

ENGROSSED ASSEMBLY BILL 100**SECTION 1383**

1 does not include compensation used in computing the credit under subs. (1dj) and
2 (1dx), the corporation's base amount, as defined in section 41 (c) of the internal
3 revenue code, except that gross receipts used in calculating the base amount means
4 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and,
5 (d), (df), and (dh). Section 41 (h) of the internal revenue code does not apply to the
6 credit under this paragraph.

7 **SECTION 1384.** 71.28 (4) (am) 1. of the statutes is amended to read:

8 71.28 (4) (am) 1. In addition to the credit under par. (a), any corporation may
9 credit against taxes otherwise due under this chapter an amount equal to 5% of the
10 amount obtained by subtracting from the corporation's qualified research expenses,
11 as defined in section 41 of the internal revenue code, except that "qualified research
12 expenses" include only expenses incurred by the claimant in a development zone
13 under subch. VI of ch. 560, except that a taxpayer may elect the alternative
14 computation under section 41 (c) (4) of the Internal Revenue Code and that election
15 applies until the department permits its revocation and except that "qualified
16 research expenses" do not include compensation used in computing the credit under
17 sub. (1dj) nor research expenses incurred before the claimant is certified for tax
18 benefits under s. 560.765 (3), the corporation's base amount, as defined in section 41
19 (c) of the internal revenue code, in a development zone, except that gross receipts
20 used in calculating the base amount means gross receipts from sales attributable to
21 Wisconsin under s. 71.25 (9) (b) 1. and 2. and, (d), (df), and (dh) and research expenses
22 used in calculating the base amount include research expenses incurred before the
23 claimant is certified for tax benefits under s. 560.765 (3), in a development zone, if
24 the claimant submits with the claimant's return a copy of the claimant's certification
25 for tax benefits under s. 560.765 (3) and a statement from the department of

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1 commerce verifying the claimant's qualified research expenses for research
2 conducted exclusively in a development zone. The rules under s. 73.03 (35) apply to
3 the credit under this subdivision. The rules under sub. (1di) (f) and (g) as they apply
4 to the credit under that subsection apply to claims under this subdivision. Section
5 41 (h) of the internal revenue code does not apply to the credit under this subdivision.

6 **SECTION 1385.** 71.28 (4) (i) of the statutes is amended to read:

7 71.28 (4) (i) *Nonclaimants.* The credits under this subsection may not be
8 claimed by a partnership, except a publicly traded partnership treated as a
9 corporation under s. 71.22 (1) (1k), limited liability company, except a limited
10 liability company treated as a corporation under s. 71.22 (1) (1k), or tax-option
11 corporation or by partners, including partners of a publicly traded partnership,
12 members of a limited liability company or shareholders of a tax-option corporation.

13 **SECTION 1385h.** 71.28 (5g) of the statutes is created to read:

14 71.28 (5g) **HEALTH INSURANCE RISK-SHARING PLAN ASSESSMENTS CREDIT.** (a)

15 *Definitions.* In this subsection, "claimant" means an insurer, as defined in s. 149.10
16 (5), who files a claim under this subsection.

17 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
18 taxable years beginning after December 31, 2005, a claimant may claim as a credit
19 against the taxes imposed under s. 71.23 an amount that is equal to a percentage of
20 the amount of assessment under s. 149.13 that the claimant paid in the taxable year,
21 as determined under par. (c) 1.

22 (c) *Limitations.* 1. The department of revenue, in consultation with the office
23 of the commissioner of insurance, shall determine the percentage under par. (b) for
24 each claimant for each taxable year so that the cost of the credit under this subsection

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1 and ss. 71.07 (5g), 71.47 (5g), and 76.655 is as close as practicable to \$2,000,000 in
2 the 2006-07 fiscal year and \$5,000,000 in each fiscal year thereafter.

3 2. Partnerships, limited liability companies, and tax-option corporations may
4 not claim the credit under this subsection, but the eligibility for, and the amount of,
5 the credit are based on their payment of amounts described under par. (b). A
6 partnership, limited liability company, or tax-option corporation shall compute the
7 amount of credit that each of its partners, members, or shareholders may claim and
8 shall provide that information to each of them. Partners, members of limited liability
9 companies, and shareholders of tax-option corporations may claim the credit in
10 proportion to their ownership interests.

11 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
12 sub. (4), applies to the credit under this subsection.

13 **SECTION 1385p.** 71.30 (3) (dm) of the statutes is created to read:

14 71.30 (3) (dm) Health insurance risk-sharing plan assessments credit under
15 s. 71.28 (5g).

16 **SECTION 1386.** 71.30 (11) of the statutes is created to read:

17 71.30 (11) VETERANS TRUST FUND. (a) *Definitions.* In this subsection, "veterans
18 trust fund" means the fund under s. 25.36.

19 (b) *Voluntary payments.* 1. 'Designation on return.' A corporation filing an
20 income or franchise tax return may designate on the return any amount of additional
21 payment or any amount of a refund that is due the corporation as a donation to the
22 veterans trust fund to be used for veterans programs under s. 25.36 (1).

23 2. 'Designation added to tax owed.' If the corporation owes any tax, the
24 corporation shall remit in full the tax due and the amount designated on the return
25 as a donation to the veterans trust fund when the corporation files a tax return.

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1 3. 'Designation deducted from refund.' Except as provided under par. (d), and
2 subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the
3 department shall deduct the amount designated on the return as a donation to the
4 veterans trust fund from the amount of the refund.

5 (c) *Errors; failure to remit correct amount.* 1. 'Reduced designation.' If a
6 corporation remits an amount that exceeds the tax due, after error corrections, but
7 that is less than the total of the tax due, after error corrections, and the amount
8 designated by the corporation on the return as a donation to the veterans trust fund,
9 the department shall reduce the designation to reflect the amount remitted that
10 exceeds the tax due, after error corrections.

11 2. 'Void designation.' The designation for a donation to the veterans trust fund
12 is void if the corporation remits an amount equal to or less than the tax due, after
13 error corrections.

14 (d) *Errors; insufficient refund.* If a corporation is owed a refund that is less than
15 the amount designated on the return as a donation to the veterans trust fund, after
16 attachment and crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,
17 the department shall reduce the designation to reflect the actual amount of the
18 refund the corporation is otherwise owed.

19 (e) *Conditions.* If a corporation places any conditions on a designation for a
20 donation to the veterans trust fund, the designation is void.

21 (f) *Void designation.* If a designation for a donation to the veterans trust fund
22 is void, the department shall disregard the designation and determine the amounts
23 due, owed, refunded, and received.

24 (g) *Tax return.* The secretary of revenue shall provide a place for the
25 designations under this subsection on the corporate income and franchise tax

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1 returns and the secretary shall highlight that place on the returns by a symbol
2 chosen by the department of veterans affairs that relates to veterans.

3 (h) *Certification of amounts.* Annually, on or before September 15, the
4 secretary of revenue shall certify to the department of veterans affairs and the
5 department of administration:

6 1. The total amount of the administrative costs, including data processing
7 costs, incurred by the department of revenue in administering this subsection during
8 the previous fiscal year.

9 2. The total amount received from all designations to the veterans trust fund
10 under this subsection made by corporations during the previous fiscal year.

11 3. The net amount remaining after the administrative costs under subd. 1. are
12 subtracted from the total received under subd. 2.

13 (i) *Appropriations.* From the moneys received from designations to the
14 veterans trust fund under this subsection, an amount equal to the sum of
15 administrative expenses certified under par. (h) 1. shall be deposited into the general
16 fund and credited to the appropriation under s. 20.566 (1) (hp), and the net amount
17 remaining certified under par. (h) 3. shall be deposited into the veterans trust fund
18 and used for the veterans programs under s. 25.36 (1).

