

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **05/14/2003**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Shanovich (RR)**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

LFB:.....Shanovich (RR) -

Topic:

Internal Revenue Code update; alternative 1

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 05/14/2003	kgilfoy 05/14/2003		_____			
/P1			jfrantze 05/14/2003	_____	lemery 05/14/2003		

FE Sent For:

<END>

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1?	jkreye	1-5/14 King	5/14	Self 5/14			

FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 8, 2003

Joint Committee on Finance

Paper #353

Internal Revenue Code Update (General Fund Taxes)

CURRENT LAW

State tax provisions are generally referenced to definitions under federal law. With limited exceptions, changes to federal law take effect for state purposes only after action by the Legislature. Generally, the Legislature reviews the previous year's federal law changes each year to update state references to the Internal Revenue Code (IRC). The current statutes refer to the federal IRC in effect on December 31, 2001.

GOVERNOR

No provision

DISCUSSION POINTS

1. In a letter dated April 11, 2003, the administration requested that the Joint Committee on Finance incorporate an IRC update into the Committee's version of the budget. Specifically, with two exceptions described below, the administration recommends that state tax references to the IRC be updated to conform to federal law changes enacted through December 31, 2002, and that the new provisions would apply for Wisconsin purposes at the same time as for federal purposes.

2. The changes to federal law that affect the IRC were enacted under the following federal acts: (a) the Victims of Terrorism Tax Relief Act (VTTRA); (b) the Job Creation and Worker Assistance Act (JCWAA); (c) the Clergy Housing Allowance Clarification Act (CHACA); (d) the Trade Act; (e) Public Law 107-276, which eliminated notification and return requirements for political parties and candidates; and (f) the Holocaust Restitution Tax Fairness Act (HRTFA). Most of the provisions that would be referenced for state tax purposes would be from the JCWAA.

3. One of the excluded federal provisions would be the bonus depreciation deduction provided under the JCWAA. Under the federal provision, taxpayers may claim an additional first-year depreciation deduction equal to 30% of the adjusted basis of qualified property that was acquired after September 10, 2001, and placed in service before January 1, 2005. The Department of Revenue estimates that, if this provision were adopted for state tax purposes, state income and franchise tax revenues would be reduced by \$180 million in 2003-04 and \$21 million in 2004-05. Prior to enactment of 2001 Wisconsin Act 109 (the 2001-03 budget adjustment bill), state depreciation and amortization provisions were automatically referenced to the IRC. However, Act 109 included a provision that eliminated the automatic referencing of state provisions. Instead state depreciation and amortization provisions are referred to the Code in effect on December 31, 2000. The Legislature must take action to update these references to future years.

4. A second excluded provision would be retroactive adoption of the deduction for teachers' classroom expenditures. The Department indicates that retroactive adoption of the provision for tax year 2002 would require eligible taxpayers to file amended returns for a small tax benefit. If the provision were adopted retroactively, the Department estimates that state individual income tax revenues would be reduced by an additional \$1.4 million in 2003-04. This provision would be adopted for tax year 2003, however.

5. The Department of Revenue estimates that the IRC provisions would decrease individual income tax revenues by \$1.8 million in 2003-04 and by \$400,000 in 2004-05. Corporate and business income and franchise tax revenues would decrease by an estimated \$250,000 in 2003-04 and by \$650,000 in 2004-05. Total state income and franchise tax revenues would be reduced by an estimated \$2.05 million in 2003-04 and by \$1.05 million in 2004-05. The following table provides a summary of the items that are estimated to have a significant impact on state revenues.

**Summary of Federal Law Changes with Significant Fiscal Effects
(\$ in Millions)**

	<u>2003-04</u>	<u>2004-05</u>
Individual Income Tax		
Tax Deduction for Teachers' Classroom Expenditures	-\$1.30	-\$0.10
Expansion of Exclusion for Foster Care Payments	<u>-0.50</u>	<u>-0.30</u>
Individual Total	-\$1.80	-\$0.40
 Corporate and Business Income and Franchise Taxes		
Discharge of Indebtedness of an S Corporation	\$0.40	\$0.25
Limit of Use of Nonaccrual Experience Method of Accounting	0.25	0.10
Qualified Clean-Fuel Vehicle and Refueling Property Deduction	-0.60	-0.30
Tax Incentives for Indian Reservations	<u>-0.30</u>	<u>-0.70</u>
Corporate/Business Total	-\$0.25	-\$0.65
 IRC Update Total	-\$2.05	-\$1.05

6. State references to federal law generally provide greater simplicity for taxpayers in preparing returns and reduce the administrative burden and cost for both taxpayers and DOR in assuring compliance with tax laws. The IRC references are used to determine which items of income are subject to taxation prior to specific state modifications. The state uses separate tax rates and brackets and separate provisions regarding standard deductions, itemized deductions, and tax credits.

7. The following sections briefly describe the new federal IRC provisions that would have a significant state fiscal effect. A paper by the Department of Revenue has been attached to provide information on all provisions under the proposed IRC update that would have a substantive effect on Wisconsin tax law.

INDIVIDUAL INCOME TAX

Deduction for Teacher's Classroom Expenditures

8. For tax years 2002 and 2003, JCWAA provides eligible educators a federal income tax deduction of up to \$250 per year for unreimbursed expenses for certain materials used in the classroom. Such materials include books, supplies, computer equipment, and other equipment and supplementary materials. To be eligible for the deduction, an educator must be an individual who, for at least 900 hours during a school year, is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school that provides elementary or secondary education.

Under prior federal law, educators were permitted to deduct unreimbursed educator expenses as a miscellaneous itemized deduction for expenses in excess of 2% of adjusted gross income. Wisconsin does not allow federal miscellaneous itemized deductions to be used for purposes of the state's itemized deduction credit.

As described above, the Department recommends adopting the new federal provision for Wisconsin purposes for tax year 2003 only. The Department indicates that retroactive adoption of this provision for tax year 2002 would require eligible taxpayers to file amended returns for a small tax benefit, and would reduce state income tax revenues by an estimated \$1.4 million in 2003-04. The estimated fiscal effect of adopting the provision for tax year 2003 only would be to reduce individual income tax revenues by \$1.3 million in 2003-04 and by \$100,000 in 2004-05.

Expansion of Exclusion for Foster Care Payments

9. Prior federal law provided an individual income tax exclusion for payments received from government and not-for-profit foster care placement agencies contracting with state and local governments. For tax years beginning after December 31, 2001, JCWAA expands the exclusion to include payments from for-profit foster care placement agencies. Adopting this provision for state tax purposes would reduce individual income tax revenues by an estimated \$500,000 in 2003-04 and \$300,000 in 2004-05.

CORPORATE AND BUSINESS TAX

10. The remaining IRC update provisions that would have a significant state fiscal effect relate to corporate and other business tax provisions. The following sections describe the new business tax provisions.

Discharge of Indebtedness of an S Corporation

11. Provisions included in JCWAA reverse a U. S. Supreme Court ruling that discharge of indebtedness (exclusion from income for amounts related to forgiveness or discharge of debt in certain circumstances) was an item of income that passes through to a shareholder of an insolvent S corporation and increases the shareholder's basis in the stock of the S corporation. The decision allows shareholders in insolvent S corporations to increase their stock basis by the discharge (cancellation) of indebtedness income and then deduct suspended losses (net operating losses) up to the amount of the increased stock basis. Under the JCWAA provision, income from the discharge of indebtedness of an insolvent S corporation that is excluded from the corporation's income does not flow through to any shareholder. Thus, a shareholder's basis in the insolvent S corporation's stock does not increase and the suspended loss does not pass through to the shareholder. The provision generally applies to discharges of indebtedness after October 11, 2001. The estimated fiscal effect is a tax revenue increase of \$400,000 in 2003-04 and \$250,000 in 2004-05.

Limit Use of Nonaccrual Experience Method of Accounting

12. Certain accrual-basis taxpayers are not required to accrue as income any amounts to be received for the performance of services that, based on experience, will not be collected. This nonaccrual of amounts attributable to the performance of services is treated as a method of accounting: the nonaccrual experience method. Under the federal IRC provisions, the nonaccrual experience method of accounting is only available to service providers for: (a) amounts received for the performance of certain services (health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting); or (b) if the service provider meets the \$5 million gross receipts test. A business meets the \$5 million gross receipts test for a prior tax year if its annual gross receipts for the three-year period ending with the prior tax year do not average over \$5 million. The provision is generally effective for tax years ending after March 9, 2002. The estimated fiscal effect is a revenue increase of \$250,000 in 2003-04 and \$100,000 in 2004-05.

Qualified Clean-Fuel Vehicle and Refueling Property Deduction

13. Certain taxpayers are permitted to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of depreciating the cost over a specified number of years. Taxpayers may deduct, subject to limitation, the cost of qualified clean-fuel vehicle property and qualified clean-fuel vehicle refueling property. The IRC defers the phase-out of the deduction for purchases of qualified, clean-fuel vehicle property and clean-fuel vehicle refueling property. The full deduction is available for vehicles placed in service in 2002 and 2003. The deduction is then reduced by 25% for vehicles placed in service in 2004, by 50% for vehicles

placed in service in 2005, and by 75% for vehicles placed in service in 2006. The deduction is eliminated beginning in 2007. Under prior law, the phase-out began in 2001 and no deduction was allowed after December 31, 2004. The IRC provisions also extend the time period for exceptions to the depreciation deduction limits for electric vehicles and retrofit clean-fuel vehicles by two years, so that the exceptions apply to property placed in service before 2007.

The deduction for qualified clean-fuel vehicle property is limited to \$50,000 for a truck or van with a gross weight of more than 26,000 pounds or for a bus with a seating capacity of 20 or more adults (not including the driver). The deduction is limited to \$5,000 for a truck or van with a gross vehicle weight of more than 10,000 pounds, but not more than 26,000 pounds. The deduction is limited to \$2,000 for all other qualified clean fuel motor vehicles. Two types of property qualify as clean-fuel vehicle property. One type is a motor vehicle that is produced by an original equipment manufacturer and is designed to be propelled by a clean-burning fuel (subject to certain conditions). The second type of property that qualifies for the deduction is property that is installed on a motor vehicle and permits the vehicle to be propelled by a clean-burning fuel. Qualified clean-fuel vehicle refueling property includes property used for storing clean-burning fuel or for dispensing clean-burning fuel into the fuel tank of a motor vehicle that is propelled by a clean-burning fuel. In addition, the property must be located at the point where the fuel is delivered into the tank of a motor vehicle. For the purposes of the deduction, a motor vehicle is defined as any vehicle with at least four wheels that is manufactured primarily for use on public streets, roads, and highways. Clean-burning fuel includes natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and electricity. This definition also includes any fuel that is at least 85% methanol, ethanol, any other alcohol, ether, or a combination of these.

The provision is effective for property placed in service after December 31, 2001. The provision would reduce state tax revenues by an estimated \$600,000 in 2003-04 and by \$300,000 in 2004-05.

Special Depreciation Rules for Indian Reservation Property

14. Special recovery periods that permit faster write-offs are provided under the modified accelerated cost recovery system (MACRS) of depreciation for certain property placed in service on Indian reservations. The special recovery periods are shown in the following table.

Recovery Periods for Indian Reservation Property

<u>Property Class</u>	<u>Recovery Period</u>
3-Year Property	2 years
5-Year Property	3 years
7-Year Property	4 years
10-Year Property	6 years
15-Year Property	9 years
20-Year Property	12 years
Nonresidential Real Property	22 years

Eligible property includes 3-, 5-, 7-, 15-, and 20-year property, and nonresidential real property that is: (a) used predominantly in the active conduct of a trade or business within an Indian reservation; (b) not used or located outside an Indian reservation on a regular basis; (c) not acquired (directly or indirectly) from a related person; and (d) not used for certain gaming purposes. Indian reservation is defined under certain federal laws for the purpose of the special depreciation provisions. This provision would apply to property placed in service after March 9, 2002. The provision would reduce state tax revenues by an estimated \$300,000 in 2003-04 and by \$700,000 in 2004-05.

ALTERNATIVES

1. Adopt the provisions requested by the Department of Revenue to update state tax references to the federal IRC in effect as of December 31, 2002. Decrease projected individual income tax revenues by \$1.8 million in 2003-04 and by \$400,000 in 2004-05 and decrease projected corporate franchise tax and business tax revenues by \$250,000 in 2003-04 and by \$650,000 in 2004-05.

<u>Alternative 1</u>	<u>GPR</u>
2003-05 REVENUE (Change to Bill)	- \$3,100,000

2. Adopt provisions requested by the Department of Revenue to update state tax references to the federal IRC in effect as of December 31, 2002, except for provisions relating to (a) the deduction for teachers' classroom expenditures; (b) expansion of the exclusion for foster care payments; (c) the deduction for qualified clean-fuel vehicle and refueling property; and (d) special depreciation provisions for Indian reservations. This option would not adopt the new federal provisions that were recommended by DOR but which would result in decreased state tax revenues. Increase corporate franchise tax and business tax revenues by an estimated \$650,000 in 2003-04 and by and estimated \$350,000 in 2004-05.

<u>Alternative 2</u>	<u>GPR</u>
2003-05 REVENUE (Change to Bill)	\$1,000,000

3. Maintain current law.

Prepared by: Ron Shanovich
Attachment

2003

Date (time)
needed

500W

LRB b 0188,1

**LFB BUDGET AMENDMENT
[ONLY FOR LFB]**

JK : Kg : _____

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**LFB AMENDMENT
TO 2003 SENATE BILL 44**

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

~~At the locations indicated, amend the bill as follows:~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

00188/1

**SENATE AMENDMENT ,
TO 2003 SENATE BILL 44**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 685, line 21: after that line insert:

3 **"SECTION 1580da.** 71.01 (6) (i) of the statutes is repealed.

4 **SECTION 1580db.** 71.01 (6) (j) of the statutes is amended to read:

5 71.01 (6) (j) For taxable years that begin after December 31, 1994, and before
6 January 1, 1996, for natural persons and fiduciaries, except fiduciaries of nuclear
7 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal
8 Internal Revenue Code as amended to December 31, 1994, excluding sections 103,
9 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and
10 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-117, P.L. 104-188,
11 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
12 104-193, P.L. 105-34, P.L. 105-206, P.L. 105-277, and P.L. 106-554, excluding
13 sections 162 and 165 of P.L. 106-554, P.L. 107-134, P.L. 107-147, excluding sections

1 101 and 406 of P.L. 107-147, and P.L. 107-181, and as indirectly affected by P.L.
2 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
3 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227, excluding sections
4 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
5 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
6 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L. 104-188,
7 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
8 104-193, P.L. 105-34, P.L. 105-206, P.L. 105-277, and P.L. 106-554, excluding
9 sections 162 and 165 of P.L. 106-554, P.L. 107-134, P.L. 107-147, excluding sections
10 101 and 406 of P.L. 107-147, and P.L. 107-181. The Internal Revenue Code applies
11 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
12 federal Internal Revenue Code enacted after December 31, 1994, do not apply to this
13 paragraph with respect to taxable years beginning after December 31, 1994, and
14 before January 1, 1996, except that changes to the Internal Revenue Code made by
15 P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections 1202, 1204, 1311, and
16 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206, P.L.
17 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L.
18 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L.
19 107-181, and changes that indirectly affect the provisions applicable to this
20 subchapter made by P.L. 104-7, P.L. 104-117, P.L. 104-188, excluding sections 1202,
21 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
22 105-206, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
23 106-554, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,
24 and P.L. 107-181, apply for Wisconsin purposes at the same time as for federal
25 purposes.

1 **SECTION 1580dc.** 71.01 (6) (k) of the statutes is amended to read:

2 71.01 **(6)** (k) For taxable years that begin after December 31, 1995, and before
3 January 1, 1997, for natural persons and fiduciaries, except fiduciaries of nuclear
4 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal
5 Internal Revenue Code as amended to December 31, 1995, excluding sections 103,
6 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and
7 13203 (d) of P.L. 103-66, and as amended by P.L. 104-117, P.L. 104-188, excluding
8 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
9 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, and P.L. 106-554,
10 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-134, P.L. 107-147,
11 excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, and as indirectly
12 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
13 101-179, P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L. 102-90, P.L. 102-227,
14 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
15 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
16 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-117, P.L.
17 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L.
18 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, and
19 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-134, P.L.
20 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181. The
21 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
22 purposes. Amendments to the federal Internal Revenue Code enacted after
23 December 31, 1995, do not apply to this paragraph with respect to taxable years
24 beginning after December 31, 1995, and before January 1, 1997, except that
25 changes to the Internal Revenue Code made by P.L. 104-117, P.L. 104-188, excluding

1 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
2 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, and P.L. 106–554,
3 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L. 107–147,
4 excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and changes that
5 indirectly affect the provisions applicable to this subchapter made by P.L. 104–117,
6 P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188,
7 P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277,
8 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L.
9 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, apply for
10 Wisconsin purposes at the same time as for federal purposes.

11 **SECTION 1580dd.** 71.01 (6) (L) of the statutes is amended to read:

12 71.01 (6) (L) For taxable years that begin after December 31, 1996, and before
13 January 1, 1998, for natural persons and fiduciaries, except fiduciaries of nuclear
14 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
15 Internal Revenue Code as amended to December 31, 1996, excluding sections 103,
16 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
17 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
18 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277,
19 P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
20 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding
21 sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and as indirectly affected by
22 P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
23 P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding
24 sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66,
25 excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,

1 P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188,
2 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
3 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L.
4 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
5 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding
6 sections 101 and 406 of P.L. 107–147, and P.L. 107–181. The Internal Revenue Code
7 applies for Wisconsin purposes at the same time as for federal purposes.
8 Amendments to the federal Internal Revenue Code enacted after
9 December 31, 1996, do not apply to this paragraph with respect to taxable years
10 beginning after December 31, 1996, and before January 1, 1998, except that
11 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
12 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of
13 P.L. 106–554, and P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,
14 P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and
15 changes that indirectly affect the provisions applicable to this subchapter made by
16 P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554,
17 excluding sections 162 and 165 of P.L. 106–554, and P.L. 107–16, excluding section
18 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.
19 107–147, and P.L. 107–181, apply for Wisconsin purposes at the same time as for
20 federal purposes.

21 **SECTION 1580de.** 71.01 (6) (m) of the statutes is amended to read:

22 71.01 (6) (m) For taxable years that begin after December 31, 1997, and before
23 January 1, 1999, for natural persons and fiduciaries, except fiduciaries of nuclear
24 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
25 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,

1 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
2 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
3 104–188, and as amendeded by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36,
4 P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
5 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding
6 sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and as indirectly affected by
7 P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
8 P.L. 101–239, P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding
9 sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66,
10 excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
11 P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188,
12 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
13 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.
14 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of
15 P.L. 106–554, and P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,
16 P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181. The
17 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
18 purposes. Amendments to the federal Internal Revenue Code enacted after
19 December 31, 1997, do not apply to this paragraph with respect to taxable years
20 beginning after December 31, 1997, and before January 1, 1999, except that
21 changes to the Internal Revenue Code made by P.L. 105–178, P.L. 105–206, P.L.
22 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of
23 P.L. 106–554, and P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,
24 P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and
25 changes that indirectly affect the provisions applicable to this subchapter made by

1 P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554,
2 excluding sections 162 and 165 of P.L. 106–554, and P.L. 107–16, excluding section
3 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.
4 107–147, and P.L. 107–181, apply for Wisconsin purposes at the same time as for
5 federal purposes.

6 **SECTION 1580df.** 71.01 (6) (n) of the statutes is amended to read:

7 71.01 (6) (n) For taxable years that begin after December 31, 1998, and before
8 January 1, 2000, for natural persons and fiduciaries, except fiduciaries of nuclear
9 decommissioning trust or reserve funds, “Internal Revenue Code” means the federal
10 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,
11 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
12 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
13 104–188, and as amended by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,
14 excluding sections 162 and 165 of P.L. 106–554, and P.L. 107–16, excluding section
15 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.
16 107–147, P.L. 107–181, and P.L. 107–276, and as indirectly affected by P.L. 99–514,
17 P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239,
18 P.L. 101–280, P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding sections 103, 104,
19 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
20 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
21 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188, excluding sections
22 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
23 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
24 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of
25 P.L. 106–554, and P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,

1 P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L.
2 107-276. The Internal Revenue Code applies for Wisconsin purposes at the same
3 time as for federal purposes. Amendments to the federal Internal Revenue Code
4 enacted after December 31, 1998, do not apply to this paragraph with respect to
5 taxable years beginning after December 31, 1998, and before January 1, 2000,
6 except that changes to the Internal Revenue Code made by P.L. 106-36, P.L.
7 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
8 and P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147,
9 excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276, and
10 changes that indirectly affect the provisions applicable to this subchapter made by
11 P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and
12 165 of P.L. 106-554, and P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
13 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181,
14 and P.L. 107-276, apply for Wisconsin purposes at the same time as for federal
15 purposes.

16 **SECTION 1580dg.** 71.01 (6) (o) of the statutes is amended to read:

17 71.01 (6) (o) For taxable years that begin after December 31, 1999, and before
18 January 1, 2003, for natural persons and fiduciaries, except fiduciaries of nuclear
19 decommissioning trust or reserve funds, "Internal Revenue Code" means the federal
20 Internal Revenue Code as amended to December 31, 1999, excluding sections 103,
21 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
22 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
23 104-188, and as amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and
24 165 of P.L. 106-554 and, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
25 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections

1 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L.
2 107-358, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
3 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-280, P.L. 101-508, P.L.
4 102-90, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
5 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
6 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
7 104-7, P.L. 104-117, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
8 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
9 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
10 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
11 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116,
12 P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L.
13 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358. The Internal Revenue Code
14 applies for Wisconsin purposes at the same time as for federal purposes.
15 Amendments to the federal Internal Revenue Code enacted after December 31, 1999,
16 do not apply to this paragraph with respect to taxable years beginning after
17 December 31, 1999, and before January 1, 2003, except that changes to the Internal
18 Revenue Code made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165
19 of P.L. 106-554, and P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16,
20 P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and
21 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, and
22 changes that indirectly affect the provisions applicable to this subchapter made by
23 P.L. 106-230, P.L. 106-554 and, P.L. 107-15, P.L. 107-16, excluding section 431 of
24 P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding

1 sections 101 and 406 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, and
2 P.L. 107–358, apply for Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 1580dh.** 71.01 (6) (p) of the statutes is created to read:

4 71.01 (6) (p) For taxable years that begin after December 31, 2002, for natural
5 persons and fiduciaries, except fiduciaries of nuclear decommissioning trust or
6 reserve funds, “Internal Revenue Code” means the federal Internal Revenue Code
7 as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L.
8 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
9 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519,
10 sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, and
11 section 101 of P.L. 107–147, and as indirectly affected by P.L. 99–514, P.L. 100–203,
12 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–280,
13 P.L. 101–508, P.L. 102–90, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
14 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
15 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
16 103–465, P.L. 104–7, P.L. 104–117, P.L. 104–188, excluding sections 1123 (b), 1202
17 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
18 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.
19 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
20 P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L.
21 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L.
22 107–181, P.L. 107–210, P.L. 107–276, and P.L. 107–358. The Internal Revenue Code
23 applies for Wisconsin purposes at the same time as for federal purposes.
24 Amendments to the federal Internal Revenue Code enacted after December 31, 2002,

1 do not apply to this paragraph with respect to taxable years beginning after
2 December 31, 2002.”.

3 **2.** Page 686, line 4: after that line insert:

4 **“SECTION 1582da.** 71.22 (4) (i) of the statutes is repealed.

5 **SECTION 1582db.** 71.22 (4) (j) of the statutes is amended to read:

6 71.22 (4) (j) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
7 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
8 December 31, 1994, and before January 1, 1996, means the federal Internal
9 Revenue Code as amended to December 31, 1994, excluding sections 103, 104, and
10 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
11 of P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding sections 1202,
12 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L.
13 105–206, P.L. 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L.
14 106–554, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147,
15 and P.L. 107–181, and as indirectly affected in the provisions applicable to this
16 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2)
17 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008
18 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
19 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
20 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
21 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
22 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188,
23 P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206, P.L. 105–277, and P.L.
24 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L. 107–147,

1 excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181. The Internal
2 Revenue Code applies for Wisconsin purposes at the same time as for federal
3 purposes. Amendments to the federal Internal Revenue Code enacted after
4 December 31, 1994, do not apply to this paragraph with respect to taxable years
5 beginning after December 31, 1994, and before January 1, 1996, except that
6 changes to the Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding
7 sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
8 105-34, P.L. 105-206, P.L. 105-277, and P.L. 106-554, excluding sections 162 and
9 165 of P.L. 106-554, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of
10 P.L. 107-147, and P.L. 107-181, and changes that indirectly affect the provisions
11 applicable to this subchapter made by P.L. 104-7, P.L. 104-188, excluding sections
12 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34,
13 P.L. 105-206, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
14 106-554, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,
15 and P.L. 107-181, apply for Wisconsin purposes at the same time as for federal
16 purposes.

17 **SECTION 1582dc.** 71.22 (4) (k) of the statutes is amended to read:

18 71.22 (4) (k) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
19 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
20 December 31, 1995, and before January 1, 1997, means the federal Internal
21 Revenue Code as amended to December 31, 1995, excluding sections 103, 104, and
22 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
23 of P.L. 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204,
24 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34,
25 P.L. 105-206, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.

1 106–554, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147,
2 and P.L. 107–181, and as indirectly affected in the provisions applicable to this
3 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2)
4 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008
5 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
6 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
7 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
8 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
9 104–7, P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L.
10 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L.
11 105–277, and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L.
12 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L.
13 107–181. The Internal Revenue Code applies for Wisconsin purposes at the same
14 time as for federal purposes. Amendments to the federal Internal Revenue Code
15 enacted after December 31, 1995, do not apply to this paragraph with respect to
16 taxable years beginning after December 31, 1995, and before January 1, 1997,
17 except that changes to the Internal Revenue Code made by P.L. 104–188, excluding
18 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
19 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, and P.L. 106–554,
20 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L. 107–147,
21 excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and changes that
22 indirectly affect the provisions applicable to this subchapter made by P.L. 104–188,
23 excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191,
24 P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, and P.L.
25 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L. 107–147,

1 excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, apply for
2 Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 1582dd.** 71.22 (4) (L) of the statutes is amended to read:

4 71.22 (4) (L) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
5 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
6 December 31, 1996, and before January 1, 1998, means the federal Internal
7 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and
8 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
9 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
10 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L.
11 106-36, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, ~~and~~ P.L.
12 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding
13 sections 101 and 406 of P.L. 107-147, and P.L. 107-181, and as indirectly affected in
14 the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
15 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
16 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
17 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
18 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
19 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
20 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
21 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
22 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
23 106-554, excluding sections 162 and 165 of P.L. 106-554, ~~and~~ P.L. 107-16, excluding
24 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and
25 406 of P.L. 107-147, and P.L. 107-181. The Internal Revenue Code applies for

1 Wisconsin purposes at the same time as for federal purposes. Amendments to the
2 federal Internal Revenue Code enacted after December 31, 1996, do not apply to this
3 paragraph with respect to taxable years beginning after December 31, 1996, and
4 before January 1, 1998, except that changes to the Internal Revenue Code made by
5 P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554,
6 excluding sections 162 and 165 of P.L. 106–554, and P.L. 107–16, excluding section
7 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.
8 107–147, and P.L. 107–181, and changes that indirectly affect the provisions
9 applicable to this subchapter made by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L.
10 105–277, P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
11 and P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147,
12 excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, apply for
13 Wisconsin purposes at the same time as for federal purposes.

14 **SECTION 1582de.** 71.22 (4) (m) of the statutes is amended to read:

15 71.22 (4) (m) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
16 (1g) and 71.42 (2), “Internal Revenue Code”, for taxable years that begin after
17 December 31, 1997, and before January 1, 1999, means the federal Internal
18 Revenue Code as amended to December 31, 1997, excluding sections 103, 104, and
19 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
20 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,
21 and as amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.
22 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
23 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding
24 sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and as indirectly affected in
25 the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.

1 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
2 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
3 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
4 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
5 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
6 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
7 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
8 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
9 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
10 and P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147,
11 excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181. The Internal
12 Revenue Code applies for Wisconsin purposes at the same time as for federal
13 purposes. Amendments to the federal Internal Revenue Code enacted after
14 December 31, 1997, do not apply to this paragraph with respect to taxable years
15 beginning after December 31, 1997, and before January 1, 1999, except that
16 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.
17 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of
18 P.L. 106-554, and P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134,
19 P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, and
20 changes that indirectly affect the provisions applicable to this subchapter made by
21 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554,
22 excluding sections 162 and 165 of P.L. 106-554, and P.L. 107-16, excluding section
23 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.
24 107-147, and P.L. 107-181, apply for Wisconsin purposes at the same time as for
25 federal purposes.

1 **SECTION 1582df.** 71.22 (4) (n) of the statutes is amended to read:

2 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
3 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
4 December 31, 1998, and before January 1, 2000, means the federal Internal
5 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
6 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
7 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
8 and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
9 sections 162 and 165 of P.L. 106-554, and P.L. 107-16, excluding section 431 of P.L.
10 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,
11 P.L. 107-181, and P.L. 107-276, and as indirectly affected in the provisions
12 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding
13 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
14 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
15 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
16 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
17 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
18 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
19 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
20 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
21 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
22 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding
23 sections 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276. The Internal
24 Revenue Code applies for Wisconsin purposes at the same time as for federal
25 purposes. Amendments to the federal Internal Revenue Code enacted after

1 December 31, 1998, do not apply to this paragraph with respect to taxable years
2 beginning after December 31, 1998, and before January 1, 2000, except that
3 changes to the Internal Revenue Code made by P.L. 106-36, P.L. 106-170, P.L.
4 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, ~~and~~ P.L.
5 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding
6 sections 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276, and changes
7 that indirectly affect the provisions applicable to this subchapter made by P.L.
8 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
9 P.L. 106-554, ~~and~~ P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134,
10 P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L.
11 107-276, apply for Wisconsin purposes at the same time as for federal purposes.

12 **SECTION 1582dg.** 71.22 (4) (o) of the statutes is amended to read:

13 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
14 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
15 December 31, 1999, and before January 1, 2003, means the federal Internal Revenue
16 Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
17 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
18 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
19 amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
20 106-554, ~~and P.L. 107-15~~, P.L. 107-16, ~~excluding and P.L. 107-16~~, excluding section
21 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding
22 sections 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and
23 P.L. 107-358, and as indirectly affected in the provisions applicable to this
24 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2)
25 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008

1 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
2 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
3 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),
4 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L.
5 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
6 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L.
7 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L.
8 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 107–15, P.L.
9 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L.
10 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181,
11 P.L. 107–210, P.L. 107–276, and P.L. 107–358. The Internal Revenue Code applies
12 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
13 federal Internal Revenue Code enacted after December 31, 1999, do not apply to this
14 paragraph with respect to taxable years beginning after December 31, 1999, and
15 before January 1, 2003, except that changes to the Internal Revenue Code made by
16 P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
17 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116,
18 P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L.
19 107–181, P.L. 107–210, P.L. 107–276, and P.L. 107–358, and changes that indirectly
20 affect the provisions applicable to this subchapter made by P.L. 106–230, P.L.
21 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L. 107–15, P.L.
22 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L.
23 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181,
24 P.L. 107–210, P.L. 107–276, and P.L. 107–358, apply for Wisconsin purposes at the
25 same time as for federal purposes.

1 **SECTION 1582dh.** 71.22 (4) (p) of the statutes is created to read:

2 71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
3 (1g), and 71.42 (2), “Internal Revenue Code,” for taxable years that begin after
4 December 31, 2002, means the federal Internal Revenue Code as amended to
5 December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102–227, sections
6 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b),
7 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and
8 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, and section 101 of P.L.
9 107–147, and as indirectly affected in the provisions applicable to this subchapter
10 by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d)
11 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L.
12 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
13 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
14 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
15 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
16 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
17 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
18 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,
19 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding
20 section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147,
21 excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, and
22 P.L. 107–358. The Internal Revenue Code applies for Wisconsin purposes at the
23 same time as for federal purposes. Amendments to the federal Internal Revenue
24 Code enacted after December 31, 2002, do not apply to this paragraph with respect
25 to taxable years beginning after December 31, 2002.

1 **SECTION 1582di.** 71.22 (4m) (g) of the statutes is repealed.

2 **SECTION 1582dj.** 71.22 (4m) (h) of the statutes is amended to read:

3 71.22 **(4m)** (h) For taxable years that begin after December 31, 1994, and
4 before January 1, 1996, “Internal Revenue Code”, for corporations that are subject
5 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
6 Internal Revenue Code as amended to December 31, 1994, excluding sections 103,
7 104, and 110 of P.L. 102–227 and sections 13113, 13150 (d), 13171 (d), 13174, and
8 13203 (d) of P.L. 103–66, and as amended by P.L. 104–7, P.L. 104–188, excluding
9 sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
10 105–34, P.L. 105–206, P.L. 105–277, and P.L. 106–554, excluding sections 162 and
11 165 of P.L. 106–554, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of
12 P.L. 107–147, and P.L. 107–181, and as indirectly affected in the provisions
13 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
14 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
15 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
16 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
17 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
18 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L.
19 104–193, P.L. 105–34, P.L. 105–206, P.L. 105–277, and P.L. 106–554, excluding
20 sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L. 107–147, excluding sections
21 101 and 406 of P.L. 107–147, and P.L. 107–181. The Internal Revenue Code applies
22 for Wisconsin purposes at the same time as for federal purposes. Amendments to the
23 Internal Revenue Code enacted after December 31, 1994, do not apply to this
24 paragraph with respect to taxable years beginning after December 31, 1994, and
25 before January 1, 1996, except that changes to the Internal Revenue Code made by

1 P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of P.L.
2 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206, P.L. 105-277, and
3 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-134, P.L.
4 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, and
5 changes that indirectly affect the provisions applicable to this subchapter made by
6 P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of P.L.
7 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206, P.L. 105-277, and
8 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-134, P.L.
9 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, apply for
10 Wisconsin purposes at the same time as for federal purposes.

11 **SECTION 1582dk.** 71.22 (4m) (i) of the statutes is amended to read:

12 71.22 (4m) (i) For taxable years that begin after December 31, 1995, and before
13 January 1, 1997, "Internal Revenue Code", for corporations that are subject to a tax
14 on unrelated business income under s. 71.26 (1) (a), means the federal Internal
15 Revenue Code as amended to December 31, 1995, excluding sections 103, 104, and
16 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
17 of P.L. 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204,
18 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34,
19 P.L. 105-206, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
20 106-554, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,
21 and P.L. 107-181, and as indirectly affected in the provisions applicable to this
22 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
23 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
24 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
25 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.

1 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123, 1202,
2 1204, 1311, and 1605 of P.L. 104–188, P.L. 104–191, P.L. 104–193, PL. 105–33, P.L.
3 105–34, P.L. 105–206, P.L. 105–277, and P.L. 106–554, excluding sections 162 and
4 165 of P.L. 106–554, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of
5 P.L. 107–147, and P.L. 107–181. The Internal Revenue Code applies for Wisconsin
6 purposes at the same time as for federal purposes. Amendments to the Internal
7 Revenue Code enacted after December 31, 1995, do not apply to this paragraph with
8 respect to taxable years beginning after December 31, 1995, and before
9 January 1, 1997, except that changes to the Internal Revenue Code made by P.L.
10 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188, P.L.
11 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, and
12 P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L.
13 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and
14 changes that indirectly affect the provisions applicable to this subchapter made by
15 P.L. 104–188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104–188,
16 P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277,
17 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L.
18 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, apply for
19 Wisconsin purposes at the same time as for federal purposes.

20 **SECTION 1582dL.** 71.22 (4m) (j) of the statutes is amended to read:

21 71.22 (4m) (j) For taxable years that begin after December 31, 1996, and before
22 January 1, 1998, “Internal Revenue Code”, for corporations that are subject to a tax
23 on unrelated business income under s. 71.26 (1) (a), means the federal Internal
24 Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and
25 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

1 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188
2 and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L.
3 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
4 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding
5 sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and as indirectly affected in
6 the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
7 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
8 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
9 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
10 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
11 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311 and 1605 (d) of P.L.
12 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L.
13 105–277, P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
14 and P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147,
15 excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181. The Internal
16 Revenue Code applies for Wisconsin purposes at the same time as for federal
17 purposes. Amendments to the Internal Revenue Code enacted after
18 December 31, 1996, do not apply to this paragraph with respect to taxable years
19 beginning after December 31, 1996, and before January 1, 1998, except that
20 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.
21 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of
22 P.L. 106–554, and P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,
23 P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and
24 changes that indirectly affect provisions applicable to this subchapter made by P.L.
25 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554,

1 excluding sections 162 and 165 of P.L. 106–554, and P.L. 107–16, excluding section
2 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.
3 107–147, and P.L. 107–181, apply for Wisconsin purposes at the same time as for
4 federal purposes.

5 **SECTION 1582dm.** 71.22 (4m) (k) of the statutes is amended to read:

6 71.22 (4m) (k) For taxable years that begin after December 31, 1997, and
7 before January 1, 1999, “Internal Revenue Code”, for corporations that are subject
8 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
9 Internal Revenue Code as amended to December 31, 1997, excluding sections 103,
10 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
11 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
12 104–188, and as amended by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36,
13 P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
14 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding
15 sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and as indirectly affected in
16 the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.
17 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
18 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
19 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
20 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
21 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
22 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
23 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554, excluding sections
24 162 and 165 of P.L. 106–554, and P.L. 107–16, excluding section 431 of P.L. 107–16,
25 P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L.

1 107-181. The Internal Revenue Code applies for Wisconsin purposes at the same
2 time as for federal purposes. Amendments to the Internal Revenue Code enacted
3 after December 31, 1997, do not apply to this paragraph with respect to taxable years
4 beginning after December 31, 1997, and before January 1, 1999, except that
5 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.
6 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of
7 P.L. 106-554, and P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134,
8 P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, and
9 changes that indirectly affect the provisions applicable to this subchapter made by
10 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554,
11 excluding sections 162 and 165 of P.L. 106-554, and P.L. 107-16, excluding section
12 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.
13 107-147, and P.L. 107-181, apply for Wisconsin purposes at the same time as for
14 federal purposes.

15 **SECTION 1582dn.** 71.22 (4m) (L) of the statutes is amended to read:

16 71.22 (4m) (L) For taxable years that begin after December 31, 1998, and
17 before January 1, 2000, "Internal Revenue Code", for corporations that are subject
18 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
19 Internal Revenue Code as amended to December 31, 1998, excluding sections 103,
20 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
21 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
22 104-188, and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,
23 excluding sections 162 and 165 of P.L. 106-554, and P.L. 107-16, excluding section
24 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.
25 107-147, P.L. 107-181, and P.L. 107-276, and as indirectly affected in the provisions

1 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
2 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
3 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
4 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
5 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
6 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
7 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
8 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
9 162 and 165 of P.L. 106-554, ~~and~~ P.L. 107-16, excluding section 431 of P.L. 107-16,
10 P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L.
11 107-181, and P.L. 107-276. The Internal Revenue Code applies for Wisconsin
12 purposes at the same time as for federal purposes. Amendments to the Internal
13 Revenue Code enacted after December 31, 1998, do not apply to this paragraph with
14 respect to taxable years beginning after December 31, 1998, and before
15 January 1, 2000, except that changes to the Internal Revenue Code made by P.L.
16 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
17 P.L. 106-554, ~~and~~ P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134,
18 P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L.
19 107-276, and changes that indirectly affect the provisions applicable to this
20 subchapter made by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,
21 excluding sections 162 and 165 of P.L. 106-554, ~~and~~ P.L. 107-16, excluding section
22 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.
23 107-147, P.L. 107-181, and P.L. 107-276, apply for Wisconsin purposes at the same
24 time as for federal purposes.

25 **SECTION 1582do.** 71.22 (4m) (m) of the statutes is amended to read:

1 71.22 (4m) (m) For taxable years that begin after December 31, 1999, and
2 before January 1, 2003, “Internal Revenue Code”, for corporations that are subject
3 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal
4 Internal Revenue Code as amended to December 31, 1999, excluding sections 103,
5 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203
6 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
7 104–188, and as amended by P.L. 106–230, P.L. 106–554, excluding sections 162 and
8 165 of P.L. 106–554, and P.L. 107–15, P.L. 107–16, excluding section 431 of P.L.
9 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections
10 101 and 406 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, and P.L.
11 107–358, and as indirectly affected in the provisions applicable to this subchapter
12 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
13 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
14 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
15 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
16 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),
17 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
18 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L.
19 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, and P.L.
20 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116,
21 P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L.
22 107–181, P.L. 107–210, P.L. 107–276, and P.L. 107–358. The Internal Revenue Code
23 applies for Wisconsin purposes at the same time as for federal purposes.
24 Amendments to the Internal Revenue Code enacted after December 31, 1999, do not
25 apply to this paragraph with respect to taxable years beginning after

1 December 31, 1999, and before January 1, 2003, except that changes to the Internal
2 Revenue Code made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165
3 of P.L. 106-554, and P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16,
4 P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and
5 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, and
6 changes that indirectly affect the provisions applicable to this subchapter made by
7 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, and P.L.
8 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116,
9 P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L.
10 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, apply for Wisconsin
11 purposes at the same time as for federal purposes.

12 **SECTION 1582dp.** 71.22 (4m) (n) of the statutes is created to read:

13 71.22 (4m) (n) For taxable years that begin after December 31, 2002, "Internal
14 Revenue Code," for corporations that are subject to a tax on unrelated business
15 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended
16 to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102-227, sections
17 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
18 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and
19 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and section 101 of P.L.
20 107-147, and as indirectly affected in the provisions applicable to this subchapter
21 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
22 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
23 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
24 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
25 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),

1 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
2 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L.
3 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15,
4 P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L.
5 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L. 107–181, P.L.
6 107–210, P.L. 107–276, and P.L. 107–358. The Internal Revenue Code applies for
7 Wisconsin purposes at the same time as for federal purposes. Amendments to the
8 Internal Revenue Code enacted after December 31, 2002, do not apply to this
9 paragraph with respect to taxable years beginning after December 31, 2002.

10 **SECTION 1582dq.** 71.26 (2) (b) 9. of the statutes is repealed.

11 **SECTION 1582dr.** 71.26 (2) (b) 10. of the statutes is amended to read:

12 71.26 (2) (b) 10. For taxable years that begin after December 31, 1994, and
13 before January 1, 1996, for a corporation, conduit or common law trust which
14 qualifies as a regulated investment company, real estate mortgage investment
15 conduit or real estate investment trust under the Internal Revenue Code as amended
16 to December 31, 1994, excluding sections 103, 104, and 110 of P.L. 102–227 and
17 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, and as
18 amended by P.L. 104–7, P.L. 104–188, excluding sections 1202, 1204, 1311, and 1605
19 of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–34, P.L. 105–206, P.L. 105–277,
20 and P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–134, P.L.
21 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, and as
22 indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L.
23 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L.
24 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L.
25 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),

1 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
2 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188,
3 P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206, P.L. 105-277, and P.L.
4 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-134, P.L. 107-147,
5 excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, “net income”
6 means the federal regulated investment company taxable income, federal real estate
7 mortgage investment conduit taxable income or federal real estate investment trust
8 taxable income of the corporation, conduit or trust as determined under the Internal
9 Revenue Code as amended to December 31, 1994, excluding sections 103, 104, and
10 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d)
11 of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202,
12 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
13 105-206, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
14 106-554, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,
15 and P.L. 107-181, and as indirectly affected in the provisions applicable to this
16 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
17 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
18 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
19 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
20 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204,
21 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
22 105-206, P.L. 105-277, and P.L. 106-554, excluding sections 162 and 165 of P.L.
23 106-554, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,
24 and P.L. 107-181, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,
25 is required to be depreciated for taxable years 1983 to 1986 under the Internal