Part 2

**SECTION 38.** 71.26 (2) (b) 15. of the statutes is amended to read:

71.26 **(2)** (b) 15. For taxable years that begin after December 31, 1999, and before January 1, 2003, for a corporation, conduit or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust or financial asset securitization investment trust under the Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, ~~and~~ P.L.

, P.L. 108-311, and P.L. 108-357

P.L. 108-311, and P.L. 108-357,

107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, "net income" means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit or trust as determined under the Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall continue to be depreciated under the Internal Revenue Code as amended to December 31, 1980, and except that the appropriate amount shall be added or subtracted to reflect differences between the depreciation or adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.

P.L. 108-311, and P.L. 108-357,

106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the Internal Revenue Code enacted after December 31, 1999, do not apply to this subdivision with respect to taxable years that begin after December 31, 1999, and before January 1, 2003, except that changes to the Internal Revenue Code made by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 39.** 71.26 (2) (b) 16. of the statutes is amended to read:

71.26 **(2)** (b) 16. For taxable years that begin after December 31, 2002, and before January 1, 2004, for a corporation, conduit, or common law trust which

P.L. 108-311, and P.L. 108-357,

1 qualifies as a regulated investment company, real estate mortgage investment
2 conduit, real estate investment trust, or financial asset securitization investment
3 trust under the Internal Revenue Code as amended to December 31, 2002, excluding
4 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
5 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and
6 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L.
7 106–573, section 431 of P.L. 107–16, and section 101 of P.L. 107–147, and as amended
8 by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121,
9 excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of
10 P.L. 108–173, and as indirectly affected in the provisions applicable to this
11 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
12 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
13 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
14 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
15 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
16 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
17 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.
18 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
19 P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L.
20 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L.
21 107–181, P.L. 107–210, P.L. 107–276, ~~and~~ P.L. 107–358, P.L. 108–27, excluding
22 sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L.
23 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, "net income"
24 means the federal regulated investment company taxable income, federal real estate
25 mortgage investment conduit taxable income, federal real estate investment trust

P.L. 108-311, and P.L. 108-357,

or financial asset securitization investment trust taxable income of the corporation, conduit, or trust as determined under the Internal Revenue Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, and section 101 of P.L. 107–147, and as amended by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, ~~and~~ P.L. 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall continue to be depreciated under the

P.L. 108-311, and P.L. 108-357,

Internal Revenue Code as amended to December 31, 1980, and except that the appropriate amount shall be added or subtracted to reflect differences between the depreciation or adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, and section 101 of P.L. 107–147, and as amended by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, ~~and~~ P.L. 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, applies for

P.L. 108-311, and P.L. 108-357,

P.L. 108-311, and P.L. 108-357,

Wisconsin purposes at the same time as for federal purposes. Amendments to the Internal Revenue Code enacted after December 31, 2002, do not apply to this subdivision with respect to taxable years that begin after December 31, 2002, and before January 1, 2004, except that changes to the Internal Revenue Code made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 40.** 71.26 (2) (b) 17. of the statutes is created to read:

71.26 **(2)** (b) 17. For taxable years that begin after December 31, 2003, and before January 1, 2005, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of P.L. 107–147, and sections 106, 201, and 202 of P.L. 108–27, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding

and as amended by P.L. 108-311 and P.L. 108-357,

P.L. 108-311, and P.L. 108-357

1 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L.
2 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections
3 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L.
4 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L.
5 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of
6 P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L.
7 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L.
8 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27,
9 excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section
10 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, "net
11 income" means the federal regulated investment company taxable income, federal
12 real estate mortgage investment conduit taxable income, federal real estate
13 investment trust or financial asset securitization investment trust taxable income
14 of the corporation, conduit, or trust as determined under the Internal Revenue Code
15 as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L.
16 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
17 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519,
18 sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section
19 101 of P.L. 107–147, and sections 106, 201, and 202 of P.L. 108–27, and as indirectly
20 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,
21 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,
22 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
23 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
24 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.
25 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.

and as amended by P.L. 108-311 and P.L. 108-357,

P.L. 108-311, and P.L. 108-357,

104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 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, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall continue to be depreciated under the Internal Revenue Code as amended to December 31, 1980, and except that the appropriate amount shall be added or subtracted to reflect differences between the depreciation or adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of P.L. 107–147, and sections 106, 201, and 202 of P.L. 108–27, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections

and as amended by P.L. 108-311 and P.L. 108-357,

P.L. 108-311, and P.L. 108-357,

1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 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, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the Internal Revenue Code enacted after December 31, 2003, do not apply to this subdivision with respect to taxable years that begin after December 31, 2003, and before January 1, 2005, except that changes to the Internal Revenue Code made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 41.** 71.26 (2) (b) 18. of the statutes is created to read:

71.26 **(2)** (b) 18. For taxable years that begin after December 31, 2004, for a corporation, conduit, or common law trust which qualifies as a regulated investment company, real estate mortgage investment conduit, real estate investment trust, or financial asset securitization investment trust under the Internal Revenue Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102–227,

1 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections
2 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections
3 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of
4 P.L. 107–147, sections 106, 201, and 202 of P.L. 108–27, and section 1201 of P.L.
5 108–173, and as indirectly affected in the provisions applicable to this subchapter
6 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,
7 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.
8 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150
9 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.
10 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),
11 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.
12 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L.
13 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15,
14 P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L.
15 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L. 107–181, P.L.
16 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27, excluding sections 106, 201, and
17 202 of P.L. 108–27, P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L.
18 108–173, "net income" means the federal regulated investment company taxable
19 income, federal real estate mortgage investment conduit taxable income, federal real
20 estate investment trust or financial asset securitization investment trust taxable
21 income of the corporation, conduit, or trust as determined under the Internal
22 Revenue Code as amended to December 31, 2004, excluding sections 103, 104, and
23 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
24 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
25 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L.

P.L. 108-311, and P.L. 108-357,

107–16, section 101 of P.L. 107–147, sections 106, 201, and 202 of P.L. 108–27, and section 1201 of P.L. 108–173, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 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, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall continue to be depreciated under the Internal Revenue Code as amended to December 31, 1980, and except that the appropriate amount shall be added or subtracted to reflect differences between the depreciation or adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519,

P.L. 108-311, and P.L. 108-357,

1 sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section
2 101 of P.L. 107–147, sections 106, 201, and 202 of P.L. 108–27, and section 1201 of
3 P.L. 108–173, and as indirectly affected in the provisions applicable to this
4 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,
5 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,
6 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
7 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
8 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
9 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
10 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.
11 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,
12 P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L.
13 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L.
14 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27, excluding sections
15 106, 201, and 202 of P.L. 108–27, P.L. 108–121, ~~and~~ P.L. 108–173, excluding section
16 1201 of P.L. 108–173, applies for Wisconsin purposes at the same time as for federal
17 purposes. Amendments to the Internal Revenue Code enacted after December 31,
18 2004, do not apply to this subdivision with respect to taxable years that begin after
19 December 31, 2004.

20 **SECTION 42.** 71.34 (1g) (j) of the statutes is repealed.

21 **SECTION 43.** 71.34 (1g) (k) of the statutes is repealed.

22 **SECTION 44.** 71.34 (1g) (L) of the statutes is amended to read:

23 71.34 **(1g)** (L) "Internal Revenue Code" for tax–option corporations, for taxable
24 years that begin after December 31, 1996, and before January 1, 1998, means the
25 federal Internal Revenue Code as amended to December 31, 1996, excluding

P.L. 108-311, and P.L. 108-357,

1 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),
2 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
3 1605 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206,
4 P.L. 105–277, P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L.
5 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L.
6 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L.
7 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected in the
8 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647
9 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)
10 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.
11 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and
12 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections
13 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.
14 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202
15 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.
16 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554,
17 excluding sections 162 and 165 of P.L. 106–554, 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, and P.L. 108–121, excluding section 109 of P.L. 108–121,
20 except that section 1366 (f) (relating to pass–through of items to shareholders) is
21 modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and
22 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time
23 as for federal purposes. Amendments to the federal Internal Revenue Code enacted
24 after December 31, 1996, do not apply to this paragraph with respect to taxable years
25 beginning after December 31, 1996, and before January 1, 1998, except that

changes to the Internal Revenue Code made 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that indirectly affect the provisions applicable to this subchapter made 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 45.** 71.34 (1g) (m) of the statutes is amended to read:

71.34 **(1g)** (m) "Internal Revenue Code" for tax–option corporations, for taxable years that begin after December 31, 1997, and before January 1, 1999, means the federal Internal Revenue Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. ~~and~~ 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) 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. 101–179, P.L.

101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, except that section 1366 (f) (relating to pass–through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1997, do not apply to this paragraph with respect to taxable years beginning after December 31, 1997, and before January 1, 1999, except that changes to the Internal Revenue Code made 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that indirectly affect the provisions applicable to this subchapter made 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.

107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 46.** 71.34 (1g) (n) of the statutes is amended to read:

71.34 **(1g)** (n) "Internal Revenue Code" for tax–option corporations, for taxable years that begin after December 31, 1998, and before January 1, 2000, means the federal Internal Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L. 107–276, and P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) 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. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L. 107–276, and P.L. 108–121, excluding

1 section 109 of P.L. 108–121, except that section 1366 (f) (relating to pass–through of
2 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
3 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
4 purposes at the same time as for federal purposes. Amendments to the federal
5 Internal Revenue Code enacted after December 31, 1998, do not apply to this
6 paragraph with respect to taxable years beginning after December 31, 1998, and
7 before January 1, 2000, except that changes to the Internal Revenue Code made by
8 P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and
9 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,
10 P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L.
11 107–276, and P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that
12 indirectly affect the provisions applicable to this subchapter made by P.L. 106–36,
13 P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L.
14 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L.
15 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L.
16 107–276, and P.L. 108–121, excluding section 109 of P.L. 108–121, apply for
17 Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 47.** 71.34 (1g) (o) of the statutes is amended to read:

19 71.34 **(1g)** (o) "Internal Revenue Code" for tax–option corporations, for taxable
20 years that begin after December 31, 1999, and before January 1, 2003, means the
21 federal Internal Revenue Code as amended to December 31, 1999, excluding sections
22 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and
23 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
24 of P.L. 104–188, and as amended by P.L. 106–230, P.L. 106–554, excluding sections
25 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L.

107–16, P.L. 107.22, P.L. 107.116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) 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. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, except that section 1366 (f) (relating to pass–through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1999, do not apply to this paragraph with respect to taxable years beginning after December 31, 1999, and before January 1, 2003, except that changes to the Internal Revenue Code made by P.L. 106–230, P.L. 106–554, excluding sections

P.L. 108-311, and P.L. 108-357,

P.L. 108-311, and P.L. 108-357,

162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 48.** 71.34 (1g) (p) of the statutes is amended to read:

71.34 **(1g)** (p) "Internal Revenue Code" for tax–option corporations, for taxable years that begin after December 31, 2002, and before January 1, 2004, means the federal Internal Revenue Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, and section 101 of P.L. 107–147, and as amended by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) 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. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, ~~and~~ P.L. 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that section 1366 (f) (relating to pass–through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2002, do not apply to this paragraph with respect to taxable years beginning after December 31, 2002, and before January 1, 2004, except that changes to the Internal Revenue Code made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, apply for Wisconsin purposes at the same time as for federal purposes.

P.L. 108-311, and P.L. 108-357,

and as amended by P.L. 108-311 and P.L. 108-357,

1 **SECTION 49.** 71.34 (1g) (q) of the statutes is created to read:

2 71.34 **(1g)** (q) "Internal Revenue Code" for tax–option corporations, for taxable
3 years that begin after December 31, 2003, and before January 1, 2005, means the
4 federal Internal Revenue Code as amended to December 31, 2003, excluding sections
5 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and
6 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
7 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section
8 431 of P.L. 107–16, section 101 of P.L. 107–147, and sections 106, 201, and 202 of P.L.
9 108–27, and as indirectly affected in the provisions applicable to this subchapter by
10 P.L. 99–514, P.L. 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2),
11 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99–514 and section 1008 (g) (5) of P.L.
12 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.
13 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.
14 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
15 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.
16 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
17 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.
18 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,
19 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding
20 section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147,
21 excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L.
22 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L.
23 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section
24 1201 of P.L. 108–173, except that section 1366 (f) (relating to pass–through of items
25 to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under

P.L. 108-311, and P.L. 108-357,

P.L. 108-311, and P.L. 108-357,

sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2003, do not apply to this paragraph with respect to taxable years beginning after December 31, 2003, and before January 1, 2005, except that changes to the Internal Revenue Code made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108.

**SECTION 50.** 71.34 (1g) (r) of the statutes is created to read:

71.34 **(1g)** (r) "Internal Revenue Code" for tax–option corporations, for taxable years that begin after December 31, 2004, means the federal Internal Revenue Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of P.L. 107–147, sections 106, 201, and 202 of P.L. 108–27, and section 1201 of P.L. 108–173, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) 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. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d),

P.L. 108-311, and P.L. 108-357,

13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 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, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that section 1366 (f) (relating to pass–through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2004, do not apply to this paragraph with respect to taxable years beginning after December 31, 2004.

**SECTION 51.** 71.42 (2) (i) of the statutes is repealed.

**SECTION 52.** 71.42 (2) (j) of the statutes is repealed.

**SECTION 53.** 71.42 (2) (k) of the statutes is amended to read:

71.42 **(2)** (k) For taxable years that begin after December 31, 1996, and before January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding

1 section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and
2 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L.
3 108–121, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.
4 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,
5 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.
6 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
7 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,
8 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.
9 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L.
10 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16,
11 excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections
12 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section
13 109 of P.L. 108–121, except that "Internal Revenue Code" does not include section
14 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for
15 Wisconsin purposes at the same time as for federal purposes. Amendments to the
16 federal Internal Revenue Code enacted after December 31, 1996, do not apply to this
17 paragraph with respect to taxable years beginning after December 31, 1996, and
18 before January 1, 1998, except that changes to the Internal Revenue Code made by
19 P.L. 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554,
20 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431
21 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.
22 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121,
23 and changes that indirectly affect the provisions applicable to this subchapter made
24 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,
25 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431

of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 54.** 71.42 (2) (L) of the statutes is amended to read:

71.42 **(2)** (L) For taxable years that begin after December 31, 1997, and before January 1, 1999, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal

Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1997, do not apply to this paragraph with respect to taxable years beginning after December 31, 1997, and before January 1, 1999, except that changes to the Internal Revenue Code made 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that indirectly affect the provisions applicable to this subchapter made 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, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, ~~and~~ P.L. 107–181, and P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 55.** 71.42 (2) (m) of the statutes is amended to read:

71.42 **(2)** (m) For taxable years that begin after December 31, 1998, and before January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L. 107–276, and P.L. 108–121, excluding section 109 of P.L.

108–121, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L. 107–276, and P.L. 108–121, excluding section 109 of P.L. 108–121, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1998, do not apply to this paragraph with respect to taxable years beginning after December 31, 1998, and before January 1, 2000, except that changes to the Internal Revenue Code made by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L. 107–276, and P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, ~~and~~ P.L. 107–276, and

P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 56.** 71.42 (2) (n) of the statutes is amended to read:

71.42 **(2)** (n) For taxable years that begin after December 31, 1999, and before January 1, 2003, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L.

P.L. 108-311, and P.L. 108-357,

P.L. 108-311, and P.L. 108-357

108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1999, do not apply to this paragraph with respect to taxable years beginning after December 31, 1999, and before January 1, 2003, except that changes to the Internal Revenue Code made by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 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. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, ~~and~~ P.L. 108–121, excluding section 109 of P.L. 108–121, apply for Wisconsin purposes at the same time as for federal purposes.

**SECTION 57.** 71.42 (2) (o) of the statutes is amended to read:

71.42 **(2)** (o) For taxable years that begin after December 31, 2002, and before January 1, 2004, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519,

sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, and section 101 of P.L. 107–147, and as amended by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, ~~and~~ P.L. 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2002, do not apply to this paragraph with respect to taxable years beginning after December 31, 2002, and before January 1, 2004, except that changes to the Internal Revenue Code made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, and changes that indirectly affect

P.L. 108-311, and P.L. 108-357,

P.L. 108-311, and P.L. 108-357,

the provisions applicable to this subchapter made by P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, apply for Wisconsin purposes at the same time as for federal purposes.

and as amended by P.L. 108-311 and P.L. 108-357,

**SECTION 58.** 71.42 (2) (p) of the statutes is created to read:

71.42 **(2)** (p) For taxable years that begin after December 31, 2003, and before January 1, 2005, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of P.L. 107–147, and sections 106, 201, and 202 of P.L. 108–27, and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 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. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 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, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that "Internal

P.L. 108-311, and P.L. 108-357,

P.L. 108-311, and P.L. 108-357,

1 Revenue Code" does not include section 847 of the federal Internal Revenue Code.
2 The Internal Revenue Code applies for Wisconsin purposes at the same time as for
3 federal purposes. Amendments to the federal Internal Revenue Code enacted after
4 December 31, 2003, do not apply to this paragraph with respect to taxable years
5 beginning after December 31, 2003, and before January 1, 2005, except that changes
6 to the Internal Revenue Code made by P.L. 108–27, excluding sections 106, 201, and
7 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, ~~and~~ P.L.
8 108–173, excluding section 1201 of P.L. 108–173, and changes that indirectly affect
9 the provisions applicable to this subchapter made by P.L. 108–27, excluding sections
10 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121,
11 ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, apply for Wisconsin
12 purposes at the same time as for federal purposes.

13 **SECTION 59.** 71.42 (2) (q) of the statutes is created to read:

14 71.42 **(2)** (q) For taxable years that begin after December 31, 2004, "Internal
15 Revenue Code" means the federal Internal Revenue Code as amended to
16 December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102–227, sections
17 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b),
18 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and
19 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of P.L.
20 107–147, sections 106, 201, and 202 of P.L. 108–27, and section 1201 of P.L. 108–173,
21 and as indirectly affected by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73,
22 P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding
23 sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66,
24 excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66,
25 P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding

sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 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, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, ~~and~~ P.L. 108–173, excluding section 1201 of P.L. 108–173, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2004, do not apply to this paragraph with respect to taxable years beginning after December 31, 2004.

**SECTION 9341. Initial applicability; revenue.**

(1) MARRIED PERSONS TAX LIABILITY. The treatment of section 71.10 (6) (a) and (b) and (6m) (a) of the statutes first applies to tax liability that arises on the effective date of this subsection or that remains unpaid on the effective date of this subsection.

**(END)**

P.L. 108-311, and P.L. 108-357,

## Kreye, Joseph

**From:** Stock, Marcella L
**Sent:** Monday, January 24, 2005 7:35 AM
**To:** Kreye, Joseph
**Cc:** Held, Carol L
**Subject:** RE: LRB Draft: 05-0302/2 Internal Revenue Code update

Carol Held has asked me to respond to your e-mail. The proration of the standard deduction for dependents can be accomplished by amending sec. 71.05(22)(g) and (h) as follows:

(g) *Nonresidents* With respect to nonresident natural persons deriving income from property located, business transacted or personal or professional services performed in this state, including natural persons changing their domicile into or from this state, the Wisconsin standard deduction and itemized deductions are based on federal adjusted gross income and as provided in sub.(f)4 are limited . . .

(h) *Part-year residents* If a person and that person's spouse are not both domiciled in this state during the entire taxable year, the Wisconsin standard deduction or itemized deduction, each calculated on the basis of federal adjusted gross income, and as provided in sub. (f)4, by a fraction . . .

Marcy Stock, Staff Specialist
Wisconsin Department of Revenue
(608) 267-5023

-----Original Message-----
From: Kreye, Joseph [mailto:Joseph.Kreye@legis.state.wi.us]
Sent: Sunday, January 23, 2005 8:25 AM
To: Kraus, Jennifer - DOA
Cc: Lashore, Patricia M; Held, Carol L
Subject: RE: LRB Draft: 05-0302/2 Internal Revenue Code update

Jennifer,

I put in a call to Carol Held at DOR on Sunday with regard to amending s. 71.05 (22) (g) and (h) Basically, I don't know what language to use to amend those paragraphs, as suggested by DOR. Once I receive an answer to my question I can finish the draft.

Joseph T. Kreye
Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

-----Original Message-----
From: Kraus, Jennifer - DOA
Sent: Friday, January 21, 2005 12:03 AM
To: Kreye, Joseph
Cc: Lashore, Patricia M
Subject: FW: LRB Draft: 05-0302/2 Internal Revenue Code update

IRC changes from DOR...

-----Original Message-----
From: Lashore, Patricia M
Sent: Thursday, January 20, 2005 3:27 PM
To: Kraus, Jennifer - DOA
Subject: LRB Draft: 05-0302/2 Internal Revenue Code update

Here are edits/comments on this draft. Staff have also marked up a copy of the proposal in red. Dennis mentioned that Joe Kreye usually likes to get this on the IRC update because of the complexity. From what I can tell, Joe didn't draft this language. Do you want me to send it over to you or LRB?

-----Original Message-----
From: Collier, Dennis J
Sent: Thursday, January 20, 2005 2:32 PM
To: Lashore, Patricia M; Brennan, Audra D; Gates-Hendrix, Sherrie
Cc: Parker, James A; Held, Carol L; Stock, Marcella L; Hanson, Jeffrey W
Subject: RE: LRB Draft: 05-0302/2 Internal Revenue Code update

Carol Held has completed an analysis of this draft, which is attached, and I concur with her comments. In addition to this response, she has also provided a marked-up copy of LRB 0302/2 that we can transmit to Joe Kreye at the Legislative Reference Bureau.

I have additional comments as to other changes we requested be included as part of the IRC update. One of these changes (relating to the definition of supplier for motor fuel tax purposes) arises because of a change in Public Law 1-8-357. The other two are indirectly related to the IRC update because they relate to statutory provisions that are tied to the IRC. These include the following:

A) Amend secs. 78.005 (14) and 168.01 (2), Wis. Stats., so that "supplier" (in the third sentence of these subsection) includes a person who acquires motor fuel "by a two-party exchange under section 4105 of the Internal Revenue Code" as well as a person acquiring fuel pursuant to an industry terminal exchange agreement. According to the Department of Commerce, under a rewrite of Chapter 168, Wis. Stats., sec. 168.01 (2) will become sec. 168.21 (4).

B) Amend sec. 71.05(22)(g) and (h) to specify that the Wisconsin standard deduction under both par.(f)4.b. and c. are prorated. In addition, change the reference in sec. 71.05(22)(f)4.a. to sec. 71.05(23)(b)2.

C) Create sec. 71.10 (6)(e) and (6m)(c) to allow persons two years to apply for innocent spouse relief, and amend sec. 71.10 (6)(a) and (b) and (6m)(a) to provide exceptions for these newly created sections. Amend sec. 71.10 (6)(a) to replace the reference to section 6013 (e) of the IRC with a reference to section 6015 (a) to (d) and (f) of the IRC. [Language making these changes previously was drafted as sections 5 to 9 of 1999 LRB 2437/1.]

These changes are described more fully in the drafting instructions, which I also have attached for reference.

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**DIVISION ANALYSIS OF LEGISLATION (Form 1)**

| email completed copies to: |
|---|
| Sherrie Gates-Hendrix (Sec Office) |
| Rpfsn@dor.state.wi.us (R&P) |

**Fiscal Note Analysis?** **Yes** [X] **No** [ ]

Division: **IS&E**

For Division Use:

| | | |
|---|---|---|
| Assigned to: Carol Held/Marcy Stock | Date: January 11, 2005 | Due Date: |
| Prepared by: Carol Held/Marcy Stock | Date: January 20, 2005 | *(analysis should generally be prepared within 1 week of assignment)* |
| Reviewed by: | Date: | |

1. **Bill and/or LRB Number: LRB-0302/2 – Internal Revenue Code Update**

2. **Type of Taxes Affected:** (please list all that apply)

   Individual income tax
   Corporation franchise and income tax

3. **Description of the Bill:** (briefly describe the subject matter of the bill and the change/s)

   The draft adopts for state income and franchise tax purposes the following federal laws enacted during 2003 and 2004:

   - P.L. 108-27, Jobs and Growth Tax Relief Reconciliation Act, not including changes relating to bonus depreciation and expensing provisions and an increase in the alternative minimum tax exemption
   - P.L. 108-121, Military Family Tax Relief Act
   - P.L. 108-173, Medicare Prescription Drug, Improvement and Modernization Act, not including changes relating to health savings accounts
   - P.L. 108-311, Working Families Tax Relief Act
   - P.L. 108-357, American Jobs Creation Act

   The draft also conforms the Wisconsin innocent spouse provisions to the federal innocent spouse provisions.

4. **Statutory language problems, if any:** __X__ **Yes** _____ **No**
   (If yes, describe problems and indicate suggested corrective language. Example of problem: The bill language is unclear, does not fully accomplish the desired result, or has undesirable side effects.)

   The draft does not include the following changes to the definition of the Internal Revenue Code that had been recommended:

   - P.L. 108-121, section 109: For taxable years beginning in 2004, section 109 of P.L. 108-121 should be listed as an exception to the Internal Revenue Code as amended to December 31, 2003, rather than as an exception to an amendment enacted after December 31, 2003. Section 109 provides an above-the-line deduction for overnight travel expenses, and should be adopted prospectively for taxable years beginning on or after January 1, 2005.
   - P.L. 108-311, sections 306, 308, 401, and 403(a): The extension of certain deductions for charitable contributions of charitable contributions of computer technology and equipment and the extension of expensing of brownfield environmental remediation costs should not be adopted since Wisconsin did not adopt the original provisions. Technical corrections to bonus depreciation and health savings accounts should not be adopted because the state did not adopt the underlying provisions.

- P.L. 108-311, section 307: The extension of a deduction for classroom expenses of educators should be adopted prospectively to apply only for taxable years beginning in 2005.
- P.L. 108-357, section 101: The phaseout and repeal of the extraterritorial income exclusion should not be adopted since Wisconsin never adopted the original deduction.
- P.L. 108-357, sections 201, 244, 336, 337, 909, and 910: These provisions, relating to the extension and expansion of the increased expensing provisions, bonus depreciation, and sales or dispositions to implement federal or state electric restructuring policy, should not be adopted.
- P.L. 108-203, Social Security Protection Act, should be adopted.
- P.L. 108-218, Pension Funding Equity Act, should be adopted.
- P.L. 108-476, relating to the YMCA Retirement Fund, should be adopted.
- P.L. 106-519, FSC Repeal and Extraterritorial Income Exclusion Act: Section 2, relating to the repeal of the FSC provisions, should be adopted for taxable years beginning on or after January 1, 2005.

As a result, the following changes should be made to this draft:

a. Draft sections **3** [s. 71.01(6)(L)], **4** [s. 71.01(6)(m)], **5** [s. 71.01(6)(n)], **17** [s.71.22(4)(L)], **18** [s. 71.22(4)(m)], **19** [s. 71.22(4)(n)], **20** [s. 71.22(4m)(o)], **26** [s. 71.22(4m)(j)], **27** [s. 71.22(4m)(k)], **28** [s. 71.22(4m)(L)], **35** [s. 71.26(2)(b)12.], **36** [s. 71.26(2)(b)13.], **37** [s. 71.26(2)(b)14.], **44** [s. 71.34(1g)(L)], **45** [s. 71.34(1g)(m)], **46** [s. 71.34(1g)(n)], **53** [s. 71.42(2)(k)], **54** [s. 71.42(2)(L)], **55** [s. 71.42(2)(m)]:

   - Page 2, line 13; page 3, lines 4, 12, and 17; page 4, lines 5, 16, and 25; page 5, lines 5 and 17; page 6, lines 3, 12, and 17; page 14, line 18; page 15, lines 5, 14, and 19; page 16, lines 6 and 19; page 17, lines 2, 7, and 20; page 18, lines 8, 16, and 21; page 25, lines 10 and 21; page 26, lines 4, 9, and 22; page 27, lines 8, 17, and 22; page 28, lines 10 and 21; page 29, lines 5 and 10; page 35, line 18; page 36, lines 4 and 15; page 37, lines 1 and 15; page 38, lines 1, 9, and 14; page 39, lines 3, 14, and 25; page 40, line 11; page 41, lines 1, 12, 20, and 25; page 42, line 14; page 43, lines 1, 12, and 23; page 44, lines 12 and 24; page 45, lines 7 and 12; page 60, lines 3 and 16; page 61, lines 1, 6, and 18; page 62, lines 6, 17, and 22; page 63, lines 9 and 22; page 64, lines 8 and 13; page 71, lines 5, 15, and 25; page 72, lines 5 and 16; page 73, lines 1, 11, and 16; page 74, lines 3, 14, and 23; and page 75, line 3:

     Before "P.L. 107-121" delete "and".

   - Page 2, line 14; page 3, lines 4, 13, and 18; page 4, lines 6, 17, and 25; page 5, lines 5 and 18; page 6, lines 4, 12, and 17; page 14, line 19; page 15, lines 6, 14, and 19; page 16, lines 7 and 19; page 17, lines 3, 8, and 21; page 18, lines 9, 17, and 22; page 25, lines 11 and 21; page 26, lines 5, 10, and 23; page 27, lines 9, 17, and 22; page 28, lines 11 and 22; page 29, lines 6 and 11; page 35, line 19; page 36, lines 5 and 16; page 37, lines 2 and 16; page 38, lines 2, 10, and 15; page 39, lines 4 and 15; page 40, lines 1 and 12; page 41, lines 2, 13, and 21; page 42, lines 1 and 15; page 43, lines 1, 12, and 24; page 44, lines 13 and 24; page 45, lines 7 and 12; page 60, lines 4 and 16; page 61, lines 2, 7, and 19; page 62, lines 7, 17, and 22; page 63, lines 10 and 23; page 64, lines 8 and 13; page 71, lines 6, 16, and 25; page 72, lines 5 and 17; page 73, lines 2, 12, and 17; page 74, lines 4, 14, and 24; and page 75, line 4:

     After the second "P.L. 108-121," insert "P.L. 108-311, excluding sections 306, 307, 308, 401, and 403(a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,".

b. Draft sections **6** [s. 71.01(6)(o)], **20** [s. 71.22(4)(o)], **29** [s. 71.22(4m)(m)], **38** [s. 71.26(2)(b)15.], **47** [s. 71.34(1g)(o)], **56** [s. 71.42(2)(n)]:

   - Page 7, lines 6 and 19; page 8, lines 4 and 10; page 19, line 12; page 20, lines 2, 12, and 18; page 29, line 25; page 30, lines 13 and 23; page 31, line 5; page 46, lines 2 and 15; page 47, lines 3

and 16; page 48, lines 7 and 20; page 49, lines 5 and 11; page 65, lines 1 and 16; page 66, lines 3 and 10; page 75, line 17; and page 76, lines 4, 16, and 22:

After the second "P.L. 108-121, insert "P.L. 108-218,".

- Page 7, lines 6 and 19; page 8, lines 4 and 10; page 19, line 12; page 20, lines 2, 12, and 18; page 29, line 25; page 30, lines 13 and 23; page 31, line 5; page 46, lines 2 and 15; page 47, lines 3 and 16; page 48, lines 7 and 20; page 49, lines 5 and 12; page 65, lines 1 and 16; page 66, lines 3 and 10; page 75, line 17, and page 76, lines 5, 16, and 23:

  After "P.L. 108-311," insert "excluding sections 306, 307, 308, 401, and 403(a) of P.L. 108-311,"

- Page 7, lines 6 and 20; page 8, lines 5 and 11; page 19, line 12; page 20, lines 2, 12, and 19; page 29, line 25; page 30, lines 14 and 23; page 31, line 5; page 46, lines 2 and 16; page 47, lines 3 and 16; page 48, lines 7 and 21; page 49, lines 5 and 12; page 65, lines 1 and 16; page 66, lines 3 and 10; page 75, line 17; and page 76, lines 5, 16, and 23:

  After "P.L. 108-357" insert "excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357".

- Page 7, line 1: After "104-188," insert "and".

- Page 8, line 6: After "P.L. 106-554," insert "excluding sections 162 and 165 of P.L. 106-554,".

c. Draft sections **7** [s. 71.01(6)(p)], **21** [s. 71.22(4)(p)], **30** [s. 71.22(4m)(n)], **39** [s. 71.26(2)(b)16.], **48** [s. 71.34(1g)(p)], **57** [s. 71.42(2)(o)]:

- Page 8, line 22; page 9, lines 11, 18, and 22; page 21, lines 5 and 20; page 22, lines 3 and 6; page 31, line 17; page 32, lines 6, 13, and 16; page 50, lines 1 and 14; page 51, lines 1 and 14; page 52, lines 4, 18, and 24; page 53, line 3; page 66, line 21; page 67, lines 12, 21, and 24; page 77, lines 9 and 22; and page 78, lines 6 and 9:

  After the second "P.L. 108-173," insert "P.L. 108-203, P.L. 108-218,".

- Page 8, line 23; page 9, lines 11, 18, and 22; page 21, lines 5 and 21; page 22, lines 3 and 6; page 31, line 18; page 32, lines 7, 14, and 17; page 50, lines 1 and 15; page 51, lines 1 and 15; page 52, lines 4, 18, and 24; page 53, line 3; page 66, line 22; page 67, lines 12 and 21; page 68, line 1; page 77, lines 9 and 23; and page 78, lines 6 and 10:

  After "P.L. 108-311," insert "excluding sections 306, 307, 308, 401, and 403(a) of P.L. 108-311,".

- Page 8, line 23; page 9, lines 12, 19, and 22; page 21, lines 5 and 21; page 22, lines 3 and 6; page 31, line 18; page 32, lines 7, 14, and 17; page 50, lines 1 and 15; page 51, lines 1 and 15; page 52, lines 4, 18, and 25; page 53, line 3; page 66, line 22; page 67, lines 12 and 21; page 68, line 1; page 77, lines 9 and 23; and page 78, lines 6 and 10:

  After "P.L. 108-357," insert "excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,".

- Page 32, line 17: Move "<u>excluding section 1201 of P.L. 108-173,</u>" to line 16 after "P.L. 108-173,".

d. Draft sections **8** [s. 71.01(6)(q)], **22** [s. 71.22(4)(q)], **31** [s. 71.22(4m)(o)], **40** [s. 71.26(2)(b)17.], **49** [s. 71.34(1g)(q)], **58** [s. 71.42(2)(p)]:

- Page 10, line 9; page 22, line 16; page 33, line 3; page 53, line 15; page 54, line 13; page 55, line 14; page 68, line 11; page 78, line 19:

  After "P.L. 108-27," insert "section 109 of P.L. 108-121, and section 1201 of P.L. 108-173,".

- Page 10, line 9; page 22, line 17; page 33, line 3; page 53, line 15; page 54, line 13; page 55, line 15; page 68, line 11; and page 78, line 20:

  After "and as amended by" insert "P.L. 108-203, P.L. 108-218,".

- Page 10, lines 9 and 23; page 11, lines 5 and 8; page 22, line 17; page 23, lines 7, 14, and 18; page 33, lines 3, 17, and 24; page 34, line 2; page 53, line 15; page 54, lines 4 and 13; page 55, lines 2 and 15; page 56, lines 4, 10, and 14; page 68, line 11; page 69, lines 2, 11, and 14; page 78, line 20; and page 79, lines 8, 16, and 20:

  After "P.L. 108-311" insert ", excluding sections 306, 307, 308, 401, and 403(a) of P.L. 108-311,".

- Page 10, lines 9 and 23; page 11, lines 5 and 8; page 22, line 17; page 23, lines 7, 14, and 18; page 33, lines 3, 17, and 24; page 34, line 2; page 53, line 15; page 54, lines 4, 13, 14; page 55, lines 2 and 15; page 56, lines 4, 10, and 14; page 68, line 11; page 69, lines 2, 11, and 14; page 78, line 20; and page 79, lines 8, 16, and 20:

  Before "P.L. 108-357" delete "and".
  After "P.L. 108-357," insert "excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L. 108-476,".

- Page 10, line 22, page 11, lines 5 and 8; page 23, lines 7, 14, and 18; page 33, lines 17 and 24; page 34, line 2; page 54, line 4; page 55, line 2; page 56, lines 3, 10, and 14; page 69, lines 1, 11, and 14; and page 79, lines 8, 16, and 20:

  Before the first "P.L. 108-311" insert "P.L. 108-203, P.L. 108-218,".

- Page 11, lines 3 through 5 and lines 6 through 8; page 23, lines 12 through 14 and lines 15 through 17; page 33, lines 22 through 24 and line 25; page 34, lines 1 and 2; page 56, lines 8 through 10 and 11 through 13; page 69, lines 9 through 11 and lines 12 through 14; and page 79, lines 14 through 16 and lines 17 through 19:

  Delete the language beginning with "P.L. 108-27" and ending with the second "P.L. 108-173".

- Page 22, line 16; page 33, line 2; page 53, line 14; page 54, line 12; page 55, line 14; page 68, line 10; and page 78, line 19:

  After "P.L. 107-147," delete "and".

- Page 69, line 14:

  Delete "excluding section 1201 of P.L. 108" and insert "apply for Wisconsin purposes at the same time as for federal purposes".

e. Draft sections **9** [s. 71.01(6)(r)], **23** [s. 71.22(4)(r)], **32** [s. 71.22(4m)(p)], **41** [s. 71.26(2)(b)18.], **50** [s. 71.34(1g)(r), **59** [s. 71.42(2)(q)]:

- Page 11, line 16; page 24, line 1; page 34, line 10; page 56, line 23; page 57, line 21; page 58, line 22; page 69, line 20; and page 80, line 2:

  Before "P.L. 106-519" insert "sections 1, 3, 4, and 5 of".

- Page 11, line 18; page 24, line 3; page 34, line 12; page 56, line 25; page 57, line 23; page 58, line 24; page 69, line 22; and page 80, line 4:

  After "P.L. 108-27," delete "and".

- Page 11, line 19; page 24, line 3; page 34, line 12; page 57, lines 1 and 23; page 58, line 24; page 69, line 23; and page 80, line 4:

  After "P.L. 108-173," insert "sections 306, 308, 401, and 403(a) of P.L. 108-311, and sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357,".

- Page 12, line 7; page 24, line 18; page 35, line 1; page 57, line 14; page 58, line 11; page 59, line 12; page 70, line 12; and page 80, line 17:

  After the second "P.L. 108-173," insert "P.L. 108-203, P.L. 108-218,".

- Page 12, line 7; page 24, line 18; page 35, line 1; page 57, line 14; page 58, line 11; page 59, line 12; page 70, line 13; and page 80, line 17:

  After "P.L. 108-311," insert ", excluding sections 306, 308, 401, and 403(a) of P.L. 108-311,".

- Page 12, line 7; page 24, lines 18 and 19; page 35, line 1; page 57, line 14; page 58, lines 11 and 12; page 59, lines 12 and 13; page 70, line 13; and page 80, line 17:

  Before "P.L. 108-357" delete "and".
  After "P.L. 108-357" insert ", excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L. 108-476".

f. Create a nonstatutory provision stating:

Changes to the Internal Revenue Code made by P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403(a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply to the definitions of "Internal Revenue Code" in chapter 71 of the statutes at the time that those changes apply for federal income tax purposes.

In addition, the following changes should be made to this draft:

need language

- Amend sec. 71.05(22)(f)4.a., (g), and (h), Wis. Stats., to eliminate a complication relating to prorating the standard deduction for nonresident and part-year resident dependents and to correct a reference. The amendments should first apply for taxable years beginning on January 1, 2005.

  Amend sec. 71.05(22)(g) and (h) to specify that the Wisconsin standard deduction under both par. (f)4.b. and c. are prorated.

  In addition, statutory provisions relating to the standard deduction for dependents on another's return [sec. 71.05(22)(f)4.a., Wis. Stats.] contain an obsolete reference to sec. 71.07(8), which only applies to taxable years beginning before January 1, 2000. The appropriate reference is to sec. 71.05(23)(b)2. Therefore, change the reference in sec. 71.05(22)(f)4.a. to sec. 71.05(23)(b)2.

- Amend secs. 78.005(14) and 168.01(2), Wis. Stats., so that "supplier" as defined in these subsections includes a reference to two-party exchanges under section 4105 of the Internal Revenue Code. The amendments should first apply for tax periods beginning on January 1, 2005.

  Amend secs. 78.005(14) and 168.01(2), Wis. Stats., so that "supplier" (in the third sentence of these subsections) includes a person who acquires motor fuel "by a two-party exchange under section 4105 of the Internal Revenue Code" as well as a person acquiring fuel pursuant to an industry terminal exchange agreement. According to the Department of Commerce, under a rewrite of Chapter 168, Wis. Stats., sec. 168.01(2) will become sec. 168.21(4).

5. **Effective date problems, if any, including transitional problems:** _____ **Yes** __X__ **No**
   (If yes, describe problem and suggested effective date or transitional language needed.)