19 (j) *Refunds.* An amount designated as a donation to the veterans trust fund
20 under this subsection is not subject to refund to a corporation that designates the
21 donation unless the corporation submits information to the satisfaction of the
22 department within 18 months from the date that taxes are due from the corporation
23 or from the date that the corporation filed the return, whichever is later, that the
24 amount designated is clearly in error. A refund granted by the department under

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1 this paragraph shall be deducted from the moneys received under this subsection in
2 the fiscal year that the refund is certified under 71.75 (7).

3 **SECTION 1386m.** 71.34 (1) (g) of the statutes is amended to read:

4 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
5 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
6 (3n), (3t), and (5b), and (5g) and passed through to shareholders.

7 **SECTION 1387.** 71.34 (1g) (j) of the statutes is repealed.

8 **SECTION 1388.** 71.34 (1g) (k) of the statutes is repealed.

9 **SECTION 1389.** 71.34 (1g) (L) of the statutes is amended to read:

10 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable
11 years that begin after December 31, 1996, and before January 1, 1998, means the
12 federal Internal Revenue Code as amended to December 31, 1996, excluding
13 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
14 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
15 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,
16 P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of P.L.
17 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
18 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.
19 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,
20 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,
21 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the
22 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647
23 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)
24 of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
25 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and

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1 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
2 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
3 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
4 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
5 105-33, 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, P.L. 107-16, excluding section 431
7 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, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
9 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L.
10 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
11 except that section 1366 (f) (relating to pass-through of items to shareholders) is
12 modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and
13 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time
14 as for federal purposes. Amendments to the federal Internal Revenue Code enacted
15 after December 31, 1996, do not apply to this paragraph with respect to taxable years
16 beginning after December 31, 1996, and before January 1, 1998, except that
17 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.
18 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of
19 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
20 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.
21 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,
22 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,
23 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and changes that indirectly affect
24 the provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34, P.L.
25 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of

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1 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
2 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.
3 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,
4 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,
5 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes at the
6 same time as for federal purposes.

7 **SECTION 1390.** 71.34 (1g) (m) of the statutes is amended to read:

8 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
9 years that begin after December 31, 1997, and before January 1, 1999, means the
10 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
11 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
12 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
13 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
14 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
15 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147,
16 excluding sections 101 and 406 of P.L. 107-147, P.L. and 107-181, P.L. 108-121,
17 excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308,
18 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244,
19 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the provisions
20 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding
21 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
22 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
23 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
24 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
25 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.

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1 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
2 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
3 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
4 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding
5 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and
6 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L.
7 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.
8 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910
9 of P.L. 108-357, except that section 1366 (f) (relating to pass-through of items to
10 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
11 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
12 at the same time as for federal purposes. Amendments to the federal Internal
13 Revenue Code enacted after December 31, 1997, do not apply to this paragraph with
14 respect to taxable years beginning after December 31, 1997, and before
15 January 1, 1999, except that changes to the Internal Revenue Code made by P.L.
16 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554,
17 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431
18 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, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
20 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L.
21 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
22 and changes that indirectly affect the provisions applicable to this subchapter made
23 by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554,
24 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431
25 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.

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1 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
2 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L.
3 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
4 apply for Wisconsin purposes at the same time as for federal purposes.

5 **SECTION 1391.** 71.34 (1g) (n) of the statutes is amended to read:

6 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable
7 years that begin after December 31, 1998, and before January 1, 2000, means the
8 federal Internal Revenue Code as amended to December 31, 1998, excluding sections
9 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
10 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
11 of P.L. 104-188, and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L.
12 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding
13 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and
14 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding section
15 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a)
16 of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,
17 and 910 of P.L. 108-357, and as indirectly affected in the provisions applicable to this
18 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2)
19 (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008
20 (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.
21 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
22 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
23 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
24 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
25 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.

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1 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L.
2 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding
3 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and
4 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding section
5 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a)
6 of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,
7 and 910 of P.L. 108-357, except that section 1366 (f) (relating to pass-through of
8 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
9 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
10 purposes at the same time as for federal purposes. Amendments to the federal
11 Internal Revenue Code enacted after December 31, 1998, do not apply to this
12 paragraph with respect to taxable years beginning after December 31, 1998, and
13 before January 1, 2000, except that changes to the Internal Revenue Code made by
14 P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and
15 165 of P.L. 106-554, 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, P.L. 107-181, and P.L.
17 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311,
18 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357,
19 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and changes
20 that indirectly affect the provisions applicable to this subchapter made by P.L.
21 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
22 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
23 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L.
24 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311,
25 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357,

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1 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for
2 Wisconsin purposes at the same time as for federal purposes.

3 **SECTION 1392.** 71.34 (1g) (o) of the statutes is amended to read:

4 71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable
5 years that begin after December 31, 1999, and before January 1, 2003, means the
6 federal Internal Revenue Code as amended to December 31, 1999, excluding sections
7 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
8 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
9 of P.L. 104-188, and as amended by P.L. 106-230, P.L. 106-554, excluding sections
10 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
11 107-16, P.L. 107.22, P.L. 107.116, P.L. 107-134, P.L. 107-147, excluding sections 101
12 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358,
13 P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121,
14 excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections
15 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections
16 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in
17 the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
18 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
19 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
20 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
21 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
22 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
23 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
24 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
25 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.

ENGROSSED ASSEMBLY BILL 100

SECTION 1392

1 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
2 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
3 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of
4 P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L.
5 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
6 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
7 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201,
8 244, 336, 337, 909, and 910 of P.L. 108-357, except that section 1366 (f) (relating to
9 pass-through of items to shareholders) is modified by substituting the tax under s.
10 71.35 for the taxes under sections 1374 and 1375. 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, 1999, do not apply to this
13 paragraph with respect to taxable years beginning after December 31, 1999, and
14 before January 1, 2003, except that changes to the Internal Revenue Code made by
15 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L.
16 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116,
17 P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L.
18 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding
19 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.
20 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403
21 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,
22 and 910 of P.L. 108-357, and changes that indirectly affect the provisions applicable
23 to this subchapter made by P.L. 106-230, P.L. 106-554, excluding sections 162 and
24 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16,
25 P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and

ENGROSSED ASSEMBLY BILL 100**SECTION 1392**

1 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L.
2 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
3 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
4 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201,
5 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes at the same
6 time as for federal purposes.

7 **SECTION 1393.** 71.34 (1g) (p) of the statutes is amended to read:

8 71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable
9 years that begin after December 31, 2002, and before January 1, 2004, means the
10 federal Internal Revenue Code as amended to December 31, 2002, excluding sections
11 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
12 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
13 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
14 431 of P.L. 107-16, and section 101 of P.L. 107-147, and as amended by P.L. 108-27,
15 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
16 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
17 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403
18 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and
19 910 of P.L. 108-357, and P.L. 108-375, and as indirectly affected in the provisions
20 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
21 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
22 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
23 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
24 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
25 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.

ENGROSSED ASSEMBLY BILL 100

SECTION 1393

1 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
2 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
3 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
4 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,
5 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.
6 107-134, P.L. 107-147, excluding section 101 of P.L. 107-147, P.L. 107-181, P.L.
7 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding sections 106, 201,
8 and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
9 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L.
10 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L.
11 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
12 and P.L. 108-375, except that section 1366 (f) (relating to pass-through of items to
13 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
14 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
15 at the same time as for federal purposes. Amendments to the federal Internal
16 Revenue Code enacted after December 31, 2002, do not apply to this paragraph with
17 respect to taxable years beginning after December 31, 2002, and before January 1,
18 2004, except that changes to the Internal Revenue Code made by P.L. 108-27,
19 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
20 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
21 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403
22 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and
23 910 of P.L. 108-357, and P.L. 108-375, and changes that indirectly affect the
24 provisions applicable to this subchapter made by P.L. 108-27, excluding sections
25 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121,

ENGROSSED ASSEMBLY BILL 100**SECTION 1393**

1 PL. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218,
2 PL. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L.
3 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
4 and P.L. 108-375, apply for Wisconsin purposes at the same time as for federal
5 purposes.

6 **SECTION 1394.** 71.34 (1g) (q) of the statutes is created to read:

7 71.34 (1g) (q) "Internal Revenue Code" for tax-option corporations, for taxable
8 years that begin after December 31, 2003, and before January 1, 2005, means the
9 federal Internal Revenue Code as amended to December 31, 2003, excluding sections
10 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
11 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
12 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
13 431 of P.L. 107-16, section 101 of P.L. 107-147, sections 106, 201, and 202 of P.L.
14 108-27, section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and as
15 amended by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
16 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244,
17 336, 337, 909, and 910 of P.L. 108-357, P.L. 108-375, and P.L. 108-476, and as
18 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
19 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
20 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
21 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
22 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
23 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
24 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
25 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.

ENGROSSED ASSEMBLY BILL 100**SECTION 1394**

1 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
2 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
3 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
4 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding section 101
5 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
6 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
7 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
8 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403
9 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and
10 910 of P.L. 108-357, P.L. 108-375, and P.L. 108-476, except that section 1366 (f)
11 (relating to pass-through of items to shareholders) is modified by substituting the
12 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
13 Code applies for Wisconsin purposes at the same time as for federal purposes.
14 Amendments to the federal Internal Revenue Code enacted after December 31, 2003,
15 do not apply to this paragraph with respect to taxable years beginning after
16 December 31, 2003, and before January 1, 2005, except that changes to the Internal
17 Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
18 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101,
19 201, 244, 336, 337, 909, and 910 of P.L. 108-357, P.L. 108-375, and P.L. 108-476, and
20 changes that indirectly affect the provisions applicable to this subchapter made by
21 P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and
22 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,
23 and 910 of P.L. 108-357, P.L. 108-375, and P.L. 108-476, apply for Wisconsin
24 purposes at the same time as for federal purposes.

25 **SECTION 1395.** 71.34 (1g) (r) of the statutes is created to read:

ENGROSSED ASSEMBLY BILL 100**SECTION 1395**

1 71.34 (1g) (r) "Internal Revenue Code" for tax-option corporations, for taxable
2 years that begin after December 31, 2004, means the federal Internal Revenue Code
3 as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L.
4 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
5 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,
6 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
7 431 of P.L. 107-16, section 101 of P.L. 107-147, sections 106, 201, and 202 of P.L.
8 108-27, section 1201 of P.L. 108-173, sections 306, 308, 401, and 403 (a) of P.L.
9 108-311, and sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as
10 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
11 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
12 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
13 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
14 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
15 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
16 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
17 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
18 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
19 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
20 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
21 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding section 101
22 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
23 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
24 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
25 excluding sections 306, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding

ENGROSSED ASSEMBLY BILL 100**SECTION 1395**

1 sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, P.L. 108-375, and P.L.
2 108-476, except that section 1366 (f) (relating to pass-through of items to
3 shareholders) is modified by substituting the tax under s. 71.35 for the taxes under
4 sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes
5 at the same time as for federal purposes. Amendments to the federal Internal
6 Revenue Code enacted after December 31, 2004, do not apply to this paragraph with
7 respect to taxable years beginning after December 31, 2004.

8 **SECTION 1396.** 71.42 (2) (i) of the statutes is repealed.

9 **SECTION 1397.** 71.42 (2) (j) of the statutes is repealed.

10 **SECTION 1398.** 71.42 (2) (k) of the statutes is amended to read:

11 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
12 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code
13 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.
14 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
15 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
16 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
17 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding
18 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and
19 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L.
20 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.
21 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910
22 of P.L. 108-357, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647,
23 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
24 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
25 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.

ENGROSSED ASSEMBLY BILL 100**SECTION 1398**

1 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
2 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
3 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L.
4 106-36, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16,
5 excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections
6 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109
7 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of
8 P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and
9 910 of P.L. 108-357, except that "Internal Revenue Code" does not include section
10 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for
11 Wisconsin purposes at the same time as for federal purposes. Amendments to the
12 federal Internal Revenue Code enacted after December 31, 1996, do not apply to this
13 paragraph with respect to taxable years beginning after December 31, 1996, and
14 before January 1, 1998, except that changes to the Internal Revenue Code made by
15 P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554,
16 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431
17 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.
18 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
19 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L.
20 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
21 and changes that indirectly affect the provisions applicable to this subchapter made
22 by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554,
23 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431
24 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.
25 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.

ENGROSSED ASSEMBLY BILL 100

SECTION 1398

1 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L.
2 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
3 apply for Wisconsin purposes at the same time as for federal purposes.

4 **SECTION 1399.** 71.42 (2) (L) of the statutes is amended to read:

5 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
6 January 1, 1999, "Internal Revenue Code" means the federal Internal Revenue Code
7 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
8 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
9 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
10 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170,
11 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding
12 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and
13 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L.
14 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.
15 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910
16 of P.L. 108-357, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647,
17 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
18 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
19 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
20 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
21 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
22 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
23 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of
24 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
25 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.

ENGROSSED ASSEMBLY BILL 100**SECTION 1399**

1 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,
2 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,
3 201, 244, 336, 337, 909, and 910 of P.L. 108-357, except that "Internal Revenue Code"
4 does not include section 847 of the federal Internal Revenue Code. The Internal
5 Revenue Code applies for Wisconsin purposes at the same time as for federal
6 purposes. Amendments to the federal Internal Revenue Code enacted after
7 December 31, 1997, do not apply to this paragraph with respect to taxable years
8 beginning after December 31, 1997, and before January 1, 1999, except that
9 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.
10 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of
11 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
12 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.
13 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,
14 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,
15 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and changes that indirectly affect
16 the provisions applicable to this subchapter 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, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
19 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.
20 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,
21 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,
22 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes at the
23 same time as for federal purposes.

24 **SECTION 1400.** 71.42 (2) (m) of the statutes is amended to read:

ENGROSSED ASSEMBLY BILL 100

SECTION 1400

1 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
2 January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code
3 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
4 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
5 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
6 amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
7 sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L.
8 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,
9 P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121,
10 P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and
11 P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L.
12 108-357, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.
13 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
14 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
15 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
16 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
17 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
18 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
19 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
20 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
21 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181,
22 and P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311,
23 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357,
24 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, except that
25 "Internal Revenue Code" does not include section 847 of the federal Internal Revenue

ENGROSSED ASSEMBLY BILL 100**SECTION 1400**

1 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time
2 as for federal purposes. Amendments to the federal Internal Revenue Code enacted
3 after December 31, 1998, do not apply to this paragraph with respect to taxable years
4 beginning after December 31, 1998, and before January 1, 2000, except that
5 changes to the Internal Revenue Code made by P.L. 106-36, P.L. 106-170, P.L.
6 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16,
7 excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections
8 101 and 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding
9 section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and
10 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337,
11 909, and 910 of P.L. 108-357, and changes that indirectly affect the provisions
12 applicable to this subchapter made by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L.
13 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding
14 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and
15 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding section
16 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a)
17 of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,
18 and 910 of P.L. 108-357, apply for Wisconsin purposes at the same time as for federal
19 purposes.

20 **SECTION 1401.** 71.42 (2) (n) of the statutes is amended to read:

21 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
22 January 1, 2003, "Internal Revenue Code" means the federal Internal Revenue Code
23 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
24 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
25 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as

ENGROSSED ASSEMBLY BILL 100**SECTION 1401**

1 amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
2 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22,
3 P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.
4 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27,
5 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
6 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,
7 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244,
8 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected by P.L. 99-514, P.L.
9 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
10 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
11 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
12 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
13 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
14 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
15 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L.
16 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16,
17 excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L.
18 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210,
19 P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202
20 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L.
21 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L.
22 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
23 except that "Internal Revenue Code" does not include section 847 of the federal
24 Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes
25 at the same time as for federal purposes. Amendments to the federal Internal

ENGROSSED ASSEMBLY BILL 100**SECTION 1401**

1 Revenue Code enacted after December 31, 1999, do not apply to this paragraph with
2 respect to taxable years beginning after December 31, 1999, and before January 1,
3 2003, except that changes to the Internal Revenue Code made by P.L. 106-230, P.L.
4 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16,
5 excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L.
6 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210,
7 P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202
8 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L.
9 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L.
10 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
11 and changes that indirectly affect the provisions applicable to this subchapter made
12 by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L.
13 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116,
14 P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L.
15 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding
16 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.
17 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403
18 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,
19 and 910 of P.L. 108-357, apply for Wisconsin purposes at the same time as for federal
20 purposes.

21 **SECTION 1402.** 71.42 (2) (o) of the statutes is amended to read:
22 **71.42 (2) (o)** For taxable years that begin after December 31, 2002, and before
23 January 1, 2004, "Internal Revenue Code" means the federal Internal Revenue Code
24 as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L.
25 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,

ENGROSSED ASSEMBLY BILL 100

SECTION 1402

1 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
2 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and
3 section 101 of P.L. 107-147, and as amended by P.L. 108-27, excluding sections 106,
4 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
5 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L.
6 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L.
7 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,
8 and P.L. 108-375, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
9 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
10 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
11 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
12 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
13 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
14 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
15 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,
16 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding
17 section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147,
18 excluding section 101 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and
19 P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.
20 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201
21 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306,
22 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,
23 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L. 108-375, except that "Internal
24 Revenue Code" does not include section 847 of the federal Internal Revenue Code.
25 The Internal Revenue Code applies for Wisconsin purposes at the same time as for

ENGROSSED ASSEMBLY BILL 100**SECTION 1402**

1 federal purposes. Amendments to the federal Internal Revenue Code enacted after
2 December 31, 2002, do not apply to this paragraph with respect to taxable years
3 beginning after December 31, 2002, and before January 1, 2004, except that changes
4 to the Internal Revenue Code made by P.L. 108-27, excluding sections 106, 201, and
5 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173,
6 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
7 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
8 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L.
9 108-375, and changes that indirectly affect the provisions applicable to this
10 subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27,
11 P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section
12 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
13 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101,
14 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L. 108-375, apply for
15 Wisconsin purposes at the same time as for federal purposes.

16 **SECTION 1403.** 71.42 (2) (p) of the statutes is created to read:

17 71.42 (2) (p) For taxable years that begin after December 31, 2003, and before
18 January 1, 2005, "Internal Revenue Code" means the federal Internal Revenue Code
19 as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L.
20 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
21 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
22 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, section
23 101 of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 109 of P.L.
24 108-121, and section 1201 of P.L. 108-173, and as amended by P.L. 108-203, P.L.
25 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.

ENGROSSED ASSEMBLY BILL 100**SECTION 1403**

1 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of
2 P.L. 108-357, P.L. 108-375, and P.L. 108-476, and as indirectly affected by P.L.
3 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
4 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
5 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
6 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
7 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
8 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
9 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
10 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,
11 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.
12 107-134, P.L. 107-147, excluding section 101 of P.L. 107-147, P.L. 107-181, P.L.
13 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and
14 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173,
15 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
16 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
17 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, P.L.
18 108-375, and P.L. 108-476, except that "Internal Revenue Code" does not include
19 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
20 applies for Wisconsin purposes at the same time as for federal purposes.
21 Amendments to the federal Internal Revenue Code enacted after December 31, 2003,
22 do not apply to this paragraph with respect to taxable years beginning after
23 December 31, 2003, and before January 1, 2005, except that changes to the Internal
24 Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
25 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101,

ENGROSSED ASSEMBLY BILL 100**SECTION 1403**

1 201, 244, 336, 337, 909, and 910 of P.L. 108-357, P.L. 108-375, and P.L. 108-476, and
2 changes that indirectly affect the provisions applicable to this subchapter made by
3 P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and
4 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,
5 and 910 of P.L. 108-357, P.L. 108-375, and P.L. 108-476, apply for Wisconsin
6 purposes at the same time as for federal purposes.

7 **SECTION 1404.** 71.42 (2) (q) of the statutes is created to read:

8 71.42 (2) (q) For taxable years that begin after December 31, 2004, "Internal
9 Revenue Code" means the federal Internal Revenue Code as amended to
10 December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102-227, sections
11 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
12 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L.
13 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L.
14 107-16, section 101 of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section
15 1201 of P.L. 108-173, sections 306, 308, 401, and 403 (a) of P.L. 108-311, and sections
16 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected by
17 P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179,
18 P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
19 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
20 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
21 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
22 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
23 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
24 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,
25 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.

ENGROSSED ASSEMBLY BILL 100**SECTION 1404**

1 107-134, P.L. 107-147, excluding section 101 of P.L. 107-147, P.L. 107-181, P.L.
2 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and
3 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L.
4 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 401,
5 and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337,
6 909, and 910 of P.L. 108-357, P.L. 108-375, and P.L. 108-476, except that "Internal
7 Revenue Code" does not include section 847 of the federal Internal Revenue Code.
8 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
9 federal purposes. Amendments to the federal Internal Revenue Code enacted after
10 December 31, 2004, do not apply to this paragraph with respect to taxable years
11 beginning after December 31, 2004.

12 **SECTION 1405.** 71.42 (3d) of the statutes is amended to read:

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

15 **SECTION 1406.** 71.42 (3h) of the statutes is amended to read:

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

18 **SECTION 1406f.** 71.45 (1m) of the statutes is created to read:

19 71.45 (1m) **HEALTH INSURANCE RISK-SHARING PLAN.** The income of the
20 organization administering the Health Insurance Risk-Sharing Plan under ch. 149
21 is exempt from taxation under this subchapter.

22 **SECTION 1406m.** 71.45 (2) (a) 10. of the statutes is amended to read:

23 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
24 computed under s. 71.47 (1dd) to (1dx), (3n), and (5b), and (5g) and not passed
25 through by a partnership, limited liability company, or tax-option corporation that

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1 has added that amount to the partnership's, limited liability company's, or
2 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of
3 credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

4 **SECTION 1408.** 71.47 (1di) (b) 1. of the statutes is repealed.

5 **SECTION 1409.** 71.47 (1dL) (c) 1. of the statutes is repealed.

6 **SECTION 1410.** 71.47 (1dL) (c) 2. of the statutes is renumbered 71.47 (1dL) (c).

7 **SECTION 1411.** 71.47 (1dL) (d) of the statutes is amended to read:

8 71.47 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
9 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
10 under this subsection and apply as if the development zone continued to exist.

11 **SECTION 1412.** 71.47 (1dm) (hm) of the statutes is amended to read:

12 71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
13 subsection, including any credits carried over, ~~may be offset only against the amount~~
14 ~~of the tax otherwise due under this subchapter attributable to income from the~~
15 ~~business operations of the claimant in the development zone; except that a claimant~~
16 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
17 ~~credits carried over, against the amount of the tax otherwise due under this~~
18 ~~subchapter attributable to all of the claimant's income; and against the tax~~
19 ~~attributable to income from directly related business operations of the claimant.~~

20 **SECTION 1413.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

21 71.47 (1dx) (a) 5. "Member of a targeted group" means a person who resides
22 in an ~~empowerment zone, or an enterprise community, that the U.S. government~~
23 ~~designates~~ area designated by the federal government as an economic revitalization
24 area, a person who is employed in an unsubsidized job but meets the eligibility
25 requirements under s. 49.145 (2) and (3) for a Wisconsin ~~works~~ Works employment

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

10 **SECTION 1414.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

11 71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and
12 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
13 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
14 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
15 ~~on the person's income from the person's business activities in a development zone~~
16 otherwise due under this chapter the following amounts:

17 **SECTION 1419.** 71.47 (2m) (a) 1. b. of the statutes is amended to read:

18 71.47 (2m) (a) 1. b. For partnerships, except publicly traded partnerships
19 treated as corporations under s. 71.22 (1) (1k), or limited liability companies, except
20 limited liability companies treated as corporations under s. 71.22 (1) (1k), "claimant"
21 means each individual partner or member.

22 **SECTION 1420.** 71.47 (3n) (title) of the statutes is amended to read:

23 71.47 (3n) (title) DAIRY AND LIVESTOCK FARM INVESTMENT CREDIT.

24 **SECTION 1424b.** 71.47 (3n) (a) 2. (intro.) of the statutes is amended to read:

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1 71.47 (3n) (a) 2. (intro.) "Dairy farm modernization or expansion" means the
 2 construction, the improvement, or the acquisition of buildings or facilities, or the
 3 acquisition of equipment, for dairy animal housing, confinement, animal feeding,
 4 milk production, or waste management, including the following, if used exclusively
 5 related to dairy animals and if acquired and placed in service in this state during
 6 taxable years that begin after December 31, 2003, and before January 1, 2010:

7 **SECTION 1424c.** 71.47 (3n) (a) 4. of the statutes is created to read:

8 71.47 (3n) (a) 4. "Livestock" means cattle, not including dairy animals; swine;
 9 poultry, not including farm-raised game birds or ratites; fish that are raised in
 10 aquaculture facilities; sheep; and goats.

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11 **SECTION 1424d.** 71.47 (3n) (a) 5. of the statutes is created to read:

12 71.47 (3n) (a) 5. "Livestock farm modernization or expansion" means the
 13 construction, the improvement, or the acquisition of buildings or facilities, or the
 14 acquisition of equipment, for livestock housing, confinement, feeding, or waste
 15 management, including the following, if used exclusively related to livestock and if
 16 acquired and placed in service in this state during taxable years that begin after
 17 December 31, 2005, and before January 1, 2012:

- 18 a. Birthing structures.
- 19 b. Rearing structures.
- 20 c. Feedlot structures.
- 21 d. Feed storage and handling equipment.
- 22 e. Fences.
- 23 f. Watering facilities.
- 24 g. Scales.
- 25 h. Manure pumping and storage facilities.

ENGROSSED ASSEMBLY BILL 100**SECTION 1424d**

1 i. Digesters.

2 j. Equipment used to produce energy.

3 k. Fish hatchery buildings.

4 L. Fish processing buildings.

5 m. Fish rearing ponds.

6 **SECTION 1424e.** 71.47 (3n) (a) 6. of the statutes is created to read:

7 71.47 (3n) (a) 6. a. For taxable years that begin after December 31, 2003, and
8 before January 1, 2006, "used exclusively," related to dairy animals, means used to
9 the exclusion of all other uses except for use not exceeding 5 percent of total use.

10 b. For taxable years that begin after December 31, 2005, and before January
11 1, 2010, "used exclusively," related to livestock, dairy animals, or both, means used
12 to the exclusion of all other uses except for use not exceeding 5 percent of total use.

13 c. For taxable years that begin after December 31, 2009, and before January
14 1, 2012, "used exclusively," related to livestock, means used to the exclusion of all
15 other uses except for use not exceeding 5 percent of total use.

16 **SECTION 1425b.** 71.47 (3n) (b) of the statutes is renumbered 71.47 (3n) (b) 1.

17 **SECTION 1425c.** 71.47 (3n) (b) 2. of the statutes is created to read:

18 71.47 (3n) (b) 2. Subject to the limitations provided in this subsection, for
19 taxable years that begin after December 31, 2005, and before January 1, 2012, a
20 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
21 equal to 10 percent of the amount the claimant paid in the taxable year for livestock
22 farm modernization or expansion related to the operation of the claimant's livestock
23 farm.

24 **SECTION 1425d.** 71.47 (3n) (e) of the statutes is renumbered 71.47 (3n) (e) 1.
25 and amended to read:

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1 71.47 (3n) (e) 1. Partnerships, limited liability companies, and tax-option
2 corporations may not claim the credit under this subsection, but the eligibility for,
3 and the amount of, the credit are based on their payment of expenses under par. (b),
4 except that the aggregate amount of credits that the entity may compute shall not
5 exceed \$50,000. A partnership, limited liability company, or tax-option corporation
6 shall compute the amount of credit that each of its partners, members, or
7 shareholders may claim and shall provide that information to each of them.
8 Partners, members of limited liability companies, and shareholders of tax-option
9 corporations may claim the credit in proportion to their ownership interest.

10 **SECTION 1425e.** 71.47 (3n) (e) 2. of the statutes is created to read:

11 71.47 (3n) (e) 2. If 2 or more persons own and operate the dairy or livestock
12 farm, each person may claim a credit under par. (b) in proportion to his or her
13 ownership interest, except that the aggregate amount of the credits claimed by all
14 persons who own and operate the farm shall not exceed \$50,000.

15 **SECTION 1426.** 71.47 (4) (a) of the statutes is amended to read:

16 71.47 (4) (a) *Credit.* Any corporation may credit against taxes otherwise due
17 under this chapter an amount equal to 5% of the amount obtained by subtracting
18 from the corporation's qualified research expenses, as defined in section 41 of the
19 internal revenue code, except that "qualified research expenses" includes only
20 expenses incurred by the claimant, incurred for research conducted in this state for
21 the taxable year, except that a taxpayer may elect the alternative computation under
22 section 41 (c) (4) of the Internal Revenue Code and that election applies until the
23 department permits its revocation and except that "qualified research expenses"
24 does not include compensation used in computing the credit under subs. (1dj) and
25 (1dx), the corporation's base amount, as defined in section 41 (c) of the internal

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1 revenue code, except that gross receipts used in calculating the base amount means
2 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and,
3 (d), (df), and (dh). Section 41 (h) of the internal revenue code does not apply to the
4 credit under this paragraph.

5 **SECTION 1427.** 71.47 (4) (am) of the statutes is amended to read:

6 71.47 (4) (am) *Development zone additional research credit.* In addition to the
7 credit under par. (a), any corporation may credit against taxes otherwise due under
8 this chapter an amount equal to 5% of the amount obtained by subtracting from the
9 corporation's qualified research expenses, as defined in section 41 of the internal
10 revenue code, except that "qualified research expenses" include only expenses
11 incurred by the claimant in a development zone under subch. VI of ch. 560, except
12 that a taxpayer may elect the alternative computation under section 41 (c) (4) of the
13 Internal Revenue Code and that election applies until the department permits its
14 revocation and except that "qualified research expenses" do not include
15 compensation used in computing the credit under sub. (1dj) nor research expenses
16 incurred before the claimant is certified for tax benefits under s. 560.765 (3), the
17 corporation's base amount, as defined in section 41 (c) of the internal revenue code,
18 in a development zone, except that gross receipts used in calculating the base amount
19 means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and
20 2. and, (d), (df), and (dh) and research expenses used in calculating the base amount
21 include research expenses incurred before the claimant is certified for tax benefits
22 under s. 560.765 (3), in a development zone, if the claimant submits with the
23 claimant's return a copy of the claimant's certification for tax benefits under s.
24 560.765 (3) and a statement from the department of commerce verifying the
25 claimant's qualified research expenses for research conducted exclusively in a

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1 development zone. The rules under s. 73.03 (35) apply to the credit under this
2 paragraph. The rules under sub. (1d) (f) and (g) as they apply to the credit under
3 that subsection apply to claims under this paragraph. Section 41 (h) of the internal
4 revenue code does not apply to the credit under this paragraph. No credit may be
5 claimed under this paragraph for taxable years that begin on January 1, 1998, or
6 thereafter. Credits under this paragraph for taxable years that begin before January
7 1, 1998, may be carried forward to taxable years that begin on January 1, 1998, or
8 thereafter.

9 **SECTION 1428.** 71.47 (4) (i) of the statutes is amended to read:

10 71.47 (4) (i) *Nonclaimants.* The credits under this subsection may not be
11 claimed by a partnership, except a publicly traded partnership treated as a
12 corporation under s. 71.22 (1) (1k), limited liability company, except a limited
13 liability company treated as a corporation under s. 71.22 (1) (1k), or tax-option
14 corporation or by partners, including partners of a publicly traded partnership,
15 members of a limited liability company or shareholders of a tax-option corporation.

16 **SECTION 1428k.** 71.47 (5g) of the statutes is created to read:

17 71.47 (5g) **HEALTH INSURANCE RISK-SHARING PLAN ASSESSMENTS CREDIT.** (a)
18 *Definitions.* In this subsection, "claimant" means an insurer, as defined in s. 149.10
19 (5), who files a claim under this subsection.

20 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
21 taxable years beginning after December 31, 2005, a claimant may claim as a credit
22 against the taxes imposed under s. 71.43 an amount that is equal to a percentage of
23 the amount of assessment under s. 149.13 that the claimant paid in the taxable year,
24 as determined under par. (c) 1.

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1 (c) *Limitations.* 1. The department of revenue, in consultation with the office
2 of the commissioner of insurance, shall determine the percentage under par. (b) for
3 each claimant for each taxable year so that the cost of the credit under this subsection
4 and ss. 71.07 (5g), 71.28 (5g), and 76.655 is as close as practicable to \$2,000,000 in
5 the 2006-07 fiscal year and \$5,000,000 in each fiscal year thereafter.

6 2. Partnerships, limited liability companies, and tax-option corporations may
7 not claim the credit under this subsection, but the eligibility for, and the amount of,
8 the credit are based on their payment of amounts described under par. (b). A
9 partnership, limited liability company, or tax-option corporation shall compute the
10 amount of credit that each of its partners, members, or shareholders may claim and
11 shall provide that information to each of them. Partners, members of limited liability
12 companies, and shareholders of tax-option corporations may claim the credit in
13 proportion to their ownership interests.

14 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
15 s. 71.28 (4), applies to the credit under this subsection.

16 **SECTION 1428p.** 71.49 (1) (dm) of the statutes is created to read:
17 71.49 (1) (dm) Health insurance risk-sharing plan assessments credit under
18 s. 71.47 (5g).

19 **SECTION 1429.** 71.58 (1) (c) of the statutes is amended to read:
20 71.58 (1) (c) For partnerships except publicly traded partnerships treated as
21 corporations under s. 71.22 (1) (1k), "claimant" means each individual partner.

22 **SECTION 1430.** 71.58 (1) (cm) of the statutes is amended to read:
23 71.58 (1) (cm) For limited liability companies, except limited liability
24 companies treated as corporations under s. 71.22 (1) (1k), "claimant" means each
25 individual member.

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SECTION 1430m

1 **SECTION 1430m.** 71.67 (5) (a) of the statutes is amended to read:

2 71.67 (5) (a) *Wager winnings.* A person holding a license to sponsor and
3 manage races under s. 562.05 (1) (b), (bm), or (c) shall withhold from the amount of
4 any payment of pari-mutuel winnings under s. 562.065 (3) (a) or (3m) (a) an amount
5 determined by multiplying the amount of the payment by the highest rate applicable
6 to individuals under s. 71.06 (1) (a) to (c), (1m), (1n) or (1p) if the amount of the
7 payment is more than \$1,000.

8 **SECTION 1430o.** 71.67 (5) (b) of the statutes is amended to read:

9 71.67 (5) (b) *Deposits.* The licensee under s. 562.05 (1) (b), (bm), or (c) shall
10 deposit the amounts withheld under this subsection as would an employer
11 depositing under s. 71.65 (3).

12 **SECTION 1431.** 71.775 of the statutes is created to read:

13 **71.775 Withholding from nonresident members of pass-through**
14 **entities.** (1) DEFINITIONS. In this section:

15 (a) "Nonresident" includes an individual who is not domiciled in this state; a
16 partnership, limited liability company, or corporation whose commercial domicile is
17 outside the state; and an estate or a trust that is a nonresident under s. 71.14 (1) to
18 (3m).

19 (b) "Pass-through entity" means a partnership, a limited liability company, a
20 tax-option corporation, an estate, or a trust that is treated as a pass-through entity
21 for federal income tax purposes.

22 (2) WITHHOLDING TAX IMPOSED. (a) For the privilege of doing business in this
23 state or deriving income from property located in this state, a pass-through entity
24 that has Wisconsin income for the taxable year that is allocable to a nonresident
25 partner, member, shareholder, or beneficiary shall pay a withholding tax. The

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1 amount of the tax imposed under this subsection to be withheld from the income
2 distributable to each nonresident partner, member, shareholder, or beneficiary is
3 equal to the nonresident partner's, member's, shareholder's, or beneficiary's share
4 of income attributable to this state, multiplied by the following:

5 1. For an individual, an estate, or a trust that is a pass-through entity, the
6 highest tax rate for a single individual for the taxable year under s. 71.06.

7 2. For a partnership, a limited liability company, or a tax-option corporation
8 that is a pass-through entity, the highest tax rate for the taxable year under s. 71.27.

9 (b) A pass-through entity that is also a member of another pass-through entity
10 is subject to withholding under this subsection and shall pay the tax based on the
11 share of income that is distributable to each of the entity's nonresident partners,
12 members, shareholders, or beneficiaries.

13 (3) EXEMPTIONS. (a) A nonresident partner's, member's, shareholder's, or
14 beneficiary's share of income from the pass-through entity that is attributable to this
15 state shall not be included in determining the withholding under sub. (2) if any of the
16 following applies:

17 1. The partner, member, shareholder, or beneficiary is exempt from taxation
18 under this chapter. For purposes of this subdivision, the pass-through entity may
19 rely on a written statement from the partner, member, shareholder, or beneficiary
20 claiming to be exempt from taxation under this chapter, if the pass-through entity
21 attaches a copy of the statement to its return for the taxable year and if the statement
22 specifies the name, address, federal employer identification number, and reason for
23 claiming an exemption for each partner, member, shareholder, or beneficiary
24 claiming to be exempt from taxation under this chapter.

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1 2. The partner, member, shareholder, or beneficiary has no Wisconsin income
2 other than his or her share of income from the pass-through entity that is
3 attributable to this state and his or her share of such income is less than \$1,000.

4 (b) A pass-through entity that is a joint venture is not subject to the
5 withholding under sub. (2), if the pass-through entity has elected not to be treated
6 as a partnership under section 761 of the Internal Revenue Code.

7 (cm) A pass-through entity that is a publicly traded partnership, as defined
8 under section 7704 (b) of the Internal Revenue Code, that is treated as a partnership
9 under the Internal Revenue Code is not subject to the withholding under sub. (2), if
10 the entity files with the department an information return that reports the name,
11 address, taxpayer identification number, and any other information requested by the
12 department for each unit holder with an income in this state from the entity in excess
13 of \$500.

14 (4) ADMINISTRATION. (a) Each pass-through entity that is subject to the
15 withholding under sub. (2) shall pay the amount of the tax withheld to the
16 department no later than:

17 1. For tax-option corporations, the 15th day of the 3rd month following the
18 close of the taxable year.

19 2. For partnerships, limited liability companies, estates, and trusts, the 15th
20 day of the 4th month following the close of the taxable year.

21 (b) 1. If the pass-through entity has an extension of time to file its return, the
22 tax withheld under sub. (2) is due on the unextended due date of the entity's return
23 as provided under s. 71.13 (1), 71.20 (1), or 71.24 (1).

24 2. A pass-through entity that pays the tax withheld under sub. (2) as provided
25 under subd. 1. is not subject to an underpayment of estimated tax under s. 71.09 or

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71.29, if 90 percent of the tax that is due for the current taxable year is paid by the unextended due date or if 100 percent of the tax that is due for the taxable year immediately preceding the current taxable year is paid by the unextended due date and the taxable year immediately preceding the current taxable year was a 12-month period. Interest at the rate 12 percent shall be imposed on the unpaid amount of the tax withheld under sub. (2) during any extension period and interest at the rate of 18 percent shall be imposed on the unpaid amount of the tax withheld under sub. (2) for the period beginning with the extended due date and ending with the date that the unpaid amount is paid in full.

(c) On or before the due date, including extensions, of the entity's return, a pass-through entity that withholds tax under sub. (2) shall annually notify each of its nonresident partners, members, shareholders, or beneficiaries of the amount of the tax withheld under sub. (2) that the pass-through entity paid on the nonresident partner's, member's, shareholder's, or beneficiary's behalf. The pass-through entity shall provide a copy of the notice to the department with the return that it files for the taxable year.

(d) A nonresident partner, member, shareholder, or beneficiary of a pass-through entity may claim a credit, as prescribed by the department, on his or her Wisconsin income or franchise tax return for the amount withheld under sub. (2) on his or her behalf. For purposes of this paragraph, the amount withheld under sub. (2) is considered to be paid on the last day of the pass-through entity's taxable year for which the tax is paid.

(e) Any tax withheld under this section shall be held in trust for this state, and a pass-through entity subject to withholding under this section shall be liable to the department for the payment of the tax withheld. No partner, member, shareholder,

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1 or beneficiary of a pass-through entity shall have any right of action against the
2 pass-through entity with respect to any amount withheld and paid in compliance
3 with this section.

4 (f) If a pass-through entity subject to withholding under this section fails to
5 withhold tax as required by this section, the pass-through entity shall be liable for
6 any tax, interest, and penalties. If a nonresident partner, member, shareholder, or
7 beneficiary of the pass-through entity files a return and pays the tax due, the
8 pass-through entity shall not be liable for the tax, but shall be liable for any interest
9 and penalties otherwise applicable for failure to withhold, as provided under ss.
10 71.82 (2) (d) and 71.83.

11 **SECTION 1431s.** 71.78 (2) of the statutes is amended to read:

12 **71.78 (2) DISCLOSURE OF NET TAX.** The department shall make available upon
13 suitable forms prepared by the department information setting forth the net
14 Wisconsin income tax, Wisconsin franchise tax or Wisconsin gift tax reported as paid
15 or payable in the returns filed by any individual or corporation, and any amount of
16 delinquent taxes owed, as described in s. 73.03 (62), by any such individual or
17 corporation, for any individual year upon request. Before the request is granted, the
18 person desiring to obtain the information shall prove his or her identity and shall be
19 required to sign a statement setting forth the person's address and reason for making
20 the request and indicating that the person understands the provisions of this section
21 with respect to the divulgement, publication or dissemination of information
22 obtained from returns as provided in sub. (1). The use of a fictitious name is a
23 violation of this section. Within 24 hours after any information from any such tax
24 return has been so obtained, the department shall mail to the person from whose
25 return the information has been obtained a notification which shall give the name

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1 and address of the person obtaining the information and the reason assigned for
2 requesting the information. The department shall collect from the person requesting
3 the information a fee of \$4 for each return.

4 **SECTION 1432c.** 71.78 (4) (r) of the statutes is created to read:

5 71.78 (4) (r) The secretary of revenue and employees of that department for the
6 purpose of preparing and maintaining the list of persons with unpaid tax obligations
7 as described in s. 73.03 (62) so that the list of such persons is available for public
8 inspection.

9 **SECTION 1432m.** 71.83 (1) (ce) of the statutes is created to read:

10 71.83 (1) (ce) *Health savings accounts.* Any person who is liable for a penalty
11 for federal income tax purposes under section 223 (f) (4) of the Internal Revenue Code
12 is liable for a penalty equal to 33 percent of that penalty. The department of revenue
13 shall assess, levy, and collect the penalty under this paragraph as it assesses, levies,
14 and collects taxes under this chapter.

15 **SECTION 1434.** 71.93 (1) (a) 1. of the statutes is amended to read:

16 71.93 (1) (a) 1. An amount owed to a state agency that, if the amount has been
17 reduced to a judgment or if the state agency has provided the debtor reasonable
18 notice and an opportunity to be heard with regards to the amount owed.

19 **SECTION 1435.** 71.93 (1) (a) 3. of the statutes is amended to read:

20 71.93 (1) (a) 3. An amount that the department of health and family services
21 may recover under s. 49.45 (2) (a) 10. ~~or, 49.497, 49.793, or 49.847,~~ if the department
22 of health and family services has certified the amount under s. 49.85.

23 **SECTION 1436.** 71.93 (1) (a) 4. of the statutes is amended to read:

24 71.93 (1) (a) 4. An amount that the department of workforce development may
25 recover under s. 49.161, or 49.195 (3), or 49.793, or may collect under s. 49.147 (6)

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1 (cm), if the department of workforce development has certified the amount under s.
2 49.85.

3 **SECTION 1437.** 71.93 (1) (cm) of the statutes is created to read:

4 71.93 (1) (cm) "Disbursement" means any payment to a person who provides
5 goods and services to the state under subch. IV or V of ch. 16 or under ch. 84.

6 **SECTION 1438.** 71.93 (2) of the statutes is amended to read:

7 71.93 (2) CERTIFICATION. A state agency may certify to the department for setoff
8 any properly identified debt exceeding \$20 so that the department may set off the
9 amount of the debt against a refund to the debtor or so that the department of
10 administration may reduce a disbursement to the debtor by the amount of the debt.

11 At least 30 days prior to certification each debtor shall be sent a notice by the state
12 agency of its intent to certify the debt to the department for setoff or reduction and
13 of the debtor's right of appeal. At the time of certification, the certifying state agency
14 shall furnish the social security number of individual debtors and the federal
15 employer identification number of other debtors.

16 **SECTION 1439.** 71.93 (3) of the statutes is renumbered 71.93 (3) (a) and
17 amended to read:

18 71.93 (3) (a) ADMINISTRATION. In administering this section the department
19 shall first check with the state agency certifying the debt to determine whether the
20 debt has been collected by other means. If the debt remains uncollected the
21 department of revenue shall setoff any debt or other amount owed to the department,
22 regardless of the origin of the debt or of the amount, its nature or its date. If after
23 the setoff there remains a refund in excess of \$10, the department shall set off the
24 remaining refund against certified debts of other state agencies. If more than one
25 certified debt exists for any debtor, the refund shall be first set off against the earliest

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SECTION 1439

1 debt certified, except that no child support or spousal support obligation submitted
2 by an agency of another state may be set off until all debts owed to and certified by
3 state agencies of this state have been set off. When all debts have been satisfied, any
4 remaining refund shall be refunded to the debtor by the department. Any legal
5 action contesting a setoff under this paragraph shall be brought against the state
6 agency that certified the debt under sub. (2).

7 **SECTION 1440.** 71.93 (3) (b) of the statutes is created to read:

8 71.93 (3) (b) The department shall provide the information obtained under sub.
9 (2) to the department of administration. Before reducing any disbursement as
10 provided under this paragraph, the department of administration shall contact the
11 department to verify whether a certified debt that is the basis of the reduction has
12 been collected by other means. If the certified debt remains uncollected, the
13 department of administration shall reduce the disbursement by the amount of the
14 debtor's certified debt under sub. (2), notify the department of such reduction and
15 disbursement, and remit the amount of the reduction to the department in the
16 manner prescribed by the department. If more than one certified debt exists for any
17 debtor, the disbursement shall be reduced first by any debts certified under s. 73.12
18 then by the earliest debt certified. Any legal action contesting a reduction under this
19 paragraph shall be brought against the state agency that certified the debt under
20 sub. (2).

21 **SECTION 1441.** 71.93 (4) of the statutes is amended to read:

22 71.93 (4) SETTLEMENT. Within 30 days after the close of each calendar quarter,
23 the department shall settle with each state agency that has certified a debt. Each
24 settlement shall note the opening balance of debts certified, any additions or

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1 deletions, reductions or amounts set off, and the ending balance at the close of the
2 settlement period.

3 **SECTION 1442.** 71.93 (5) of the statutes is amended to read:

4 71.93 (5) STATE AGENCY CHARGED FOR COSTS. At the time of each settlement, each
5 state agency shall be charged for administration expenses, and the amounts charged
6 shall be credited to the department's appropriation under s. 20.566 (1) (h). Annually
7 on or before November 1, the department shall review its costs incurred during the
8 previous fiscal year in administering state agency setoffs and reductions and shall
9 adjust its subsequent charges to each state agency to reflect that experience.

10 **SECTION 1443.** 71.93 (6) of the statutes is amended to read:

11 71.93 (6) WRITTEN AGREEMENT AND AUTHORITY OF DEPARTMENT. Any state agency
12 wishing to certify debts to the department shall enter into a written agreement with
13 the department prior to any certification of debt. Any certification of debts by a state
14 agency or changes to certified debts shall be in a manner and form prescribed by the
15 department. The secretary of revenue shall be the final authority in the resolution
16 of any interagency disputes in regard to certification of debts. If a refund or
17 disbursement is adjusted after a setoff or reduction, the department may readjust
18 any erroneous settlement with a certifying state agency.

19 **SECTION 1444.** 71.93 (7) of the statutes is amended to read:

20 71.93 (7) EXCHANGE OF INFORMATION. Information relative to changes to any
21 debt certified shall be exchanged promptly by each agency ~~and the department setoff.~~
22 Setoff of refunds and reduction of disbursements against debts certified by agencies,
23 and any ~~reports~~ report of the setoff or reduction to certifying state agencies, is not
24 a violation of ss. 71.78, 72.06, 77.61 (5), 78.80 (3), and 139.38 (6).

25 **SECTION 1445.** 71.935 (1) (cm) of the statutes is created to read:

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1 71.935 (1) (cm) "Disbursement" means any payment to a person who provides
2 goods and services to the state under subch. IV or V of ch. 16 or under ch. 84.

3 **SECTION 1446.** 71.935 (2) of the statutes is amended to read:

4 71.935 (2) A municipality or county may certify to the department any debt
5 owed to it. Not later than 5 days after certification, the municipality or county shall
6 notify the debtor in writing of its certification of the debt to the department, of the
7 basis of the certification and of the debtor's right to appeal and, in the case of parking
8 citations, of the debtor's right to contest the citation. At the time of certification, the
9 municipality or county shall furnish to the department the name and social security
10 number or operator's license number of each individual debtor and the name and
11 federal employer identification number of each other debtor.

12 **SECTION 1447.** 71.935 (3) of the statutes is renumbered 71.935 (3) (a) and
13 amended to read:

14 71.935 (3) (a) If the debt remains uncollected and, in the case of a parking
15 citation, if the debtor has not contested the citation within 20 days after the notice
16 under sub. (2), the department shall set off the debt against any refund that is owed
17 to the debtor after the setoff under s. 71.93. Any legal action contesting a setoff shall
18 be brought against the municipality or county that certified the debt under sub. (2).

19 **SECTION 1448.** 71.935 (3) (b) of the statutes is created to read:

20 71.935 (3) (b) The department shall provide the information obtained under
21 sub. (2) to the department of administration. Before reducing any disbursement as
22 provided under this paragraph, the department of administration shall contact the
23 department to verify whether a certified debt that is the basis of the reduction has
24 been collected by other means and, in the case of a parking citation, whether the
25 debtor has contested the citation within 20 days after the notice under sub. (2). If

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1 the certified debt remains uncollected and, in the case of a parking citation, the
2 citation has not been contested within 20 days after the notice under sub. (2), the
3 department of administration shall, after any reduction under s. 71.93, reduce the
4 disbursement by the amount of the debtor's certified debt under sub. (2), notify the
5 department of such reduction and disbursement, and remit the amount of the
6 reduction to the department in the manner prescribed by the department. If more
7 than one debt certified under sub. (2) exists for any debtor, the disbursement shall
8 be reduced first by the earliest debt certified. Any legal action contesting a reduction
9 under this paragraph shall be brought against the municipality or county that
10 certified the debt under sub. (2).

11 **SECTION 1449.** 71.935 (4) of the statutes is amended to read:

12 **71.935 (4)** Within 30 days after the end of each calendar quarter, the
13 department shall settle with each municipality and county for the amounts that the
14 ~~department setoff~~ set off or reduced against certified debts for the municipality or
15 county during that calendar quarter.

16 **SECTION 1450.** 71.935 (5) of the statutes is amended to read:

17 **71.935 (5)** At the time of each settlement, each municipality and county shall
18 be charged for administration expenses, and the amounts charged shall be credited
19 to the appropriation account under s. 20.566 (1) (h). Annually on or before November
20 1, the department shall review its costs incurred during the previous fiscal year in
21 administering setoffs and reductions under this section and shall adjust its
22 subsequent charges to each municipality and county to reflect that experience.

23 **SECTION 1450g.** Subchapter XVI of chapter 71 [precedes 71.98] of the statutes
24 is created to read: