *b0898/2.22* “SECTION 2019t. 66.0301 (1) (a) of the statutes is amended to
15 read:

16 66.0301 (1) (a) In this section “municipality” means the state or any
17 department or agency thereof, or any city, village, town, county, school district, public
18 library system, public inland lake protection and rehabilitation district, sanitary
19 district, farm drainage district, metropolitan sewerage district, sewer utility district,
20 solid waste management system created under s. 59.70 (2), local exposition district
21 created under subch. II of ch. 229, local professional baseball park district created
22 under subch. III of ch. 229, local professional football stadium district created under
23 subch. IV of ch. 229, a local cultural arts district created under subch. V of ch. 229,
24 family care district under s. 46.2895, water utility district, mosquito control district,

1 municipal electric company, county or city transit commission, commission created
2 by contract under this section, taxation district, or regional planning commission, or
3 the Milwaukee County child welfare district under s. 48.562.”

4 *b0957/1.8* **902.** Page 680, line 5: after that line insert:

5 *b0957/1.8* “SECTION 2026k. 66.0901 (6) of the statutes is amended to read:

6 66.0901 (6) SEPARATION OF CONTRACTS; CLASSIFICATION OF CONTRACTORS. In public
7 contracts for the construction, repair, remodeling, or improvement of a public
8 building or structure, other than highway structures and facilities, a municipality
9 may bid projects based on a single or multiple division of the work. Public contracts
10 shall be awarded according to the division of work selected for bidding. The
11 municipality may set out in any public contract reasonable and lawful conditions as
12 to the hours of labor, wages, residence, character, and classification of workers to be
13 employed by any contractor, classify contractors as to their financial responsibility,
14 competency, and ability to perform work, and set up a classified list of contractors.
15 The municipality may reject the bid of any person, if the person has not been
16 classified for the kind or amount of work in the bid. If one of the conditions a
17 municipality imposes under a contract that is let under this section authorizes
18 preferences or set-asides to minority businesses in the awarding of a contract under
19 this section, the condition shall require that the minority business be certified by the
20 department of commerce under s. 560.036 (2).”

21 *b1043/1.3* **903.** Page 680, line 5: after that line insert:

22 *b1043/1.3* “SECTION 2020n. 66.0301 (1) (a) of the statutes is amended to
23 read:

1 66.0301 (1) (a) In this section “municipality” means the state or any
2 department or agency thereof, or any city, village, town, county, school district, public
3 library system, public inland lake protection and rehabilitation district, sanitary
4 district, farm drainage district, metropolitan sewerage district, sewer utility district,
5 solid waste management system created under s. 59.70 (2), local exposition district
6 created under subch. II of ch. 229, local professional baseball park district created
7 under subch. III of ch. 229, local professional football stadium district created under
8 subch. IV of ch. 229, a local cultural arts district created under subch. V of ch. 229,
9 family care district under s. 46.2895, water utility district, mosquito control district,
10 municipal electric company, county or city transit commission, commission created
11 by contract under this section, taxation district ~~or~~, regional planning commission, or
12 city-county health department.”.

13 ***b0953/1.1* 904.** Page 681, line 7: after that line insert:

14 ***b0953/1.1* “SECTION 2026nz.** 66.0903 (3) (am) of the statutes is amended to
15 read:

16 66.0903 (3) (am) A local governmental unit, before making a contract by direct
17 negotiation or soliciting bids on a contract, for the erection, construction, remodeling,
18 repairing or demolition of any project of public works, including a highway, street or
19 bridge construction project, shall apply to the department to determine the
20 prevailing wage rate for each trade or occupation required in the work contemplated.
21 The department shall conduct investigations and hold public hearings as necessary
22 to define the trades or occupations that are commonly employed on projects that are
23 subject to this section and to inform itself as to the prevailing wage rates in all areas
24 of the state for those trades or occupations, in order to determine the prevailing wage

1 rate for each trade or occupation. In defining those trades or occupations, the
2 department may not define swimming pool installer as a separate trade or
3 occupation for purposes of determining the prevailing wage rates for the trades or
4 occupations that are commonly employed in the construction of swimming pools. The
5 department shall issue its determination within 30 days after receiving the request
6 and shall file the determination with the requesting local governmental unit.”.

7 *b0986/1.2* **905.** Page 682, line 9: delete lines 10 to 22.

8 *b0820/1.2* **906.** Page 682, line 22: after that line insert:

9 *b0820/1.2* “SECTION 2029sb. 66.1105 (2) (f) 3. of the statutes is amended to
10 read:

11 66.1105 (2) (f) 3. Notwithstanding subd. 1., project costs may not include any
12 expenditures made or estimated to be made or monetary obligations incurred or
13 estimated to be incurred by the city for newly platted residential development for any
14 tax incremental district for which a project plan is approved after September 30,
15 1995, or for which an amendment of a project plan is approved after the effective date
16 of this subdivision [revisor inserts date].

17 *b0820/1.2* SECTION 2029sc. 66.1105 (2) (i) of the statutes is amended to read:

18 66.1105 (2) (i) “Tax increment” means that amount obtained by multiplying the
19 total county, city, school and other local general property taxes levied on all taxable
20 property within a tax incremental district in a year by a fraction having as a
21 numerator the value increment for that year in the district and as a denominator that
22 year’s equalized value of all taxable property in the district. In any year, a tax
23 increment is “positive” if the value increment is positive; it is “negative” if the value
24 increment is negative. With regard to a tax incremental district that has been

1 declared an industrial district under sub. (4) (gm) 6., the calculation under this
2 paragraph may not include the value of any residential property and may not include
3 the value of any improved property on which more than 35% of the improved square
4 footage is devoted to retail operations, including any storage areas or warehouses
5 that contain merchandise that could be sold on-site at retail as part of an on-site
6 retail operation.

7 ***b0820/1.2* SECTION 2029sd.** 66.1105 (2) (j) of the statutes is amended to read:

8 66.1105 (2) (j) “Tax incremental base” means the aggregate value, as equalized
9 by the department of revenue, of all taxable property located within a tax
10 incremental district on the date as of which the district is created, determined as
11 provided in sub. (5) (b). The base of districts created before October 1, 1980, does not
12 include the value of property exempted under s. 70.111 (17). With regard to a tax
13 incremental district that has been declared an industrial district under sub. (4) (gm)
14 6., the calculation under this paragraph may not include the value of any residential
15 property and may not include the value of any improved property on which more than
16 35% of the improved square footage is devoted to retail operations, including any
17 storage areas or warehouses that contain merchandise that could be sold on-site at
18 retail as part of an on-site retail operation.

19 ***b0820/1.2* SECTION 2029se.** 66.1105 (3) (g) of the statutes is created to read:

20 66.1105 (3) (g) Create a standing joint review board that may remain in
21 existence for the entire time that any tax incremental district exists in the city. All
22 of the provisions that apply to a joint review board that is convened under sub. (4m)
23 (a) apply to a standing joint review board that is created under this paragraph. A
24 city may disband a joint review board that is created under this paragraph at any
25 time.

1 ***b0820/1.2* SECTION 2029sf.** 66.1105 (4) (gm) 1. of the statutes is amended to
2 read:

3 66.1105 (4) (gm) 1. Describes the boundaries, which may, but need not, be the
4 same as those recommended by the planning commission, of a tax incremental
5 district with sufficient definiteness to identify with ordinary and reasonable
6 certainty the territory included in the district. The boundaries of the tax incremental
7 district may not include any territory that was not within the boundaries of the city
8 on January 1, 2000, unless 3 years have elapsed since the territory was annexed by
9 the city or unless the city enters into a cooperative plan boundary agreement, under
10 s. 66.0307, with the town from which the territory was annexed. If the city enters
11 into a cooperative plan boundary agreement under s. 66.0307 with the town, the city
12 may compensate the town for tax revenues lost by the town as a result of annexation.
13 The boundaries shall include only those whole units of property as are assessed for
14 general property tax purposes. Property standing vacant for an entire 7-year period
15 immediately preceding adoption of the resolution creating a tax incremental district
16 may not comprise more than 25% of the area in the tax incremental district, unless
17 the tax incremental district is suitable for industrial sites under subd. 4. a. and the
18 local legislative body implements an approved project plan to promote industrial
19 development within the meaning of s. 66.1101. In this subdivision, “vacant property”
20 includes property where the fair market value or replacement cost value of structural
21 improvements on the parcel is less than the fair market value of the land. In this
22 subdivision, “vacant property” does not include property acquired by the local
23 legislative body under ch. 32 or property included within the abandoned Park East
24 freeway corridor or the abandoned Park West freeway corridor in Milwaukee County.

1 ***b0820/1.2* SECTION 2029sg.** 66.1105 (4) (gm) 4. c. of the statutes is amended
2 to read:

3 66.1105 (4) (gm) 4. c. Either the equalized value of taxable property of the
4 district plus all existing districts does not exceed 7% of the total equalized value of
5 taxable property within the city or the equalized value of taxable property of the
6 district plus the value increment of all existing districts within the city does not
7 exceed 5% of the total equalized value of taxable property within the city. The
8 calculations required under this subd. 4. c. shall be based on the most recent values
9 of taxable property of the district that are certified by the department of revenue as
10 of the year in which a resolution is adopted under this paragraph.

11 ***b0820/1.2* SECTION 2029sh.** 66.1105 (4) (gm) 6. of the statutes is created to
12 read:

13 66.1105 (4) (gm) 6. Declares that the district is a blighted area district, a
14 rehabilitation or conservation district, or an industrial district, based on the
15 identification and classification of the property included within the district under
16 par. (c) and subd. 4. a. If the district is not exclusively blighted, rehabilitation or
17 conservation, or industrial, the declaration under this subdivision shall be based on
18 which classification is predominant with regard to the area described in subd. 4. a.

19 ***b0820/1.2* SECTION 2029si.** 66.1105 (4) (h) 2. of the statutes is amended to
20 read:

21 66.1105 (4) (h) 2. Except as provided in subds. 3. and 4., not more than once
22 during the 10 years after the creation of a tax incremental district that was created
23 before October 1, 1995 or 7 years after the date on which any other tax incremental
24 district is created, the planning commission may adopt an amendment to a project
25 plan under subd. 1. to modify the district's boundaries by subtracting territory from

1 the district or by adding territory to the district that is contiguous to the district and
2 that is served by public works or improvements that were created as part of the
3 district's project plan. Expenditures for project costs that are incurred because of an
4 amendment to a project plan to which this subdivision applies may be made for not
5 more than 3 years after the date on which the local legislative body adopts a
6 resolution amending the project plan.

7 *b0820/1.2* SECTION 2029sj. 66.1105 (4m) (a) of the statutes is amended to
8 read:

9 66.1105 (4m) (a) Any city that seeks to create a tax incremental district or
10 amend a project plan shall convene a temporary joint review board under this
11 paragraph, or a standing joint review board under sub. (3) (g), to review the proposal.
12 The Except as provided in par. (am), the board shall consist of one representative
13 chosen by the school district that has power to levy taxes on the property within the
14 tax incremental district, one representative chosen by the technical college district
15 that has power to levy taxes on the property within the tax incremental district, one
16 representative chosen by the county that has power to levy taxes on the property
17 within the tax incremental district, one representative chosen by the city and one
18 public member. If more than one school district, more than one union high school
19 district, more than one elementary school district, more than one technical college
20 district or more than one county has the power to levy taxes on the property within
21 the tax incremental district, the unit in which is located property of the tax
22 incremental district that has the greatest value shall choose that representative to
23 the board. The public member and the board's chairperson shall be selected by a
24 majority of the other board members before the public hearing under sub. (4) (a) or
25 (h) 1. is held. All board members shall be appointed and the first board meeting held

1 within 14 days after the notice is published under sub. (4) (a) or (h) 1. Additional
2 meetings of the board shall be held upon the call of any member. The city that seeks
3 to create the tax incremental district or to amend its project plan shall provide
4 administrative support for the board. By majority vote, the board may disband
5 following approval or rejection of the proposal, unless the board is a standing board
6 that is created by the city under sub. (3) (g).

7 *b0820/1.2* SECTION 2029sk. 66.1105 (4m) (am) of the statutes is created to
8 read:

9 66.1105 (4m) (am) If a city seeks to create a tax incremental district that is
10 located in a union high school district, the seat that is described under par. (a) for the
11 school board representative to the board shall be held by 2 representatives, each of
12 whom has one-half of a vote. One representative shall be chosen by the union high
13 school district that has the power to levy taxes on the property within the tax
14 incremental district and one representative shall be chosen by the elementary school
15 district that has the power to levy taxes on the property within the tax incremental
16 district.

17 *b0820/1.2* SECTION 2029sL. 66.1105 (4m) (b) 2. of the statutes is amended
18 to read:

19 66.1105 (4m) (b) 2. Except as provided in subd. 2m. and subject to subd. 4., no
20 tax incremental district may be created and no project plan may be amended unless
21 the board approves the resolution adopted under sub. (4) (gm) or (h) 1. by a majority
22 vote not less than ~~10 days nor more than 30~~ 14 days after receiving the resolution.
23 The board may not approve the resolution under this subdivision unless the board's
24 approval contains a positive assertion that, in its judgment, the development

1 described in the documents the board has reviewed under subd. 1. would not occur
2 without the creation of a tax incremental district.

3 *b0820/1.2* SECTION 2029sm. 66.1105 (4m) (b) 2m. of the statutes is amended
4 to read:

5 66.1105 (4m) (b) 2m. The requirement under subd. 2. that a vote by the board
6 take place not less than ~~10 days nor more than 30~~ 14 days after receiving a resolution
7 does not apply to a resolution amending a project plan under sub. (4) (h) 1. if the
8 resolution relates to a tax incremental district, the application for the
9 redetermination of the tax incremental base of which was made in 1998, that is
10 located in a village that was incorporated in 1912, has a population of at least 3,800
11 and is located in a county with a population of at least 108,000.

12 *b0820/1.2* SECTION 2029sn. 66.1105 (4m) (b) 4. of the statutes is created to
13 read:

14 66.1105 (4m) (b) 4. Not later than 5 working days after submitting its decision
15 under subd. 3., any member of the board may request that the department of revenue
16 review any of the documents listed in subd. 1. to determine whether the information
17 submitted to the board complies with this section or whether any of the information
18 contains a factual inaccuracy. The request must be in writing and must specify which
19 particular fact or item the member believes is incomplete or inaccurate. Not later
20 than 5 working days after receiving a request that complies with the requirements
21 of this subdivision, the department of revenue shall investigate the issues raised in
22 the request and shall send its written response to the board. If the department of
23 revenue determines that the information in the proposal does not comply with this
24 section or contains a factual inaccuracy, the department shall return the proposal to
25 the board. The board shall request that the city resolve the problems in its proposal

1 and resubmit the proposal to the board. The board shall review the resubmitted
2 proposal and vote to approve or deny the proposal as specified in this paragraph.

3 ***b0820/1.2* SECTION 2029so.** 66.1105 (4m) (b) 5. of the statutes is created to
4 read:

5 66.1105 (4m) (b) 5. The board shall notify prospectively the governing body of
6 every local governmental unit that is not represented on the board, and that has
7 power to levy taxes on the property within the tax incremental district, of meetings
8 of the board and of the agendas of each meeting for which notification is given.

9 ***b0820/1.2* SECTION 2029sp.** 66.1105 (4m) (d) of the statutes is created to
10 read:

11 66.1105 (4m) (d) During the 15th year of the tax incremental district's
12 existence, the board may recommend to the department of revenue that a tax
13 incremental district that is suitable for industrial sites under sub. (4) (gm) 4. a. be
14 allowed to remain in existence for up to 5 years after the date on which it would
15 otherwise be required to terminate, for a total of up to 10 years after the last
16 expenditure in the district's project plan is made, as described in sub. (7) (ae). The
17 board may make such a recommendation only if it reviews and reapproves the
18 findings under sub. (4) (gm) 4. c. and reapproves its decision under par. (c).

19 ***b0820/1.2* SECTION 2029sq.** 66.1105 (5) (a) of the statutes is amended to
20 read:

21 66.1105 (5) (a) ~~Upon~~ Subject to sub. (8) (d), upon the creation of a tax
22 incremental district or upon adoption of any amendment subject to par. (c), its tax
23 incremental base shall be determined as soon as reasonably possible.

24 ***b0820/1.2* SECTION 2029sr.** 66.1105 (5) (b) of the statutes is amended to read:

1 66.1105 (5) (b) Upon application in writing by the city clerk, in a form
2 prescribed by the department of revenue, the department shall determine according
3 to its best judgment from all sources available to it the full aggregate value of the
4 taxable property and, except as provided in par. (bm), of the city-owned property in
5 the tax incremental district. ~~The Subject to sub. (8) (d), the department shall certify~~
6 ~~this aggregate valuation to the city clerk, and the aggregate valuation constitutes the~~
7 ~~tax incremental base of the tax incremental district. The city clerk shall complete~~
8 ~~these forms, including forms for the amendment of a project plan, and submit the~~
9 ~~application or amendment forms on or before December 31 of the year the tax~~
10 ~~incremental district is created, as defined in sub. (4) (gm) 2. or, in the case of an~~
11 ~~amendment, on or before December 31 of the year in which the changes to the project~~
12 ~~plan take effect.~~

13 ***b0820/1.2* SECTION 2029st.** 66.1105 (5) (c) of the statutes is amended to read:
14 66.1105 (5) (c) If the city adopts an amendment to the original project plan for
15 any district which includes additional project costs at least part of which will be
16 incurred after the period specified in sub. (6) (am) 1., the tax incremental base for the
17 district shall be redetermined, if sub. (4) (h) 2., 3. or 4. applies to the amended project
18 plan, by adding to the tax incremental base the value of the taxable property and the
19 value of real property owned by the city, other than property described in par. (bm),
20 that is added to the existing district under sub. (4) (h) 2., 3. or 4. or, if sub. (4) (h) 2.,
21 3. or 4. does not apply to the amended project plan, under par. (b), as of the January
22 1 next preceding the effective date of the amendment if the amendment becomes
23 effective between January 2 and September 30, as of the next subsequent January
24 1 if the amendment becomes effective between October 1 and December 31 and if the
25 effective date of the amendment is January 1 of any year, the redetermination shall

1 be made on that date. The tax incremental base as redetermined under this
2 paragraph is effective for the purposes of this section only if it exceeds the original
3 tax incremental base determined under par. (b).

4 *b0820/1.2* SECTION 2029su. 66.1105 (5) (ce) of the statutes is amended to
5 read:

6 66.1105 (5) (ce) If the city adopts an amendment, to which sub. (4) (h) 2., 3. or
7 4. applies, the tax incremental base for the district shall be redetermined, by adding
8 to the tax incremental base the value of the taxable property and the value of real
9 property owned by the city, other than property described in par. (bm), that is added
10 to the existing district under sub. (4) (h) 2., 3. or 4., as of the January 1 next preceding
11 the effective date of the amendment if the amendment becomes effective between
12 January 2 and September 30, as of the next subsequent January 1 if the amendment
13 becomes effective between October 1 and December 31 and if the effective date of the
14 amendment is January 1 of any year, the redetermination shall be made on that date.
15 The tax incremental base as redetermined under this paragraph is effective for the
16 purposes of this section only if it exceeds the original tax incremental base
17 determined under par. (b).

18 *b0820/1.2* SECTION 2029sv. 66.1105 (5) (d) of the statutes is amended to read:

19 66.1105 (5) (d) The department of revenue may not certify the tax incremental
20 base as provided in par. (b) until it determines that each of the procedures and
21 documents required by sub. (4) (a), (b), (gm) or (h) and par. (b) has been timely
22 completed and all notices required under sub. (4) (a), (b), (gm) or (h) timely given.
23 The facts supporting any document adopted or action taken to comply with sub. (4)
24 (a), (b), (gm) or (h) are not subject to review by the department of revenue under this
25 paragraph, except that notwithstanding the general prohibition against the

1 department's review of the facts supporting any document adopted or action taken
2 to comply with sub. (4) (gm), the department may not certify the tax incremental base
3 as provided in par. (b) until it reviews and approves of the findings that are described
4 in sub. (4) (gm) 4. c.

5 *b0820/1.2* SECTION 2029sw. 66.1105 (6) (a) of the statutes is renumbered
6 66.1105 (6) (a) (intro.) and amended to read:

7 66.1105 (6) (a) (intro.) If the joint review board approves the creation of the tax
8 incremental district under sub. (4m), positive tax increments with respect to a tax
9 incremental district are allocated to the city which created the district for each year
10 commencing after the date when a project plan is adopted under sub. (4) (g). The
11 department of revenue may not authorize allocation of tax increments until it
12 determines from timely evidence submitted by the city that each of the procedures
13 and documents required under sub. (4) (d) to (f) has been completed and all related
14 notices given in a timely manner. The department of revenue may authorize
15 allocation of tax increments for any tax incremental district only if the city clerk and
16 assessor annually submit to the department all required information on or before the
17 2nd Monday in June. The facts supporting any document adopted or action taken
18 to comply with sub. (4) (d) to (f) are not subject to review by the department of revenue
19 under this paragraph. After the allocation of tax increments is authorized, the
20 department of revenue shall annually authorize allocation of the tax increment to
21 the city that created the district until the soonest of the following events:

22 1. The department of revenue receives a notice under sub. (8) and the notice
23 has taken effect under sub. (8) (b), 27.

24 2. Twenty-seven years after the tax incremental district is created if the
25 district is created before October 1, 1995, 38.

1 ~~3. Thirty-eight~~ years after the tax incremental district is created if the district
2 is created before October 1, 1995, and the project plan is amended under sub. (4) (h)
3 ~~3. or 23~~

4 ~~4. Twenty-three~~ years after the tax incremental district is created if the district
5 is created after September 30, 1995, ~~whichever is sooner~~ and before the effective
6 date of this subdivision [revisor inserts date].

7 ***b0820/1.2* SECTION 2029sx.** 66.1105 (6) (a) 5. of the statutes is created to
8 read:

9 66.1105 (6) (a) 5. Fifteen or 20 years, depending on the joint review board's
10 recommendation under sub. (4m) (d) and the department of revenue's action
11 described under sub. (7) (ae), after the tax incremental district is created if the
12 district is created on or after the effective date of this subdivision [revisor inserts
13 date], and if the district is suitable for industrial sites under sub. (4) (gm) 4. a.

14 ***b0820/1.2* SECTION 2029sy.** 66.1105 (6) (a) 6. of the statutes is created to
15 read:

16 66.1105 (6) (a) 6. Twenty-six years after the tax incremental district is created
17 if the district is created on or after the effective date of this subdivision [revisor
18 inserts date], and if the district, under sub. (4) (gm) 6., is a blighted area district or
19 a rehabilitation or conservation district.

20 ***b0820/1.2* SECTION 2029sz.** 66.1105 (6) (am) 1. of the statutes is renumbered
21 66.1105 (6) (am) 1. a. and amended to read:

22 66.1105 (6) (am) 1. a. For a tax incremental district that is created after
23 September 30, 1995, and before the effective date of this subd. 1. a. [revisor inserts
24 date], no expenditure may be made later than 7 years after the tax incremental
25 district is created, and for,

1 **b.** For a tax incremental district that is created before October 1, 1995, no
2 expenditure may be made later than 10 years after the tax incremental district is
3 created, except that, for a tax incremental district that is created before October 1,
4 1995, and which receives tax increments under par. (d), no expenditure may be made
5 later than 12 years after the tax incremental district is created.

6 ***b0820/1.2* SECTION 2029tag.** 66.1105 (6) (am) 1. c. of the statutes is created
7 to read:

8 66.1105 (6) (am) 1. c. For a tax incremental district that is created on or after
9 the effective date of this subd. 1. c. [revisor inserts date], all expenditures shall
10 be substantially completed no later than 10 years after the tax incremental district
11 is created, except that, with regard to a tax incremental district that has been
12 declared an industrial district under sub. (4) (gm) 6., no expenditure may be made
13 later than 10 years after the industrial tax incremental district is created.

14 ***b0820/1.2* SECTION 2029tb.** 66.1105 (6) (e) 1. d. of the statutes is created to
15 read:

16 66.1105 (6) (e) 1. d. The donor tax incremental district has in its special fund,
17 as described under par. (c), sufficient revenues to pay for all project costs that have
18 been incurred, or are expected to be incurred, under the project plan for that district.

19 ***b0820/1.2* SECTION 2029tc.** 66.1105 (6) (e) 2. of the statutes is repealed.

20 ***b0820/1.2* SECTION 2029td.** 66.1105 (7) (ae) of the statutes is created to read:

21 66.1105 (7) (ae) Notwithstanding par. (am), 5 years after the last expenditure
22 identified in the project plan is made if the district to which the plan relates is created
23 on or after the effective date of this paragraph [revisor inserts date], and if the
24 district is suitable for industrial sites under sub. (4) (gm) 4. a., except that if the joint
25 review board recommends under sub. (4m) (d) to the department of revenue that the

1 district be allowed to continue in existence for up to an additional 5 years after the
2 date on which the district would otherwise be required to terminate under this
3 paragraph, and if the department of revenue agrees to the recommendation, such a
4 district terminates up to 10 years after the last expenditure identified in the project
5 plan is made.

6 ***b0820/1.2* SECTION 2029te.** 66.1105 (8) (title) of the statutes is amended to
7 read:

8 66.1105 (8) (title) NOTICE OF DISTRICT TERMINATION, REPORTING REQUIREMENTS.

9 ***b0820/1.2* SECTION 2029tf.** 66.1105 (8) (c) of the statutes is created to read:

10 66.1105 (8) (c) Not later than 60 days after a city transmits to the department
11 of revenue the notice required under par. (a) the city shall send to the department,
12 on a form prepared by the department, all of the following information that relates
13 to the terminated tax incremental district:

- 14 1. A final accounting of all expenditures made by the city.
- 15 2. The total amount of project costs incurred by the city.
- 16 3. The total amount of positive tax increments received by a city.

17 ***b0820/1.2* SECTION 2029tg.** 66.1105 (8) (d) of the statutes is created to read:

18 66.1105 (8) (d) If a city does not send to the department of revenue the form
19 specified in par. (c) within the time limit specified in par. (c), the department may not
20 certify the tax incremental base of a tax incremental district under sub. (5) (a) and
21 (b) until the form is sent to the department.

22 ***b0820/1.2* SECTION 2029th.** 66.1105 (15) of the statutes is created to read:

23 66.1105 (15) SUBSTANTIAL COMPLIANCE. Substantial compliance with subs. (3),
24 (4) (a), (b), (c), (d), (e), and (f), and (4m) by a city or village that creates, or attempts
25 to create, a tax incremental district is sufficient to give effect to any proceedings

1 conducted under this section if, in the opinion of the department of revenue, any
2 error, irregularity, or informality that exists in the city's or village's attempts to
3 comply with subs. (3), (4) (a), (b), (c), (d), (e), and (f), and (4m) does not affect
4 substantial justice. If the department of revenue determines that a city or village has
5 substantially complied with subs. (3), (4) (a), (b), (c), (d), (e), and (f), and (4m), the
6 department of revenue shall determine the tax incremental base of the district,
7 allocate tax increments, and treat the district in all other respects as if the
8 requirements under subs. (3), (4) (a), (b), (c), (d), (c), and (f), and (4m) had been
9 strictly complied with based on the date that the resolution described under sub. (4)
10 (gm) 2. is adopted.”.

11 *b0828/1.1* **907.** Page 682, line 22: after that line insert:

12 *b0828/1.1* “SECTION 2029ss. 66.1105 (5) (bh) of the statutes is created to
13 read:

14 66.1105 (5) (bh) Notwithstanding the time limits in subs. (4) (e) and (4m) (b)
15 2., if the village clerk of a village that created, or attempted to create, a tax
16 incremental district before June 2000 and amended or tried to amend the district's
17 boundaries in September 2000 files with the department of revenue, not later than
18 November 30, 2000, the forms and application that were originally due on or before
19 December 31, 2000, the tax incremental base of the district shall be calculated by the
20 department of revenue as if the time limits described in subs. (4) (e) and (4m) (b) 2.
21 had been strictly complied with and, until the tax incremental district terminates,
22 the department of revenue shall allocate tax increments and treat the district in all
23 other respects as if the time limits described in subs. (4) (e) and (4m) (b) 2. had been
24 strictly complied with and as if the district were created on January 1, 2000, except

1 that the department of revenue may not certify a value increment under par. (b)
2 before 2002.”.

3 *b0941/1.1* **908.** Page 682, line 23: delete the material beginning with that
4 line and ending on page 684, line 8.

5 *b0831/2.1* **909.** Page 684, line 8: after that line insert:

6 *b0831/2.1* **SECTION 2049h.** 66.1113 (2) (a) of the statutes is amended to read:

7 66.1113 (2) (a) The governing body of a political subdivision, by a two-thirds
8 vote of the members of the governing body who are present when the vote is taken,
9 may enact an ordinance or adopt a resolution declaring itself to be a premier resort
10 area if, except as provided in par. (e), at least 40% of the equalized assessed value of
11 the taxable property within such political subdivision is used by tourism-related
12 retailers.

13 *b0831/2.1* **SECTION 2049i.** 66.1113 (2) (e) of the statutes is created to read:

14 66.1113 (2) (e) 1. The legislature finds the following with respect to the city of
15 Eagle River:

16 a. That it has an atypical percentage of tax-exempt land within its boundaries
17 that is used for tourism-related purposes.

18 b. That it is the site of national recreational competitions that draw tourism
19 business to the entire northern region of this state.

20 2. The city of Eagle River may enact an ordinance or adopt a resolution
21 declaring itself to be a premier resort area under par. (a) even if less than 40% of the
22 equalized assessed value of the taxable property within Eagle River is used by
23 tourism-related retailers.”.

24 *b0986/1.3* **910.** Page 684, line 9: delete lines 9 to 18.

1 ***b0770/2.9* 911.** Page 693, line 7: after “in” insert “, together with the fee
2 required under s. 69.22 (1) (e).”.

3 ***b0770/2.10* 912.** Page 698, line 4: delete lines 4 to 6 and substitute:

4 “69.22 (1) (a) Except as provided under ~~par. pars.~~ (c) and (f), \$7 for issuing one
5 certified copy of a vital record and \$2 ~~\$3~~ for any additional certified copy of the same
6 vital record issued at the same time.”.

7 ***b0770/2.11* 913.** Page 699, line 6: after that line insert:

8 ***b0770/2.11* SECTION 2096b.** 69.22 (1) (e) of the statutes is created to read:
9 69.22 (1) (e) Ten dollars for receiving a death certificate filed by a person
10 required to file a certificate of death under s. 69.18 (1) (b), which shall be forwarded
11 to the state treasurer under sub. (1r).

12 ***b0770/2.11* SECTION 2096bc.** 69.22 (1) (f) of the statutes is created to read:
13 69.22 (1) (f) Eight dollars for issuing a copy of a death certificate, \$1 of which
14 shall be forwarded to the state treasurer under sub. (1r).”.

15 ***b0770/2.12* 914.** Page 699, line 14: after that line insert:

16 ***b0770/2.12* SECTION 2096f.** 69.22 (1r) of the statutes is created to read:
17 69.22 (1r) By the 15th day of the first month following the end of a calendar
18 quarter, the state registrar and any person acting under this subchapter shall
19 forward to the state treasurer the amounts specified in sub. (1) (e) and (f) that are
20 received during the calendar quarter. The state treasurer shall credit all amounts
21 received under this subsection to the cemetery management insurance fund.”.

22 ***b0898/2.23* 915.** Page 700, line 10: after that line insert:

23 ***b0898/2.23* SECTION 11101e.** 69.30 (1) (bg) of the statutes is created to read:

1 69.30 (1) (bg) “Milwaukee County child welfare district” means the Milwaukee
2 County child welfare district created under s. 48.562.

3 ***b0898/2.23* SECTION 2101f.** 69.30 (2) of the statutes is amended to read:

4 69.30 (2) A financial institution, state agency, county department, Wisconsin
5 works agency, service office ~~or~~, family care district, or the Milwaukee County child
6 welfare district or an employee of a financial institution, state agency, county
7 department, Wisconsin works agency, service office ~~or~~, family care district, or the
8 Milwaukee County child welfare district is not subject to s. 69.24 (1) (a) for copying
9 a certified copy of a vital record for use by the financial institution, state agency,
10 county department, Wisconsin works agency, service office ~~or~~, family care district, or
11 the Milwaukee County child welfare district, including use under s. 45.36 (4m), if the
12 copy is marked “FOR ADMINISTRATIVE USE”.

13 ***b0898/2.23* SECTION 2102c.** 70.11 (2) of the statutes is amended to read:

14 70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.
15 Property owned by any county, city, village, town, school district, technical college
16 district, public inland lake protection and rehabilitation district, metropolitan
17 sewerage district, municipal water district created under s. 198.22, joint local water
18 authority created under s. 66.0823, family care district under s. 46.2895, or town
19 sanitary district; property owned by the Milwaukee County child welfare district
20 under s. 48.562; lands belonging to cities of any other state used for public parks; land
21 tax-deeded to any county or city before January 2; but any residence located upon
22 property owned by the county for park purposes that is rented out by the county for
23 a nonpark purpose shall not be exempt from taxation. Except as to land acquired
24 under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after
25 August 17, 1961, to any such governmental unit or for its benefit while the grantor

1 or others for his or her benefit are permitted to occupy the land or part thereof in
2 consideration for the conveyance. Leasing the property exempt under this
3 subsection, regardless of the lessee and the use of the leasehold income, does not
4 render that property taxable.”.

5 *b1206/1.1* **916.** Page 701, line 12: after that line insert:

6 *b1206/1.1* “SECTION 2103m. 70.11 (12m) of the statutes is created to read:

7 70.11 (12m) JEWISH COMMUNITY CENTERS. Property owned by a Jewish
8 community center, if the property is used for moral, religious, and educational
9 purposes and is not used for pecuniary profit of any individual.”.

10 *b0931/1.1* **917.** Page 702, line 23: delete lines 23 to 25.

11 *b0931/1.2* **918.** Page 703, line 1: delete lines 1 to 7.

12 *b0925/2.1* **919.** Page 703, line 14: after “to” insert “automatic teller
13 machines.”.

14 *b0829/2.35* **920.** Page 703, line 19: delete lines 19 to 22.

15 *b1180/1.1* **921.** Page 704, line 22: after that line insert:

16 *b1180/1.1* “SECTION 2112m. 70.111 (25) of the statutes is amended to read:

17 70.111 (25) DIGITAL BROADCASTING EQUIPMENT. Digital broadcasting equipment
18 owned and used by a radio station ~~or a~~ television station, ~~except that this subsection~~
19 ~~does not apply to digital broadcasting equipment that is owned and used by a~~ or cable
20 television system, as defined in s. ~~66.082~~ 66.0419 (2) (d).”.

21 *b0917/4.1* **922.** Page 705, line 24: after that line insert:

22 *b0917/4.1* “SECTION 2114h. 70.32 (2) (c) 1. of the statutes is amended to read:

1 70.32 (2) (c) 1. “Agricultural land” means land, exclusive of buildings and
2 improvements and the land necessary for their location and convenience, that is
3 devoted primarily to agricultural use, as defined by rule, if the land is a farm, as
4 defined in sub. (2s) (a) 2., and the owner or lessee of the land files the form under sub.
5 (2s).

6 ***b0917/4.1* SECTION 2114j.** 70.32 (2) (c) 1m. of the statutes is created to read:

7 70.32 (2) (c) 1m. “Other” means buildings and improvements located on farms,
8 as defined in sub. (2s) (a) 2., and the land necessary for their location and
9 convenience.”.

10 ***b0917/4.2* 923.** Page 706, line 6: after that line insert:

11 ***b0917/4.2* SECTION 2114p.** 70.32 (2s) of the statutes is created to read:

12 70.32 (2s) (a) In this subsection:

13 1. “Department” means the department of revenue.

14 2. “Farm” means a business engaged in activities included in the North
15 American Industry Classification System, 1997 edition, published by the U.S. office
16 of management and budget under any of the following classifications, if the business
17 generated at least \$6,000 in gross receipts from such activities in the year preceding
18 the date that a form is filed under par. (b) or if the business is likely to generate at
19 least \$6,000 in gross receipts from such activities in the year following the date that
20 a form is filed under par. (b):

21 a. Classification 111–Crop production including grow sod, Christmas trees, and
22 ginseng under industry number 111421, but excluding growing nursery product and
23 stock under industry number 111421.

24 b. Classification 112–Animal production.

1 (b) Any person who owns or who is a lessee of land used as a farm shall file a
2 form, as prescribed by the department, with the assessor of each taxation district in
3 which land included in the farm is located no later than March 1 that certifies that
4 the person is the owner or lessee of land used as a farm. The person shall certify on
5 the form that the farm generated at least \$6,000 in gross receipts from the activities
6 described under par. (a) 2. in the preceding year, or is likely to generate at least
7 \$6,000 in gross receipts from such activities in the year following the date that a form
8 is filed under this paragraph. On the form, the person shall specify each such activity
9 and the gross receipts generated or likely to be generated from each activity. For
10 purposes of this subsection, gross receipts from the activities described under par. (a)
11 2. shall be calculated on a per farm basis, regardless of whether the farm is located
12 in more than one taxation district. A person who has filed a form under this
13 paragraph shall only file such a form in a subsequent year, if in that subsequent year
14 the person has acquired or leased additional land to be used as part of the farm.

15 (c) If the use of the person's land has changed so that it may no longer be
16 assessed as agricultural land under sub. (2r), the person who owns or who is the
17 lessee of the land shall notify the clerk of the taxation district in which the person's
18 land is located, on a form prescribed by the department. If the use of the person's land
19 has changed so that it may no longer be assessed as agricultural land under sub. (2r)
20 and the person who owns or who is the lessee of the land does not notify the clerk of
21 the taxation district as provided under this paragraph, the taxation district shall
22 treat the difference between the land's value as agricultural land under sub. (2r) and
23 the land's value under the appropriate classification as provided under sub. (2) (a)
24 as omitted property under s. 70.44 and collect from the owner of the land the penalty
25 under s. 74.48."

1 ***b0941/1.2* 924.** Page 706, line 15: delete the material beginning with that
2 line and ending on page 708, line 5.

3 ***b0904/2.16* 925.** Page 723, line 19: delete the material beginning with that
4 line and ending with page 728, line 17.

5 ***b0777/1.1* 926.** Page 728, line 20: delete “(2dx) and, (3g), and” and
6 substitute “(2dx), and”.

7 ***b1063/2.1* 927.** Page 730, line 18: after that line insert:

8 ***b1063/2.1* SECTION 2145m.** 71.07 (2di) (b) 1. of the statutes is amended to
9 read:

10 71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any
11 credits carried over, may be offset only against the amount of the tax otherwise due
12 under this chapter attributable to income from the business operations of the
13 claimant in the development zone; except that a claimant in a development zone
14 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
15 against the amount of the tax otherwise due under this chapter attributable to all
16 of the claimant's income; and against the tax attributable to income from directly
17 related business operations of the claimant.

18 ***b1063/2.1* SECTION 2145p.** 71.07 (2di) (b) 3. of the statutes is amended to
19 read:

20 71.07 (2di) (b) 3. Partnerships, limited liability companies and tax-option
21 corporations may not claim the credit under this subsection, but the eligibility for,
22 and amount of, that credit shall be determined on the basis of their economic activity,
23 not that of their shareholders, partners or members. The corporation, partnership
24 or company shall compute the amount of the credit that may be claimed by each of

1 its shareholders, partners or members and shall provide that information to each of
2 its shareholders, partners or members. Partners, members of limited liability
3 companies and shareholders of tax-option corporations may claim the credit based
4 on the partnership's, company's or corporation's activities in proportion to their
5 ownership interest and may offset it against the tax attributable to their income from
6 the partnership's, company's or corporation's business operations in the
7 development zone; except that partners, members, and shareholders in a
8 development zone under s. 560.795 (1) (e) may offset the credit against the amount
9 of the tax attributable to their income from all of the partnership's, company's, or
10 corporation's business operations; and against the tax attributable to their income
11 from the partnership's, company's or corporation's directly related business
12 operations.”.

13 *b0865/1.1* **928.** Page 731, line 2: after “(e)” insert “and (f)”.

14 *b1063/2.2* **929.** Page 733, line 2: after that line insert:

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

23 *b1063/2.3* **930.** Page 733, line 14: after “zone” insert “; except that partners,
24 members, and shareholders in a development zone under s. 560.795 (1) (e) may offset

1 the credit against the amount of the tax attributable to their income from all of the
2 partnership's, company's, or corporation's business operations;”.

3 ***b0910/3.3* 931.** Page 734, line 22: after that line insert:

4 ***b0910/3.3* “SECTION 2147d.** 71.07 (5) (a) 10. of the statutes is created to read:
5 71.07 (5) (a) 10. Any amount claimed as a credit under sub. (9t).”.

6 ***b1063/2.4* 932.** Page 734, line 22: after that line insert:

7 ***b1063/2.4* “SECTION 2147k.** 71.07 (2dx) (b) (intro.) of the statutes is amended
8 to read:

9 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
10 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
11 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3)
12 or 560.797 (4), any person may claim as a credit against taxes imposed on the person's
13 income from the person's business activities in a development zone the following
14 amounts:

15 ***b1063/2.4* SECTION 2147m.** 71.07 (2dx) (be) of the statutes is created to read:

16 71.07 (2dx) (be) *Offset.* A claimant in a development zone under s. 560.795 (1)
17 (e) may offset any credits claimed under this subsection, including any credits
18 carried over, against the amount of the tax otherwise due under this subchapter
19 attributable to all of the claimant's income and against the tax attributable to income
20 from directly related business operations of the claimant.

21 ***b1063/2.4* SECTION 2147p.** 71.07 (2dx) (bg) of the statutes is created to read:

22 71.07 (2dx) (bg) *Other entities.* For claimants in a development zone under s.
23 560.795 (1) (e), partnerships, limited liability companies, and tax-option
24 corporations may not claim the credit under this subsection, but the eligibility for,

1 and amount of, that credit shall be determined on the basis of their economic activity,
2 not that of their shareholders, partners, or members. The corporation, partnership,
3 or company shall compute the amount of the credit that may be claimed by each of
4 its shareholders, partners, or members and shall provide that information to each
5 of its shareholders, partners, or members. Partners, members of limited liability
6 companies, and shareholders of tax-option corporations may claim the credit based
7 on the partnership's, company's, or corporation's activities in proportion to their
8 ownership interest and may offset it against the tax attributable to their income from
9 all of the partnership's, company's, or corporation's business operations and against
10 the tax attributable to their income from the partnership's, company's, or
11 corporation's directly related business operations.”.

12 *b0777/1.2* **933.** Page 734, line 23: delete the material beginning with that
13 line and ending with page 735, line 20.

14 *b0904/2.17* **934.** Page 736, line 12: delete the material beginning with that
15 line and ending with page 738, line 1.

16 *b0910/3.4* **935.** Page 737, line 24: after that line insert:

17 *b0910/3.4* “SECTION 2150d. 71.07 (9t) of the statutes is created to read:

18 71.07 (9t) ARTISTIC ENDOWMENT CREDIT. (a) *Definition.* In this subsection,
19 “claimant” means a person who files a claim under this subsection.

20 (b) *Filing claims.* For taxable years beginning after December 31, 2002, subject
21 to the limitations provided in this subsection, a claimant may claim as a credit
22 against the tax imposed under s. 71.02, up to the amount of those taxes, an amount
23 equal to 25% of the amount contributed to the artistic endowment fund under s.
24 25.78, up to a maximum \$50 contribution in a taxable year for a claimant who claims

1 the credit as an individual or claims the credit as a married person who files a
2 separate income tax return, up to a maximum \$100 contribution in a taxable year
3 for a claimant and a claimant's spouse who file a joint return.

4 (c) *Limitations and conditions.* 1. Nonresidents of this state are not eligible
5 for the credit under this subsection, except as provided under subd. 2.

6 2. For a claimant who is a part-year resident of this state and who is a single
7 person or a married person filing a separate return, multiply the credit for which the
8 claimant is eligible under par. (b) by a fraction, the numerator of which is the
9 individual's Wisconsin adjusted gross income and the denominator of which is the
10 individual's federal adjusted gross income. If a claimant is married and files a joint
11 return, and if the claimant's spouse is a nonresident or if the claimant or the
12 claimant's spouse, or both, are part-year residents of this state, multiply the credit
13 for which the claimant is eligible under par. (b) by a fraction, the numerator of which
14 is the couple's joint Wisconsin adjusted gross income and the denominator of which
15 is the couple's joint federal adjusted gross income.

16 3. No new claim may be filed under this subsection for a taxable year that
17 begins after December 31 of the year in which the department determines that the
18 total amount of revenues received by the endowment fund equals \$50,150,000.

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

21 *b0910/3.4* SECTION 2150e. 71.10 (4) (dg) of the statutes is created to read:
22 71.10 (4) (dg) The artistic endowment credit under s. 71.07 (9t).”.

23 *b0971/1.1* 936. Page 737, line 24: after that line insert:

24 *b0971/1.1* “SECTION 2150e. 71.07 (9) (b) 1. of the statutes is amended to read:

1 71.07 (9) (b) 1. Subject to the limitations under this subsection and except as
2 provided in subds. 2., 4. ~~and~~, 5., and 6., a claimant may claim as a credit against, but
3 not to exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of property
4 taxes or rent constituting property taxes, or 10% of the first \$1,000 of property taxes
5 or rent constituting property taxes of a married person filing separately.

6 ***b0971/1.1* SECTION 2150f.** 71.07 (9) (b) 5. of the statutes is amended to read:

7 71.07 (9) (b) 5. For taxable years beginning after December 31, 1999, and
8 before January 1, 2001, subject to the limitations under this subsection a claimant
9 may claim as a credit against, but not to exceed the amount of, taxes under s. 71.02,
10 12% of the first \$2,500 of property taxes or rent constituting property taxes, or 12%
11 of the first \$1,250 of property taxes or rent constituting property taxes of a married
12 person filing separately.

13 ***b0971/1.1* SECTION 2150g.** 71.07 (9) (b) 6. of the statutes is created to read:

14 71.07 (9) (b) 6. For taxable years beginning after December 31, 2000, subject
15 to the limitations under this subsection, a claimant may claim as a credit against,
16 but not to exceed the amount of, taxes under s. 71.02, 13.3% of the first \$2,000 of
17 property taxes or rent constituting property taxes, or 13.3% of the first \$1,000 of
18 property taxes or rent constituting property taxes of a married person filing
19 separately.”.

20 ***b0777/1.3* 937.** Page 738, line 5: delete lines 5 and 6.

21 ***b0777/1.4* 938.** Page 741, line 22: delete “(2dx) and, (3g), and” and
22 substitute “(2dx), and”.

23 ***b0904/2.18* 939.** Page 763, line 5: after that line insert:

1 ***b0904/2.18*** **SECTION 2160d.** 71.25 (5) (a) 9. of the statutes is amended to
2 read:

3 71.25 (5) (a) 9. Interest and dividends if the operations of the payer are unitary
4 with those of the payee, or if those operations are not unitary but the investment
5 activity from which that income is derived is an integral part of a unitary business
6 and the payer and payee are neither affiliates nor related as parent company and
7 subsidiary. In this subdivision, “investment activity” includes decision making
8 relating to the purchase and sale of stocks and other securities, investing surplus
9 funds and the management and record keeping associated with corporate
10 investments, not including activities of a broker or other agent in maintaining an
11 investment portfolio.

12 ***b0904/2.18*** **SECTION 2160e.** 71.25 (5) (a) 10. of the statutes is amended to
13 read:

14 71.25 (5) (a) 10. Sale of intangible assets if the operations of the company in
15 which the investment was made were unitary with those of the investing company,
16 or if those operations were not unitary but the investment activity from which that
17 gain or loss was derived is an integral part of a unitary business and the companies
18 were neither affiliates nor related as parent company and subsidiary. In this
19 subdivision, “investment activity” has the meaning given under subd. 9.

20 ***b0904/2.18*** **SECTION 2160g.** 71.25 (5) (b) 1. of the statutes is renumbered
21 71.25 (5) (b).

22 ***b0904/2.18*** **SECTION 2160h.** 71.25 (5) (b) 2. of the statutes is repealed.”.

23 ***b0904/2.19*** **940.** Page 763, line 6: delete the material beginning with that
24 line and ending with page 768, line 6, and substitute:

1 ***b0904/2.19*** **SECTION 2169d.** 71.25 (9) (a) of the statutes is amended to read:

2 71.25 (9) (a) The sales factor is a fraction, the numerator of which is the total
3 sales of the taxpayer in this state during the tax period, and the denominator of
4 which is the total sales of the taxpayer everywhere during the tax period. For sales
5 of tangible personal property, the numerator of the sales factor is the sales of the
6 taxpayer during the tax period under par. (b) 1. and 2. plus 50% of the sales of the
7 taxpayer during the tax period under pars. (b) 2m. and 3. and (c). For purposes of
8 determining the numerator of the sales factor for a member of a combined reporting
9 group under s. 71.255 (7), “taxpayer” means the member of a combined reporting
10 group, as defined in s. 71.255 (1) (c), that transferred title to tangible personal
11 property or, for sales other than sales of tangible personal property, that made the
12 sale.”.

13 ***b0898/2.24* 941.** Page 768, line 16: after that line insert:

14 ***b0898/2.24*** **SECTION 2173x.** 71.26 (1) (b) of the statutes is amended to read:

15 71.26 (1) (b) *Political units.* Income received by the United States, the state,
16 the Milwaukee County child welfare district under s. 48.562, and all counties, cities,
17 villages, towns, school districts, technical college districts, joint local water
18 authorities created under s. 66.0823, family care districts under s. 46.2895, or other
19 political units of this state.”.

20 ***b0904/2.20* 942.** Page 768, line 16: after that line insert:

21 ***b0904/2.20*** **SECTION 2173d.** 71.255 of the statutes is created to read:

22 **71.255 Combined reporting. (1) DEFINITIONS.** In this section:

23 (a) “Brother–sister parent corporation” means a parent corporation that is a
24 member of a commonly controlled group, if any members of the commonly controlled

1 group are not connected to the parent corporation by stock ownership as described
2 in par. (d) 1. to 5.

3 (b) “Combined report” means a form prescribed by the department that
4 specifies the income of each taxpayer member of a commonly controlled group
5 operating as a unitary business.

6 (c) “Combined reporting group” means the members of a commonly controlled
7 group that are included in a combined report under sub. (2).

8 (d) “Commonly controlled group” means any of the following, but does not
9 include an insurer that is exempt from taxation under s. 71.45 (1):

10 1. A parent corporation and any corporation or chain of corporations that are
11 connected to the parent corporation by direct or indirect ownership by the parent
12 corporation if the parent corporation owns stock representing more than 50% of the
13 voting power of at least one of the connected corporations or if the parent corporation
14 or any of the connected corporations owns stock that cumulatively represents more
15 than 50% of the voting power of each of the connected corporations.

16 2. Any 2 or more corporations if a common owner directly or indirectly owns
17 stock representing more than 50% of the voting power of the corporations or the
18 connected corporations.

19 3. A partnership or limited liability company if a parent corporation or any
20 corporation connected to the parent corporation by common ownership directly or
21 indirectly owns shares representing more than 50% of the shares of the partnership
22 or limited liability company.

23 4. Any 2 or more corporations if stock representing more than 50% of the voting
24 power in each corporation are interests that cannot be separately transferred.

1 5. Any 2 or more corporations if stock representing more than 50% of the voting
2 power is directly owned by, or for the benefit of, family members. In this subdivision,
3 “family members” means an individual or a spouse related by blood, marriage or
4 adoption within the 2nd degree of kinship as computed under s. 852.03 (2), 1995
5 stats.

6 (e) “Corporation” has the meaning given in s. 71.22 (1) or 71.42 (1).

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

8 (g) “Designated agent” means the taxpayer member of a commonly controlled
9 group who files a group return on behalf of the commonly controlled group.

10 (h) “Group return” means a tax return filed on behalf of the taxpayer members
11 of a commonly controlled group.

12 (i) “Intercompany transaction” means a transaction between corporations,
13 partnerships, or limited liability companies that become members of the same
14 commonly controlled group that is engaged in a unitary business immediately after
15 the transaction.

16 (im) “Partnership” means any entity considered a partnership under section
17 7701 of the Internal Revenue Code.

18 (j) “Separate return” means a return filed by a corporation, regardless of
19 whether the corporation is required to file a tax return under s. 71.24 or 71.44.

20 (k) “Taxpayer member” means a corporation that is subject to tax under s. 71.23
21 (1) or (2) or 71.43, that is a member of a combined reporting group, and that files a
22 combined report under this section.

23 (L) “Top tier corporation” means a member of a commonly controlled group that
24 is not connected with a parent corporation by stock ownership as described in par.

25 (d) 1. to 5., is a parent corporation, or is a brother–sister parent corporation,

1 regardless of whether it is doing business in this state or deriving income from
2 sources in this state, and regardless of whether its income and apportionment factors
3 are excluded from a combined report filed under this section.

4 (m) “Unitary business” means the business activities or operations of an entity
5 that are of mutual benefit to, integrated with, or dependent upon or contribute to
6 activities of at least one other entity, including transactions that serve an operational
7 function, as determined by the department. Two or more businesses are presumed
8 to be a unitary business if the businesses have unity of ownership, operation, and use
9 as indicated by centralized management or a centralized executive force; centralized
10 purchasing, advertising, or accounting; intercorporate sales or leases; intercorporate
11 services; intercorporate debts; intercorporate use of proprietary materials;
12 interlocking directorates; or interlocking corporate officers.

13 (2) CORPORATIONS REQUIRED TO USE COMBINED REPORTING. (a) Except as provided
14 in par. (b), a corporation that is subject to the tax imposed under s. 71.23 (1) or (2)
15 or 71.43, that is a member of a commonly controlled group, and that is engaged, in
16 whole or in part, in a unitary business with one or more members of the commonly
17 controlled group shall compute the corporation’s income attributable to this state by
18 using the income computation under s. 71.26 or 71.45, the apportionment formula
19 under s. 71.25 (6) or 71.45 (3) and (3m), and the tax credits under s. 71.28 or 71.47
20 of all of the following that are members of the commonly controlled group:

21 1. Any corporation organized or incorporated under the laws of the United
22 States, any state of the United States, the District of Columbia, the Commonwealth
23 of Puerto Rico, any possession of the United States, or any subdivision of the United
24 States, including corporations under sections 931 to 936 of the Internal Revenue
25 Code.

1 2. Any domestic international sales corporation under sections 991 to 994 of the
2 Internal Revenue Code.

3 3. Any foreign sales corporation under sections 921 to 927 of the Internal
4 Revenue Code.

5 4. Any export trade corporation under sections 970 and 971 of the Internal
6 Revenue Code.

7 5. Any corporation regardless of its place of incorporation if the average of its
8 property factor under s. 71.25 (7) and its payroll factor under s. 71.25 (8), for property
9 and payroll within the United States and computed on an annual basis, is at least
10 20% during any part of the taxable year that a corporation is a member of the
11 commonly controlled group.

12 6. Any corporation not described in subs. 1. to 5. to the extent of the
13 corporation's income within the United States and the corporation's property factor
14 under s. 71.25 (7) and payroll factor under s. 71.25 (8) assignable to a location within
15 the United States.

16 (b) A corporation that is subject to the tax imposed under s. 71.23 (1) or (2) or
17 71.43, that is a member of a commonly controlled group, and that is engaged, in whole
18 or in part, in a unitary business with one or more members of the commonly
19 controlled group may compute the corporation's income attributable to this state by
20 using the income computation under s. 71.26 or 71.45, the apportionment formula
21 under s. 71.25 (6) or 71.45 (3) and (3m), and the tax credits under s. 71.28 or 71.47
22 of all the members of the commonly controlled group, regardless of the country in
23 which any member of the commonly controlled group is organized or incorporated or
24 conducts business, if all top tier corporations that are members of the commonly

1 controlled group elect under sub. (3) to compute the corporation's income as provided
2 under this paragraph.

3 (3) COMPUTATION ELECTION. (a) A top tier corporation that is a member of a
4 commonly controlled group may elect on the commonly controlled group's behalf, and
5 in the manner prescribed by the department, to compute the income of each
6 corporation that is a member of the commonly controlled group under sub. (2) (b).
7 If more than one member of the commonly controlled group is a top tier corporation,
8 an election under this subsection is not effective unless all top tier corporations elect
9 on the commonly controlled group's behalf, and in the manner prescribed by the
10 department, to compute income under sub. (2) (b).

11 (b) A top tier corporation shall file an election made under par. (a) with the
12 department before the last day of the taxable year. The top tier corporation shall
13 designate a taxable year that corresponds with the taxable year of any taxpayer
14 member that is subject to the tax imposed under s. 71.23 (1) or (2) or 71.43. If the
15 top tier corporation fails to file the election before the last day of the taxable year
16 designated under this paragraph, all members of the commonly controlled group to
17 which the top tier corporation belongs, including the top tier corporation, shall
18 compute income under sub. (2) (a).

19 (c) Except as provided under par. (d), the members of the commonly controlled
20 group subject to an election under this subsection shall compute their income under
21 sub. (2) (b) for 5 taxable years, beginning with the taxable year designated under par.
22 (b). Thereafter, the members of the commonly controlled group shall compute their
23 income under sub. (2) (b) for periods of 5 taxable years and until any top tier
24 corporation that is a member of the commonly controlled group notifies the
25 department, in a manner prescribed by the department, before the last day of the last

1 taxable year in any period of 5 taxable years that the top tier corporation is
2 terminating the election under this subsection. A termination under this paragraph
3 takes effect on the first day of the first taxable year beginning after the top tier
4 corporation notifies the department under this paragraph.

5 (d) The department may grant a request by a top tier corporation to terminate
6 an election under this subsection before the first period of 5 taxable years under par.
7 (c) expires, if the top tier corporation shows good cause for granting the request, as
8 determined by the department and consistent with section 1502 of the Internal
9 Revenue Code.

10 (e) Except as provided in par. (f), if an election by a top tier corporation on behalf
11 of the members of a commonly controlled group under this subsection is terminated,
12 no top tier corporation may make an election on behalf of the members of the same
13 commonly controlled group until 5 taxable years have elapsed from the day that the
14 termination of the original election took effect.

15 (f) The department may grant a request by a top tier corporation to make an
16 election under this subsection before the period of 5 taxable years under par. (e) have
17 elapsed, if the top tier corporation shows good cause for granting the request, as
18 determined by the department and consistent with section 1502 of the Internal
19 Revenue Code.

20 (4) ACCOUNTING PERIOD. For purposes of this section, the income under ss. 71.26
21 and 71.45, the apportionment factors under ss. 71.25 and 71.45 and the tax credits
22 under ss. 71.28 and 71.47 of all corporations that are members of a combined
23 reporting group shall be determined by using the same accounting period. If the
24 combined reporting group has a common parent corporation, the accounting period
25 of the common parent corporation shall be used to determine the income, the

1 apportionment factors, and the tax credits of all the corporations that are members
2 of the combined reporting group. If the combined reporting group has no common
3 parent corporation, the income, the apportionment factors, and the tax credits of the
4 combined reporting group shall be determined using the accounting period of the
5 member of the combined reporting group that has the most significant operations on
6 a recurring basis in this state, as determined by the department.

7 (5) FILING RETURNS. (a) *Corporations with the same accounting period.*
8 Corporations that must file a combined report under this section and that have the
9 same accounting period may file a group return, as prescribed by the department,
10 that reports the aggregate state franchise or state income tax liability of all of the
11 members of the combined reporting group. Corporations that are required to file a
12 combined report under this section may file separate returns reporting the
13 respective apportionment of the corporation's state franchise or state income tax
14 liability as determined under sub. (2) (a), if each corporation filing a separate return
15 pays its own apportionment of its state franchise or state income tax liability.

16 (b) *Corporations with different accounting periods.* Corporations that are
17 required to file a combined report and that have different accounting periods shall
18 file separate returns and shall use the actual figures from the corporations' financial
19 records to determine the proper income and income-related computations to convert
20 to a common accounting period. Corporations that are required to file a combined
21 report may use a proportional method to convert income to a common accounting
22 period if the results of the proportional method do not materially misrepresent the
23 income apportioned to this state. The apportionment factors under ss. 71.25 and
24 71.45 and the tax credits under ss. 71.28 and 71.47 shall be computed according to
25 the same method used to determine the income under ss. 71.26 and 71.45 for the

1 common accounting period. If a corporation performs an interim closing of its
2 financial records to determine the income attributable to the common accounting
3 period, the actual figures from the interim closing shall be used to convert the
4 apportionment factors and tax credits to the common accounting period.

5 (c) *Designated agent.* 1. For corporations that are subject to this section and
6 that file a group return under par. (a), the parent corporation of the combined
7 reporting group is the sole designated agent for each member of the combined
8 reporting group including the parent corporation, if the parent corporation is a
9 taxpayer member of the combined reporting group and income of the parent
10 corporation is included on the group return. If the parent corporation is not a
11 taxpayer member or if the parent corporation's income is not included on the group
12 return, the taxpayer members may appoint a taxpayer member to be the designated
13 agent. If the parent corporation of the combined reporting group is not eligible to be
14 the designated agent and no taxpayer member is appointed to be the designated
15 agent, the designated agent is the taxpayer member that has the most significant
16 operations in this state on a recurring basis, as determined by the department. The
17 designated agent, as determined under this subdivision, remains the designated
18 agent until the designated agent is no longer a taxpayer member or until the
19 taxpayer members appoint a different designated agent. If the designated agent
20 changes, the combined reporting group shall notify the department of such a change,
21 in a manner prescribed by the department.

22 2. The designated agent shall file the group return under par. (a), shall file for
23 any extensions under s. 71.24 (7) or 71.44 (3), shall file amended reports and claims
24 for refund or credit, and shall send and receive all correspondence with the
25 department regarding a group return. Any notice the department sends to the

1 designated agent is considered a notice sent to all members of the combined reporting
2 group. Any refund with respect to a group return shall be paid to and in the name
3 of the designated agent and shall discharge any liability of the state to any member
4 of a combined reporting group regarding the refund. The combined reporting group
5 filing a group return under par. (a) shall pay all taxes, including estimated taxes, in
6 the designated agent's name. The designated agent shall participate on behalf of the
7 members of the combined reporting group in any investigation or hearing requested
8 by the department regarding a group return and shall produce all information
9 requested by the department regarding a group return. The designated agent may
10 execute a power of attorney on behalf of the members of the combined reporting
11 group. The designated agent shall execute waivers, closing agreements, and other
12 documents regarding a group return filed under par. (a) and any waiver, agreement,
13 or document executed by the designated agent shall be considered as executed by all
14 members of the combined reporting group. If the department acts in good faith with
15 a combined reporting group member that represents itself as the designated agent
16 for the combined reporting group but that combined reporting group member is not
17 the designated agent, any action taken by the department with that combined
18 reporting group member has the same effect as if that combined reporting group
19 member were the actual designated agent for the combined reporting group.

20 (d) *Part-year members.* If a corporation becomes a member of a combined
21 reporting group or ceases to be a member of a combined reporting group after the
22 beginning of a common accounting period, the corporation's income shall be
23 apportioned to this state as follows:

24 1. If the corporation is required to file 2 or more short period federal returns
25 for the common accounting period, the income for the short period that the

1 corporation was a member of a combined reporting group shall be determined as
2 provided under sub. (2), the corporation shall join in filing a combined report for that
3 short period, and the corporation may join in filing a group return for that short
4 period. The income for the remaining short period shall be reported on a separate
5 return under s. 71.25 or 71.45. If the corporation becomes a member of another
6 combined reporting group in the remaining short period, the corporation's income
7 shall be determined for the remaining short period as provided under sub. (2).

8 2. If the corporation is not required to file federal short period returns, the
9 corporation shall file a separate return. Income shall be determined as follows:

10 a. As provided under sub. (2) for any period that the corporation was a member
11 of a combined reporting group.

12 b. On a separate report under s. 71.25 or 71.45 for any period that the
13 corporation was not a member of a combined reporting group.

14 (e) *Amended group return.* The election to file a group return under this section
15 applies to an amended group return that includes the same corporations that joined
16 in the filing of the original group return. Under this section, an amended group
17 return shall be filed as follows:

18 1. If an election to file a group return that is in effect for a taxable year is
19 revoked for the taxable year because the combined reporting group that filed the
20 group return is not subject to sub. (2), as determined by the department, the
21 designated agent for the combined reporting group may not file an amended group
22 return. The designated agent and each corporation that joined in filing the group
23 return shall file a separate amended return. To compute the tax due on a separate
24 amended return, a corporation that files a separate amended return shall consider

1 all of the payments, credits or other amounts, including refunds, that the designated
2 agent allocated to the corporation.

3 2. If a change in tax liability under this section is the result of the removal of
4 a corporation from a combined reporting group because the corporation was not
5 eligible to be a member of the combined reporting group for the taxable year, as
6 determined by the department, the designated agent shall file an amended group
7 return and the ineligible corporation shall file a separate amended return.

8 3. If a corporation erroneously fails to join in the filing of a group return, the
9 designated agent shall file an amended group return that includes the corporation.
10 If a corporation that erroneously fails to join in the filing of a group return has filed
11 a separate return, the corporation shall file an amended separate return that shows
12 no net income, overpayment or underpayment, and shows that the corporation has
13 joined in the filing of a group return.

14 **(6) INCOME COMPUTATION UNDER COMBINED REPORTING.** For the purposes of sub.
15 (2), income attributable to this state shall be determined as follows:

16 (a) Determine the net income of each member of a combined reporting group
17 under s. 71.26 or 71.45, as appropriate, before deducting net business losses. A
18 member of a combined reporting group may determine its loss or net income under
19 s. 71.26 (3) (y), 71.45 (2) (a) 13., or 71.49 (2), as appropriate, regardless of the
20 accounting method used to determine the loss or net income of other members of the
21 combined reporting group. A unitary business with operations in a foreign country
22 shall compute its loss or net income as provided by rule by the department.

23 (b) Adjust each member's income, as determined under par. (a), as provided
24 under s. 71.30.

1 (c) From the amount determined under par. (b), subtract intercompany
2 transactions, as provided by rule by the department, such that intercompany
3 accounts of assets, liabilities, equities, income, costs or expenses are excluded from
4 the income determination to accurately reflect the income, the apportionment
5 factors and the tax credits in a combined report that is filed under this section. An
6 intercompany transaction includes the following:

- 7 1. Income or gain from sales, exchanges, contributions, or other transfers of
8 tangible or intangible property from a member of the combined reporting group to
9 another member of the combined reporting group.
- 10 2. Annual rent paid by a member of the combined reporting group to another
11 member of the combined reporting group.
- 12 3. Annual license fees or royalties paid by a member of the combined reporting
13 group to another member of the combined reporting group.
- 14 4. Loans, advances, receivables, and similar items that one member of the
15 combined reporting group owes to another member of the combined reporting group,
16 including interest income and interest expense related to these items.
- 17 5. Stock or other equity of a member of the combined reporting group that is
18 owned or controlled by another member of the combined reporting group.
- 19 6. Dividends paid out of earnings or profits and paid by a member of the
20 combined reporting group to another member of the combined reporting group.
- 21 7. Management or service fees paid by a member of the combined reporting
22 group to another member of the combined reporting group.
- 23 8. Income or expenses allocated or charged by a member of the combined
24 reporting group to another member of the combined reporting group.

1 (d) From the amount determined under par. (c) for each member of a combined
2 reporting group, subtract nonapportionable income, net of related expenses, and add
3 nonapportionable losses, net of related expenses, to determine each member's
4 apportionable net income or apportionable net loss.

5 (e) Calculate the apportionment factors under sub. (7) and multiply each
6 member's apportionable net income or apportionable net loss, as determined under
7 par. (d), by the member's apportionment fraction as determined under sub. (7).

8 (f) To the amount determined under par. (e), add each member's
9 nonapportionable income attributable to this state and subtract each member's
10 nonapportionable losses attributable to this state.

11 (g) If the combined reporting group is not filing a group return, combine the
12 amounts determined under par. (f) for all members of the combined reporting group.

13 (h) If the combined reporting group is filing a group return, combine the
14 amounts determined under par. (f) for all members of the combined reporting group
15 that join in filing the group return.

16 (i) From the amount determined under par. (g) or (h), as appropriate, subtract
17 the combined reporting group's net operating loss as determined under sub. (8).

18 (7) APPORTIONMENT FACTOR COMPUTATION UNDER COMBINED REPORTING. For the
19 purposes of sub. (2), this state's apportionment factors are determined as follows:

20 (a) 1. Determine the numerator and the denominator of the apportionment
21 factors as determined under s. 71.25 or 71.45, as appropriate, for each member of the
22 combined reporting group, except as provided in subd. 2.

23 2. If a member of a combined reporting group is not subject to the tax imposed
24 under s. 71.23 or 71.43 because it does not have sufficient connection to this state as
25 a separate entity for income or franchise tax purposes, as determined by the

1 department, the numerator of the member's sales factor under s. 71.25 (9) or
2 apportionment factor under s. 71.45 (3) is zero. If a member of a combined reporting
3 group is a corporation engaged in business wholly within this state, as provided
4 under s. 71.25 (4), the numerator and denominator of the member's apportionment
5 factors is the same. If a member of a combined reporting group is not subject to an
6 income or franchise tax as a separate entity in the state to which a sale is attributed,
7 the sale is attributed to this state.

8 (b) Subtract intercompany transactions under sub. (6) (c) from both the
9 numerators and the denominators as determined under par. (a).

10 (c) Add the denominators of the apportionment factors for each member of the
11 combined reporting group, as determined under par. (a), to arrive at the combined
12 denominators.

13 (d) Compute the apportionment factors for each member of the combined
14 reporting group by dividing the numerator of a member of the combined reporting
15 group as determined under par. (a) by the combined denominator as determined
16 under par. (c).

17 (8) NET BUSINESS LOSS CARRY-OVER. (a) For taxable years beginning after
18 December 31, 2001, any net business loss of a corporation that is a member of a
19 combined reporting group as determined under sub. (6) for the taxable year that is
20 not offset against the net income of the other members of the combined reporting
21 group in the same taxable year may be carried forward as provided under s. 71.26
22 (4), except that any net business loss carried forward to a subsequent taxable year
23 may be offset against either the net income of the corporation that incurred the net
24 business loss or the net income of the combined reporting group of which the
25 corporation is a member, in the manner prescribed by rule by the department.

1 (b) A corporation that is a member of a combined reporting group may not carry
2 forward a net business loss from a taxable year beginning before January 1, 2002,
3 if the corporation was not subject to the tax imposed under s. 71.23 or 71.43 for the
4 same taxable year.

5 (c) A corporation that is a member of a combined reporting group and that
6 incurred a Wisconsin net business loss in a taxable year beginning before January
7 1, 2002, that has not been offset against the corporation's net income in subsequent
8 taxable years, may offset the remaining net business loss against the corporation's
9 net income as determined under sub. (6) (i). If the corporation joins in filing a group
10 return under sub. (5) and the corporation's remaining net business loss exceeds the
11 corporation's net income as determined under sub. (6) (i) for the first taxable year
12 beginning after December 31, 2001, that the corporation is subject to this section, the
13 corporation may annually offset up to 20% of the remaining net business loss against
14 the net income of the other members of the combined reporting group that join in
15 filing a group return under sub. (5).

16 **(9) NET INCOME OR LOSS FOR CORPORATIONS WITH DIFFERENT ACCOUNTING PERIODS.**
17 If a taxpayer member has a different accounting period than the common accounting
18 period of the combined reporting group, the combined reporting group shall assign
19 the combined report income or loss for the combined reporting group, as determined
20 under sub. (6) (i), proportionally to the number of months in the taxpayer member's
21 taxable year that are wholly or partly within the combined reporting group's common
22 accounting period. The total amount of income or loss assigned to a taxpayer member
23 under this subsection for the common accounting period shall be used to attribute
24 the taxpayer member's apportionable income to the combined reporting group for the
25 common accounting period.

1 **(10) NET TAX LIABILITY.** (a) A corporation that files a separate return under this
2 section shall determine its net tax liability as follows:

3 1. Multiply the amount determined under sub. (6) (i) for the corporation by the
4 tax rate under s. 71.27 or 71.46, as appropriate.

5 2. From the amount determined under subd. 1., subtract the corporation's tax
6 credits under s. 71.28 or 71.47 based on the corporation's expenses. A corporation
7 may not offset any of its tax credits, or tax credit carry forwards, against the tax
8 liability of any other member of the combined reporting group to which the
9 corporation belongs.

10 (b) A combined reporting group that files a group return under this section shall
11 determine its net tax liability as follows:

12 1. Multiply the amount determined under sub. (6) (i) for the combined reporting
13 group by the tax rate under s. 71.27 or 71.46, as appropriate.

14 2. From the amount determined under subd. 1., subtract the tax credits under
15 s. 71.27 and 71.47 for all taxpayer members of the combined reporting group.

16 **(11) ESTIMATED TAX PAYMENTS.** (a) For the first 2 taxable years that a group
17 return is filed under this section, estimated taxes under s. 71.29 and 71.48 may be
18 paid on a group basis or on a separate basis. The amount of any separate estimated
19 taxes paid in the first 2 taxable years that a group return is filed shall be credited
20 against the group's tax liability. The designated agent shall notify the department
21 of any estimated taxes paid on a separate basis in the first 2 taxable years that a
22 group return is filed.

23 (b) If a group return is filed for 2 consecutive taxable years, estimated taxes
24 under s. 71.29 and 71.48 shall be paid on a group basis for each subsequent taxable
25 year until such time as separate returns are filed by the corporations that were

1 members of a combined reporting group that filed group returns under this section.
2 For each taxable year in which combined estimated taxes are paid under this
3 subsection, the department shall consider the combined reporting group filing a
4 group return to be one taxpayer for purposes of computing interest on the
5 underpayment of estimated taxes. If a corporation subject to this section files a
6 separate return in a taxable year following a year in which the corporation joined in
7 filing a group return, the amount of any estimated tax payments made on a group
8 basis for the previous year shall be credited against the tax liability of the corporation
9 that files a separate return, as allocated by the designated agent with the
10 department's approval.

11 (c) If a combined reporting group pays estimated taxes on a group basis for a
12 taxable year or for any part of a taxable year, and the members of the combined
13 reporting group file separate returns for the taxable year, the designated agent, with
14 the department's approval, shall allocate the estimated tax payments among the
15 members of the combined reporting group.

16 (d) If estimated taxes are paid on a group basis for a taxable year but the group
17 does not file a group return for the taxable year and did not file a group return for
18 the previous taxable year, the estimated tax shall be credited to the member of the
19 combined reporting group that made the estimated tax payment on the group's
20 behalf.

21 (e) If a combined reporting group that will file a group return applies for a
22 refund of estimated taxes under s. 71.29 (3m), the department shall determine the
23 combined reporting group's eligibility for a refund on a group basis.

1 (12) INTEREST FOR UNDERPAYMENT OF ESTIMATED TAX. (a) *General*. The amount
2 of interest that is due for an underpayment of estimated taxes under sub. (11) shall
3 be computed as follows:

4 1. For the first year in which a combined reporting group files a group return,
5 the amount of interest that is due for an underpayment of estimated taxes shall be
6 determined by using the aggregate of the tax and income shown on the returns filled
7 by the members of the combined reporting group for the previous year.

8 2. For any year in which a combined reporting group files a group return, the
9 department shall determine if the combined reporting group qualifies for the
10 exception to interest under s. 71.29 (7) (b) by using the aggregate of the amount of
11 the tax liability and the amount of the net income of all members of the combined
12 reporting group.

13 3. For any year in which a combined reporting group files a group return, the
14 department shall determine if the installment provisions under s. 71.29 (9) or (10)
15 apply to the combined reporting group by using the aggregate of the amount of the
16 tax liability and the amount of the net income of all members of the combined
17 reporting group.

18 4. For estimated taxes paid under sub. (11) (c), the amount of interest that is
19 due from a member of a combined reporting group for an underpayment of estimated
20 taxes paid by the member shall be determined by using the member's separate items
21 from the group return filed for the previous year and the member's allocated share
22 of the combined estimated tax payments for the current year. The designated agent
23 shall report the member's allocated share of the combined estimated tax payments
24 for the current year to the department, in the manner prescribed by the department.

1 (b) *Entering a group.* If a corporation becomes a member of a combined
2 reporting group during a common accounting period under sub. (4), the combined
3 reporting group shall make the following adjustments to determine the amount of
4 interest that is due for an underpayment of estimated taxes:

5 1. If a corporation becomes a member of a combined reporting group at the
6 beginning of a common accounting period, the combined reporting group shall
7 include with the corresponding items on the group return for the previous common
8 accounting period the separate items shown on the corporation's return for the
9 previous taxable year.

10 2. If a corporation is not a member of a combined reporting group for an entire
11 common accounting period, the combined reporting group shall include with the
12 corresponding items on the group return for the current taxable year the
13 corporation's separate items for that portion of the common accounting period that
14 the corporation was a member of the combined reporting group.

15 3. To determine the separate items under subs. 1. and 2., if a corporation is
16 a member of a combined reporting group during a portion of a common accounting
17 period in which the corporation becomes a member of another combined reporting
18 group, the corporation's separate items shall include the separate items that are
19 attributed to the corporation by the designated agent of the first combined reporting
20 group.

21 (c) *Leaving a group.* If a corporation leaves a combined reporting group during
22 a common accounting period under sub. (4), the combined reporting group shall make
23 the following adjustments to determine the amount of interest that is due for an
24 underpayment of estimated taxes: