

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

8 \*-0302/4.54\* SECTION 1385. 71.42 (2) (i) of the statutes is repealed.

9 \*-0302/4.55\* SECTION 1386. 71.42 (2) (j) of the statutes is repealed.

10 \*-0302/4.56\* SECTION 1387. 71.42 (2) (k) of the statutes is amended to read:

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

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

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

4 \***-0302/4.57\*** SECTION 1388. 71.42 (2) (L) of the statutes is amended to read:

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

## SECTION 1388

1 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
2 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
3 201, 244, 336, 337, 909, and 910 of P.L. 108-357, except that “Internal Revenue Code”  
4 does not include section 847 of the federal Internal Revenue Code. The Internal  
5 Revenue Code applies for Wisconsin purposes at the same time as for federal  
6 purposes. Amendments to the federal Internal Revenue Code enacted after  
7 December 31, 1997, do not apply to this paragraph with respect to taxable years  
8 beginning after December 31, 1997, and before January 1, 1999, except that  
9 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.  
10 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of  
11 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
12 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
13 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
14 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
15 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and changes that indirectly affect  
16 the provisions applicable to this subchapter made by P.L. 105-178, P.L. 105-206, P.L.  
17 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of  
18 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
19 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
20 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
21 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
22 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes at the  
23 same time as for federal purposes.

24 \***-0302/4.58**\* SECTION 1389. 71.42 (2) (m) of the statutes is amended to read:

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

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

20 \*~~0302~~/4.59\* SECTION 1390. 71.42 (2) (n) of the statutes is amended to read:

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

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

## SECTION 1390

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

21 \***-0302/4.60\*** SECTION 1391. 71.42 (2) (o) of the statutes is amended to read:

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

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

## SECTION 1391

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

16 \*~~0302/4.61~~\* SECTION 1392. 71.42 (2) (p) of the statutes is created to read:

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

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

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

6 \*–0302/4.62\* SECTION 1393. 71.42 (2) (q) of the statutes is created to read:

7 71.42 (2) (q) For taxable years that begin after December 31, 2004, “Internal  
8 Revenue Code” means the federal Internal Revenue Code as amended to  
9 December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102–227, sections  
10 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b),  
11 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, sections 1, 3, 4, and 5 of P.L.  
12 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L.  
13 107–16, section 101 of P.L. 107–147, sections 106, 201, and 202 of P.L. 108–27, section  
14 1201 of P.L. 108–173, sections 306, 308, 401, and 403 (a) of P.L. 108–311, and sections  
15 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357, and as indirectly affected by  
16 P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,  
17 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.  
18 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150  
19 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.  
20 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
21 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.  
22 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L.  
23 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15,  
24 P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L.  
25 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L. 107–181, P.L.

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

11 \*-1656/3.43\* SECTION 1394. 71.42 (3d) of the statutes is amended to read:

12 71.42 (3d) “Member” does not include a member of a limited liability company  
13 treated as a corporation under s. 71.22 (1) (1k).

14 \*-1656/3.44\* SECTION 1395. 71.42 (3h) of the statutes is amended to read:

15 71.42 (3h) “Partner” does not include a partner of a publicly traded partnership  
16 treated as a corporation under s. 71.22 (1) (1k).

17 \*-0404/4.110\* SECTION 1396. 71.47 (1dd) (a) 1. of the statutes is amended to  
18 read:

19 71.47 (1dd) (a) 1. “Day care center benefits” means benefits provided at a day  
20 care facility that is licensed under s. ~~48.65 or 48.69~~ 49.98 or 49.99 and that for  
21 compensation provides care for at least 6 children or benefits provided at a facility  
22 for persons who are physically incapable of caring for themselves.

23 \*-0402/5.7\* SECTION 1397. 71.47 (1di) (b) 1. of the statutes is repealed.

24 \*-0402/7.10\* SECTION 1398. 71.47 (1dL) (c) 1. of the statutes is repealed.

## SECTION 1399

1           \*~~0402/8~~\*SECTION 1399. 71.47 (1dL) (c) 2. of the statutes is renumbered 71.47  
2 (1dL) (c).

3           \*~~0402/8~~\*SECTION 1400. 71.47 (1dL) (d) of the statutes is amended to read:  
4           71.47 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of  
5 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit  
6 under this subsection and apply as if the development zone continued to exist.

7           \*~~0402/5.8~~\* SECTION 1401. 71.47 (1dm) (hm) of the statutes is amended to  
8 read:

9           71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this  
10 subsection, including any credits carried over, ~~may be offset only~~ against the amount  
11 of the tax otherwise due under this subchapter ~~attributable to income from the~~  
12 ~~business operations of the claimant in the development zone; except that a claimant~~  
13 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~  
14 ~~credits carried over, against the amount of the tax otherwise due under this~~  
15 ~~subchapter attributable to all of the claimant's income; and against the tax~~  
16 ~~attributable to income from directly related business operations of the claimant.~~

17           \*~~0403/2.3~~\*SECTION 1402. 71.47 (1dx) (a) 5. of the statutes is amended to read:

18           71.47 (1dx) (a) 5. “Member of a targeted group” means a person who resides  
19 in an empowerment zone, ~~or an enterprise community, that the U.S. government~~  
20 ~~designates~~ area designated by the federal government as an economic revitalization  
21 area, a person who is employed in an unsubsidized job but meets the eligibility  
22 requirements under s. 49.145 (2) and (3) for a Wisconsin works Works employment  
23 position, a person who is employed in a trial job, as defined in s. 49.141 (1) (n), a  
24 person who is eligible for child care assistance under s. 49.155, a person who is a  
25 vocational rehabilitation referral, an economically disadvantaged youth, an

1 economically disadvantaged veteran, a supplemental security income recipient, a  
2 general assistance recipient, an economically disadvantaged ex-convict, a qualified  
3 summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated worker, as  
4 defined in 29 USC 2801 (9), or a food stamp recipient, if the person has been certified  
5 in the manner under sub. (1dj) (am) 3. by a designated local agency, as defined in sub.  
6 (1dj) (am) 2.

7 \*–0402/5.9\* SECTION 1403. 71.47 (1dx) (b) (intro.) of the statutes is amended  
8 to read:

9 71.47 (1dx) (b) *Credit*. (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and  
10 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person  
11 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),  
12 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed  
13 ~~on the person's income from the person's business activities in a development zone~~  
14 otherwise due under this chapter the following amounts:

15 \*–0335/2.11\* SECTION 1404. 71.47 (1dx) (b) 2. of the statutes is amended to  
16 read:

17 71.47 (1dx) (b) 2. The amount determined by multiplying the amount  
18 determined under s. 560.785 (1) (b) by the number of full-time jobs created in a  
19 development zone and filled by a member of a targeted group and by then subtracting  
20 the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid  
21 under s. 49.147 (3) (d) 5. for those jobs.

22 \*–0335/2.12\* SECTION 1405. 71.47 (1dx) (b) 3. of the statutes is amended to  
23 read:

24 71.47 (1dx) (b) 3. The amount determined by multiplying the amount  
25 determined under s. 560.785 (1) (c) by the number of full-time jobs created in a

1 development zone and not filled by a member of a targeted group and by then  
2 subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and  
3 reimbursements paid under s. 49.147 (3) (d) 5. for those jobs.

4 \***-0335/2.13**\* SECTION 1406. 71.47 (1dx) (b) 4. of the statutes is amended to  
5 read:

6 71.47 (1dx) (b) 4. The amount determined by multiplying the amount  
7 determined under s. 560.785 (1) (bm) by the number of full-time jobs retained, as  
8 provided in the rules under s. 560.785, excluding jobs for which a credit has been  
9 claimed under sub. (1dj), in an enterprise development zone under s. 560.797 and for  
10 which significant capital investment was made and by then subtracting the  
11 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid  
12 under s. 49.147 (3) (d) 5. for those jobs.

13 \***-0335/2.14**\* SECTION 1407. 71.47 (1dx) (b) 5. of the statutes is amended to  
14 read:

15 71.47 (1dx) (b) 5. The amount determined by multiplying the amount  
16 determined under s. 560.785 (1) (c) by the number of full-time jobs retained, as  
17 provided in the rules under s. 560.785, excluding jobs for which a credit has been  
18 claimed under sub. (1dj), in a development zone and not filled by a member of a  
19 targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or  
20 the subsidies and reimbursements paid under s. 49.147 (3) (d) 5. for those jobs.

21 \***-1656/3.45**\* SECTION 1408. 71.47 (2m) (a) 1. b. of the statutes is amended to  
22 read:

23 71.47 (2m) (a) 1. b. For partnerships, except publicly traded partnerships  
24 treated as corporations under s. 71.22 (1) (1k), or limited liability companies, except

1 limited liability companies treated as corporations under s. 71.22 ~~(1)~~ (1k), “claimant”  
2 means each individual partner or member.

3 \*–1245/2.13\* SECTION 1409. 71.47 (3n) (title) of the statutes is amended to  
4 read:

5 71.47 (3n) (title) ~~DAIRY~~ LIVESTOCK FARM INVESTMENT CREDIT.

6 \*–1245/2.14\* SECTION 1410. 71.47 (3n) (a) 1m. of the statutes is repealed.

7 \*–1245/2.15\* SECTION 1411. 71.47 (3n) (a) 1n. of the statutes is created to read:

8 71.47 (3n) (a) 1n. “Livestock” means domestic animals used in this state in the  
9 production of food, fiber, or other animal products and includes bovine animals,  
10 swine, poultry, fish, sheep, and goats. “Livestock” does not include equine animals,  
11 deer, ratites, camelidae, or mink.

12 \*–1245/2.16\* SECTION 1412. 71.47 (3n) (a) 1p. of the statutes is repealed.

13 \*–1245/2.17\* SECTION 1413. 71.47 (3n) (a) 2. (intro.) of the statutes is amended  
14 to read:

15 71.47 (3n) (a) 2. (intro.) ~~“Dairy~~ “Livestock farm modernization or expansion”  
16 means the construction, the improvement, or the acquisition of buildings or facilities,  
17 or the acquisition of equipment, for ~~dairy-animal~~ livestock housing, livestock  
18 confinement, ~~animal~~ livestock feeding, milk production, or waste management,  
19 including the following, if used exclusively related to ~~dairy-animals~~ livestock:

20 \*–1245/2.18\* SECTION 1414. 71.47 (3n) (b) of the statutes is amended to read:

21 71.47 (3n) (b) Subject to the limitations provided in this subsection, for taxable  
22 years that begin after December 31, 2003, and before January 1, 2010, a claimant  
23 may claim as a credit against the tax imposed under s. 71.43 an amount equal to 10%  
24 of the amount the claimant paid in the taxable year for ~~dairy~~ livestock farm

## SECTION 1414

1 modernization or expansion related to the operation of the claimant's dairy livestock  
2 farm.

3 **\*-1656/3.46\* SECTION 1415.** 71.47 (4) (a) of the statutes is amended to read:

4 71.47 (4) (a) *Credit.* Any corporation may credit against taxes otherwise due  
5 under this chapter an amount equal to 5% of the amount obtained by subtracting  
6 from the corporation's qualified research expenses, as defined in section 41 of the  
7 internal revenue code, except that "qualified research expenses" includes only  
8 expenses incurred by the claimant, incurred for research conducted in this state for  
9 the taxable year, except that a taxpayer may elect the alternative computation under  
10 section 41 (c) (4) of the Internal Revenue Code and that election applies until the  
11 department permits its revocation and except that "qualified research expenses"  
12 does not include compensation used in computing the credit under subs. (1dj) and  
13 (1dx), the corporation's base amount, as defined in section 41 (c) of the internal  
14 revenue code, except that gross receipts used in calculating the base amount means  
15 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and  
16 (d), (db), (dd), (df), (dg), (dh), and (dm). Section 41 (h) of the internal revenue code  
17 does not apply to the credit under this paragraph.

18 **\*-1656/3.47\* SECTION 1416.** 71.47 (4) (am) of the statutes is amended to read:

19 71.47 (4) (am) *Development zone additional research credit.* In addition to the  
20 credit under par. (a), any corporation may credit against taxes otherwise due under  
21 this chapter an amount equal to 5% of the amount obtained by subtracting from the  
22 corporation's qualified research expenses, as defined in section 41 of the internal  
23 revenue code, except that "qualified research expenses" include only expenses  
24 incurred by the claimant in a development zone under subch. VI of ch. 560, except  
25 that a taxpayer may elect the alternative computation under section 41 (c) (4) of the

1 Internal Revenue Code and that election applies until the department permits its  
2 revocation and except that “qualified research expenses” do not include  
3 compensation used in computing the credit under sub. (1dj) nor research expenses  
4 incurred before the claimant is certified for tax benefits under s. 560.765 (3), the  
5 corporation’s base amount, as defined in section 41 (c) of the internal revenue code,  
6 in a development zone, except that gross receipts used in calculating the base amount  
7 means gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and  
8 2. ~~and (d), (db), (dd), (df), (dg), (dh), and (dm)~~ and research expenses used in  
9 calculating the base amount include research expenses incurred before the claimant  
10 is certified for tax benefits under s. 560.765 (3), in a development zone, if the claimant  
11 submits with the claimant’s return a copy of the claimant’s certification for tax  
12 benefits under s. 560.765 (3) and a statement from the department of commerce  
13 verifying the claimant’s qualified research expenses for research conducted  
14 exclusively in a development zone. The rules under s. 73.03 (35) apply to the credit  
15 under this paragraph. The rules under sub. (1di) (f) and (g) as they apply to the credit  
16 under that subsection apply to claims under this paragraph. Section 41 (h) of the  
17 internal revenue code does not apply to the credit under this paragraph. No credit  
18 may be claimed under this paragraph for taxable years that begin on January 1,  
19 1998, or thereafter. Credits under this paragraph for taxable years that begin before  
20 January 1, 1998, may be carried forward to taxable years that begin on January 1,  
21 1998, or thereafter.

22 \*~~1656/3.48~~\* SECTION 1417. 71.47 (4) (i) of the statutes is amended to read:

23 71.47 (4) (i) *Nonclaimants.* The credits under this subsection may not be  
24 claimed by a partnership, except a publicly traded partnership treated as a  
25 corporation under s. 71.22 (1) (1k), limited liability company, except a limited

1 liability company treated as a corporation under s. 71.22 ~~(1)~~ (1k), or tax-option  
2 corporation or by partners, including partners of a publicly traded partnership,  
3 members of a limited liability company or shareholders of a tax-option corporation.

4 **\*-1656/3.49\* SECTION 1418.** 71.58 (1) (c) of the statutes is amended to read:

5 71.58 (1) (c) For partnerships except publicly traded partnerships treated as  
6 corporations under s. 71.22 ~~(1)~~ (1k), “claimant” means each individual partner.

7 **\*-1656/3.50\* SECTION 1419.** 71.58 (1) (cm) of the statutes is amended to read:

8 71.58 (1) (cm) For limited liability companies, except limited liability  
9 companies treated as corporations under s. 71.22 ~~(1)~~ (1k), “claimant” means each  
10 individual member.

11 **\*-0306/2.1\* SECTION 1420.** 71.775 of the statutes is created to read:

12 **71.775 Withholding from nonresident members of pass-through**  
13 **entities. (1) DEFINITIONS.** In this section:

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

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

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

1 distributable to each nonresident partner, member, shareholder, or beneficiary is  
2 equal to the nonresident partner's, member's, shareholder's, or beneficiary's share  
3 of income attributable to this state, multiplied by the following:

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

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

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

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

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

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

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

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

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

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

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

17           2. A pass-through entity that pays the tax withheld under sub. (2) as provided  
18 under subd. 1. is not subject to an underpayment of estimated tax under s. 71.09 or  
19 71.29, if 90 percent of the tax that is due for the current taxable year is paid by the  
20 unextended due date or if 100 percent of the tax that is due for the taxable year  
21 immediately preceding the current taxable year is paid by the unextended due date  
22 and the taxable year immediately preceding the current taxable year was a  
23 12-month period. Interest at the rate 12 percent shall be imposed on the unpaid  
24 amount of the tax withheld under sub. (2) during any extension period and interest  
25 at the rate of 18 percent shall be imposed on the unpaid amount of the tax withheld

1 under sub. (2) for the period beginning with the extended due date and ending with  
2 the date that the unpaid amount is paid in full.

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

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

16 (e) Any tax withheld under this section shall be held in trust for this state, and  
17 a pass-through entity subject to withholding under this section shall be liable to the  
18 department for the payment of the tax withheld. No partner, member, shareholder,  
19 or beneficiary of a pass-through entity shall have any right of action against the  
20 pass-through entity with respect to any amount withheld and paid in compliance  
21 with this section.

22 (f) If a pass-through entity subject to withholding under this section fails to  
23 withhold tax as required by this section, the pass-through entity shall be liable for  
24 any tax, interest, and penalties. If a nonresident partner, member, shareholder, or  
25 beneficiary of the pass-through entity files a return and pays the tax due, the

1 pass-through entity shall not be liable for the tax, but shall be liable for any interest  
2 and penalties otherwise applicable for failure to withhold, as provided under ss.  
3 71.82 (2) (d) and 71.83.

4 \*~~0375/2.1~~\* SECTION 1421. 71.78 (4) (r) of the statutes is created to read:

5 71.78 (4) (r) The secretary of revenue and employees of that department for the  
6 purposes of preparing and maintaining the list of persons with unpaid tax  
7 obligations as described in s. 71.91 (8) so that the list of such persons is available for  
8 public inspection.

9 \*~~0375/2.2~~\* SECTION 1422. 71.91 (8) of the statutes is created to read:

10 71.91 (8) INTERNET LISTING OF DELINQUENT TAXPAYERS. The department may  
11 prepare and maintain a list of all persons who owe delinquent taxes of any type  
12 administered by the department, including interest, penalties, fees, and costs, to the  
13 department, in excess of \$25,000, which are unpaid for more than 90 days after all  
14 appeal rights have expired, and may post the names of persons from this list on the  
15 Internet at a site the department creates and maintains for this purpose. If the  
16 department places such a posting, the Internet site shall list the names, addresses,  
17 type of tax due, and amount of tax due, including interest, penalties, fees, and costs  
18 for each person who has one of the delinquent taxpayer accounts. If a listed person  
19 is a corporation, the Internet site shall also contain the name and address of each of  
20 the corporation's officers, if known. Except as otherwise provided in this subsection,  
21 the department shall update the Internet site on a quarterly basis. The department  
22 may not post on the Internet the name of any person who has reached an agreement  
23 or compromise with the department, or the department of justice, under s. 71.92 and  
24 is in compliance with that agreement, regarding the payment of delinquent taxes,  
25 or the name of any person who is protected by a stay that is in effect under the federal

1 Bankruptcy Code; and the Internet posting shall be updated each business day, as  
2 defined in s. 562.01 (3m), to comply with these prohibitions.

3 **\*-0301/1.1\* SECTION 1423.** 71.93 (1) (a) 1. of the statutes is amended to read:

4 71.93 (1) (a) 1. An amount owed to a state agency that, if the amount has been  
5 reduced to a judgment or if the state agency has provided the debtor reasonable  
6 notice and an opportunity to be heard with regards to the amount owed.

7 **\*-0265/3.22\* SECTION 1424.** 71.93 (1) (a) 3. of the statutes is amended to read:

8 71.93 (1) (a) 3. An amount that the department of health and family services  
9 may recover under s. 49.45 (2) (a) 10. ~~or, 49.497, 49.793, or 49.847,~~ if the department  
10 of health and family services has certified the amount under s. 49.85.

11 **\*-0265/3.23\* SECTION 1425.** 71.93 (1) (a) 4. of the statutes is amended to read:

12 71.93 (1) (a) 4. An amount that the department of workforce development may  
13 recover under s. 49.161, or 49.195 (3), ~~or 49.793,~~ or may collect under s. 49.147 (6)  
14 (cm), if the department of workforce development has certified the amount under s.  
15 49.85.

16 **\*-0305/3.1\* SECTION 1426.** 71.93 (1) (cm) of the statutes is created to read:

17 71.93 (1) (cm) “Disbursement” means any payment to a person who provides  
18 goods and services to the state under subch. IV or V of ch. 16 or under ch. 84.

19 **\*-0305/3.2\* SECTION 1427.** 71.93 (2) of the statutes is amended to read:

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

24 At least 30 days prior to certification each debtor shall be sent a notice by the state  
25 agency of its intent to certify the debt to the department for setoff or reduction and

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1 of the debtor's right of appeal. At the time of certification, the certifying state agency  
2 shall furnish the social security number of individual debtors and the federal  
3 employer identification number of other debtors.

4 \*–0305/3.3\* SECTION 1428. 71.93 (3) of the statutes is renumbered 71.93 (3) (a)  
5 and amended to read:

6 71.93 (3) (a) ADMINISTRATION. In administering this section the department  
7 shall first check with the state agency certifying the debt to determine whether the  
8 debt has been collected by other means. If the debt remains uncollected the  
9 department of revenue shall setoff any debt or other amount owed to the department,  
10 regardless of the origin of the debt or of the amount, its nature or its date. If after  
11 the setoff there remains a refund in excess of \$10, the department shall set off the  
12 remaining refund against certified debts of other state agencies. If more than one  
13 certified debt exists for any debtor, the refund shall be first set off against the earliest  
14 debt certified, except that no child support or spousal support obligation submitted  
15 by an agency of another state may be set off until all debts owed to and certified by  
16 state agencies of this state have been set off. When all debts have been satisfied, any  
17 remaining refund shall be refunded to the debtor by the department. Any legal  
18 action contesting a setoff under this paragraph shall be brought against the state  
19 agency that certified the debt under sub. (2).

20 \*–0305/3.4\* SECTION 1429. 71.93 (3) (b) of the statutes is created to read:

21 71.93 (3) (b) The department shall provide the information obtained under sub.  
22 (2) to the department of administration. Before reducing any disbursement as  
23 provided under this paragraph, the department of administration shall contact the  
24 department to verify whether a certified debt that is the basis of the reduction has  
25 been collected by other means. If the certified debt remains uncollected, the

1 department of administration shall reduce the disbursement by the amount of the  
2 debtor's certified debt under sub. (2), notify the department of such reduction and  
3 disbursement, and remit the amount of the reduction to the department in the  
4 manner prescribed by the department. If more than one certified debt exists for any  
5 debtor, the disbursement shall be reduced first by any debts certified under s. 73.12  
6 then by the earliest debt certified. Any legal action contesting a reduction under this  
7 paragraph shall be brought against the state agency that certified the debt under  
8 sub. (2).

9 \*–0305/3.5\* SECTION 1430. 71.93 (4) of the statutes is amended to read:

10 71.93 (4) SETTLEMENT. Within 30 days after the close of each calendar quarter,  
11 the department shall settle with each state agency that has certified a debt. Each  
12 settlement shall note the opening balance of debts certified, any additions or  
13 deletions, reductions or amounts set off, and the ending balance at the close of the  
14 settlement period.

15 \*–0305/3.6\* SECTION 1431. 71.93 (5) of the statutes is amended to read:

16 71.93 (5) STATE AGENCY CHARGED FOR COSTS. At the time of each settlement, each  
17 state agency shall be charged for administration expenses, and the amounts charged  
18 shall be credited to the department's appropriation under s. 20.566 (1) (h). Annually  
19 on or before November 1, the department shall review its costs incurred during the  
20 previous fiscal year in administering state agency setoffs and reductions and shall  
21 adjust its subsequent charges to each state agency to reflect that experience.

22 \*–0305/3.7\* SECTION 1432. 71.93 (6) of the statutes is amended to read:

23 71.93 (6) WRITTEN AGREEMENT AND AUTHORITY OF DEPARTMENT. Any state agency  
24 wishing to certify debts to the department shall enter into a written agreement with  
25 the department prior to any certification of debt. Any certification of debts by a state

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1 agency or changes to certified debts shall be in a manner and form prescribed by the  
2 department. The secretary of revenue shall be the final authority in the resolution  
3 of any interagency disputes in regard to certification of debts. If a refund or  
4 disbursement is adjusted after a setoff or reduction, the department may readjust  
5 any erroneous settlement with a certifying state agency.

6 \*–0305/3.8\* SECTION 1433. 71.93 (7) of the statutes is amended to read:

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

12 \*–0305/3.9\* SECTION 1434. 71.935 (1) (cm) of the statutes is created to read:

13 71.935 (1) (cm) “Disbursement” means any payment to a person who provides  
14 goods and services to the state under subch. IV or V of ch. 16 or under ch. 84.

15 \*–0299/2.2\* SECTION 1435. 71.935 (2) of the statutes is amended to read:

16 71.935 (2) A municipality or county may certify to the department any debt  
17 owed to it. Not later than 5 days after certification, the municipality or county shall  
18 notify the debtor in writing of its certification of the debt to the department, of the  
19 basis of the certification and of the debtor’s right to appeal and, in the case of parking  
20 citations, of the debtor’s right to contest the citation. At the time of certification, the  
21 municipality or county shall furnish to the department the name and social security  
22 number or operator’s license number of each individual debtor and the name and  
23 federal employer identification number of each other debtor.

24 \*–0305/3.10\* SECTION 1436. 71.935 (3) of the statutes is renumbered 71.935  
25 (3) (a) and amended to read:

1           71.935 (3) (a) If the debt remains uncollected and, in the case of a parking  
2 citation, if the debtor has not contested the citation within 20 days after the notice  
3 under sub. (2), the department shall set off the debt against any refund that is owed  
4 to the debtor after the setoff under s. 71.93. Any legal action contesting a setoff shall  
5 be brought against the municipality or county that certified the debt under sub. (2).

6           \*–0305/3.11\* **SECTION 1437.** 71.935 (3) (b) of the statutes is created to read:

7           71.935 (3) (b) The department shall provide the information obtained under  
8 sub. (2) to the department of administration. Before reducing any disbursement as  
9 provided under this paragraph, the department of administration shall contact the  
10 department to verify whether a certified debt that is the basis of the reduction has  
11 been collected by other means and, in the case of a parking citation, whether the  
12 debtor has contested the citation within 20 days after the notice under sub. (2). If  
13 the certified debt remains uncollected and, in the case of a parking citation, the  
14 citation has not been contested within 20 days after the notice under sub. (2), the  
15 department of administration shall, after any reduction under s. 71.93, reduce the  
16 disbursement by the amount of the debtor's certified debt under sub. (2), notify the  
17 department of such reduction and disbursement, and remit the amount of the  
18 reduction to the department in the manner prescribed by the department. If more  
19 than one debt certified under sub. (2) exists for any debtor, the disbursement shall  
20 be reduced first by the earliest debt certified. Any legal action contesting a reduction  
21 under this paragraph shall be brought against the municipality or county that  
22 certified the debt under sub. (2).

23           \*–0305/3.12\* **SECTION 1438.** 71.935 (4) of the statutes is amended to read:

24           71.935 (4) Within 30 days after the end of each calendar quarter, the  
25 department shall settle with each municipality and county for the amounts ~~that the~~

1 ~~department setoff~~ set off or reduced against certified debts for the municipality or  
2 county during that calendar quarter.

3 \*~~0305/3.13~~\* SECTION 1439. 71.935 (5) of the statutes is amended to read:

4 71.935 (5) At the time of each settlement, each municipality and county shall  
5 be charged for administration expenses, and the amounts charged shall be credited  
6 to the appropriation account under s. 20.566 (1) (h). Annually on or before November  
7 1, the department shall review its costs incurred during the previous fiscal year in  
8 administering setoffs and reductions under this section and shall adjust its  
9 subsequent charges to each municipality and county to reflect that experience.

10 \*~~0955/10.5~~\* SECTION 1440. 73.01 (4) (b) of the statutes is amended to read:

11 73.01 (4) (b) Any matter required to be heard by the commission may be heard  
12 by any member of the commission or ~~its~~ a hearing examiner and reported to the  
13 commission, and hearings of matters pending before it shall be assigned to members  
14 of the commission or ~~its~~ the hearing examiner by the chairperson. Cases other than  
15 small claims cases shall be decided by the full commission, except that if one or more  
16 members of the commission are unavailable, cases other than small claims cases  
17 shall be decided by the member or members assigned by the chairperson prior to the  
18 hearing. If the parties have agreed to an oral decision, the member or members  
19 conducting the hearing may render an oral decision. Hearings shall be open to the  
20 public and all proceedings shall be conducted in accordance with rules of practice and  
21 procedure prescribed by the commission. Small claims cases shall be decided by one  
22 commissioner assigned by the chairperson prior to the hearing.

23 \*~~0955/10.6~~\* SECTION 1441. 73.01 (4m) (b) of the statutes is amended to read:

24 73.01 (4m) (b) No member of the commission, including the chairperson, or ~~its~~  
25 a hearing examiner may receive any salary unless he or she first executes an

1 affidavit at the end of each salary period stating that he or she has complied with the  
2 deadlines in par. (a). The affidavit shall be presented to and filed with every official  
3 who certifies, in whole or in part, the salary.

4 \*–0955/10.7\* SECTION 1442. 73.01 (4m) (c) of the statutes is amended to read:

5 73.01 (4m) (c) If a member of the commission, including the chairperson, or its  
6 a hearing examiner is unable to comply with the deadline under par. (a), that person  
7 shall so certify in the record, and the period is then extended for one additional period  
8 not to exceed 90 days.

9 \*–0303/4.5\* SECTION 1443. 73.03 (50) (d) of the statutes is amended to read:

10 73.03 (50) (d) In the case of a sole proprietor, signs the form or, in the case of  
11 other persons, has an individual who is authorized to act on behalf of the person sign  
12 the form, or, in the case of a single-owner entity that is disregarded as a separate  
13 entity under section 7701 of the Internal Revenue Code, the person is the owner. Any  
14 person who may register under this subsection may designate an agent, as defined  
15 in s. 77.524 (1) (ag), to register with the department under this subsection in the  
16 manner prescribed by the department. In this paragraph, “sign” has the meaning  
17 given in s. 77.51 (17r).

18 \*–0303/4.6\* SECTION 1444. 73.03 (50b) of the statutes is created to read:

19 73.03 (50b) To waive the fee established under sub. (50) for applying for and  
20 renewing the business tax registration certificate, if the person who is applying for  
21 or renewing the certificate is not required for purposes of ch. 77 to hold such a  
22 certificate.

23 \*–0303/4.7\* SECTION 1445. 73.03 (61) of the statutes is created to read:

24 73.03 (61) To do all of the following related to the Uniform Sales and Use Tax  
25 Administration Act:

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1 (a) Certify compliance with the agreement, as defined in s. 77.65 (2) (a).

2 (b) Pursuant to the agreement, as defined in s. 77.65 (2) (a), certify certified  
3 service providers, as defined in s. 77.51 (1g), and certified automated systems, as  
4 defined in s. 77.524 (1) (am).

5 (c) Consistent with the agreement, as defined in s. 77.65 (2) (a), establish  
6 performance standards and eligibility criteria for a seller that sells tangible personal  
7 property or taxable services in at least 5 states that are signatories to the agreement,  
8 as defined in s. 77.65 (2) (a); that has total annual sales revenue of at least  
9 \$500,000,000; that has a proprietary system that calculates the amount of tax owed  
10 to each taxing jurisdiction in which the seller sells tangible personal property or  
11 taxable services; and that has entered into a performance agreement with the states  
12 that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of  
13 this paragraph, “seller” includes an affiliated group of sellers using the same  
14 proprietary system to calculate the amount of tax owed in each taxing jurisdiction  
15 in which the sellers sell tangible personal property or taxable services.

16 (d) Issue a tax identification number to a person who claims an exemption  
17 under subch. III or V of ch. 77 and who is not required to register with the department  
18 for the purposes of subch. III or V of ch. 77 and establish procedures for the  
19 registration of such a person.

20 (e) Maintain a database that is accessible to sellers and certified service  
21 providers, as defined in s. 77.51 (1g), that indicates whether items defined in  
22 accordance with the Uniform Sales and Use Tax Administration Act are taxable or  
23 nontaxable.

24 (f) Maintain a database that is accessible to sellers and certified service  
25 providers, as defined in s. 77.51 (1g), that indicates tax rates, taxing jurisdiction

1 boundaries, and zip code or address assignments related to the administration of  
2 taxes imposed under subchs. III and V of ch. 77.

3 (g) Set forth the information that the seller shall provide to the department for  
4 tax exemptions claimed by purchasers and establish the manner in which a seller  
5 shall provide such information to the department.

6 (h) Provide monetary allowances, in addition to the retailer's discount provided  
7 under s. 77.61 (4) (c), to certified service providers, as defined in s. 77.51 (1g), and  
8 sellers that use certified automated systems, as defined in s. 77.524 (1) (am), or  
9 proprietary systems, pursuant to the agreement as defined in s. 77.65 (2) (a).

10 **\*-0404/4.111\* SECTION 1446.** 73.0301 (1) (d) 2. of the statutes is amended to  
11 read:

12 73.0301 (1) (d) 2. A license issued by the department of health and family  
13 services under s. 48.66 (1) (a) to a child welfare agency, group home, or shelter care  
14 facility ~~or day care center~~, as required by s. 48.60, 48.625, 48.65 or 938.22 (7).

15 **\*-0404/4.112\* SECTION 1447.** 73.0301 (1) (d) 2m. of the statutes is created to  
16 read:

17 73.0301 (1) (d) 2m. A license issued by the department of workforce  
18 development under s. 49.984 (1) day care center, as required by s. 49.98.

19 **\*-0347/2.3\* SECTION 1448.** 73.0301 (1) (d) 3. of the statutes is amended to read:

20 73.0301 (1) (d) 3. A license, certificate of approval, provisional license,  
21 conditional license, certification, certification card, registration, permit, training  
22 permit or approval specified in s. 50.35, 50.49 (6) (a) or (10), 51.038, 51.04, 51.42 (7)  
23 (b) 11., 51.421 (3) (a), 51.45 (8), 146.40 (3) or (3m), 146.50 (5) (a) or (b), (6g) (a), (7) or  
24 (8) (a) or (f), ~~250.05 (5)~~, 252.23 (2), 252.24 (2), 254.176, 254.20 (3), 255.08 (2) (a) or  
25 343.305 (6) (a) or a permit for operation of a campground specified in s. 254.47 (1).

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1           \*~~0300/4.1~~\* **SECTION 1449.** 73.0301 (2) (b) 1. a. of the statutes is amended to  
2 read:

3           73.0301 (2) (b) 1. a. If, after a request is made under par. (a) 1. or 2., the  
4 department of revenue certifies that the license holder or applicant for a license or  
5 license renewal or continuation is liable for delinquent taxes, revoke the license or  
6 deny the application for the license or license renewal or continuation. The  
7 department of transportation may suspend licenses described in sub. (1) (d) 7. in lieu  
8 of revoking those licenses. A suspension, revocation or denial under this subd. 1. a.  
9 is not subject to administrative review or, except as provided in subd. 2. and sub. (5)  
10 (am), judicial review. With respect to a license granted by a credentialing board, the  
11 department of regulation and licensing shall make a revocation or denial under this  
12 subd. 1. a. With respect to a license to practice law, the department of revenue shall  
13 not submit a certification under this subd. 1. a. to the supreme court until after the  
14 license holder or applicant has exhausted his or her remedies under sub. (5) (a) and  
15 (am) or has failed to make use of such remedies.

16           \*~~0300/4.2~~\* **SECTION 1450.** 73.0301 (2) (b) 1. b. of the statutes is amended to  
17 read:

18           73.0301 (2) (b) 1. b. Mail a notice of suspension, revocation or denial under  
19 subd. 1. a. to the license holder or applicant. The notice shall include a statement  
20 of the facts that warrant the suspension, revocation or denial and a statement that  
21 the license holder or applicant may, within 30 days after the date on which the notice  
22 of denial, suspension or revocation is mailed, file a written request with the  
23 department of revenue to have the certification of tax delinquency on which the  
24 suspension, revocation or denial is based reviewed at a hearing under sub. (5) (a).  
25 With respect to a license granted by a credentialing board, the department of

1 regulation and licensing shall mail a notice under this subd. 1. b. With respect to a  
2 license to practice law, the department of revenue shall mail a notice under this subd.  
3 1. b. and the notice shall indicate that the license holder or applicant may request  
4 a hearing under sub. (5) (a) and (am) and that the department of revenue shall  
5 submit a certificate of delinquency to suspend, revoke, or deny a license to practice  
6 law to the supreme court after the license holder or applicant has exhausted his or  
7 her remedies under sub. (5) (a) and (am) or has failed to make use of such remedies.  
8 A notice sent to a person who holds a license to practice law or who is an applicant  
9 for a license to practice law shall also indicate that the department of revenue may  
10 not submit a certificate of delinquency to the supreme court if the license holder or  
11 applicant pays the delinquent tax in full or enters into an agreement with the  
12 department of revenue to satisfy the delinquency.

13 \*–0300/4.3\* **SECTION 1451.** 73.0301 (2) (b) 2. of the statutes is amended to read:

14 73.0301 (2) (b) 2. If Except as provided in subd. 2m., if notified by the  
15 department of revenue that the department of revenue has affirmed a certification  
16 of tax delinquency after a hearing under sub. (5) (a), affirm a suspension, revocation  
17 or denial under subd. 1. a. A license holder or applicant may seek judicial review  
18 under ss. 227.52 to 227.60, except that the review shall be in the circuit court for Dane  
19 County, of an affirmation of a revocation or denial under this subdivision. With  
20 respect to a license granted by a credentialing board, the department of regulation  
21 and licensing shall make an affirmation under this subdivision.

22 \*–0300/4.4\* **SECTION 1452.** 73.0301 (2) (b) 2m. of the statutes is created to read:

23 73.0301 (2) (b) 2m. With respect to a license to practice law, if notified by the  
24 department of revenue that the department of revenue has affirmed a certification

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1 of tax delinquency after any requested review under sub. (5) (a) and (am), decide  
2 whether to suspend, revoke, or deny a license to practice law.

3 \*~~0299/2.3~~\* SECTION 1453. 73.0301 (2) (c) 2. of the statutes is amended to read:

4 73.0301 (2) (c) 2. A licensing department may not disclose any information  
5 received under subd. 1. a. or b. to any person except to the department of revenue for  
6 the sole purpose of requesting certifications under par. (b) 2. in accordance with the  
7 memorandum of understanding under sub. (4) and administering state taxes or to  
8 the department of workforce development for the purpose of administering s. 49.22.

9 \*~~0300/4.5~~\* SECTION 1454. 73.0301 (5) (a) of the statutes is amended to read:

10 73.0301 (5) (a) The department of revenue shall conduct a hearing requested  
11 by a license holder or applicant for a license or license renewal or continuation under  
12 sub. (2) (b) 1. b. or by an applicant for certification or recertification or a certificate  
13 holder under s. 73.03 (50) or 73.09 (7m) (b) to review a certification or determination  
14 of tax delinquency that is the basis of a denial or revocation of a license in accordance  
15 with this section or of a certificate, certification or recertification under s. 73.03 (50)  
16 or 73.09 (7m). A hearing under this paragraph is limited to questions of mistaken  
17 identity of the license or certificate holder or applicant and of prior payment of the  
18 delinquent taxes for which the department of revenue certified or determined the  
19 license or certificate holder or applicant is liable. At a hearing under this paragraph,  
20 any statement filed by the department of revenue, the licensing department or the  
21 supreme court, if the supreme court agrees, may be admitted into evidence and is  
22 prima facie evidence of the facts that it contains. Notwithstanding ch. 227, a person  
23 entitled to a hearing under this paragraph is not entitled to any other notice, hearing  
24 or review, except as provided in par. (am) and sub. (2) (b) 2.

25 \*~~0300/4.6~~\* SECTION 1455. 73.0301 (5) (am) of the statutes is created to read:

1           73.0301 (5) (am) If a person who holds a license to practice law or who is an  
2 applicant for a license to practice law receives a hearing under par. (a) to review a  
3 certification or determination of tax delinquency that is the basis for a denial or  
4 revocation of a license to practice law and such certification or determination is  
5 affirmed as a result of the hearing under par. (a), the person may seek judicial review  
6 of the certification or determination of tax delinquency under ss. 227.52 to 227.60,  
7 except that the review shall be in the circuit court for Dane County.

8           \*~~0300/4.7~~\* SECTION 1456. 73.0301 (5) (b) (intro.) of the statutes is amended  
9 to read:

10           73.0301 (5) (b) (intro.) After a hearing conducted under par. (a) or, in the case  
11 of a determination related to a license to practice law, after a hearing under par. (a)  
12 or, if the hearing is appealed, after judicial review under par. (am), the department  
13 of revenue shall do one of the following:

14           \*~~0305/4.14~~\*SECTION 1457. 73.12 (1) (b) of the statutes is amended to read:

15           73.12 (1) (b) “Vendor” means a person providing goods or services to this state  
16 under subch. IV or V of ch. 16 or under ch. 84 ~~if the value of the contract for those~~  
17 ~~goods or services is at least \$500.~~

18           \*~~0303/4.8~~\*SECTION 1458. 76.07 (4g) (b) 8. of the statutes is amended to read:

19           76.07 (4g) (b) 8. Determine transport-related revenue by adding public service  
20 revenue allocated to this state on the basis of routes for which the company is  
21 authorized to receive subsidy payments, mutual aid allocated to this state on the  
22 basis of the ratio of transport revenues allocated to this state to transport revenues  
23 everywhere in the previous year, in-flight sales allocated to this state as they are  
24 allocated under s. ~~77.51(14r)~~ 77.522 and all other transport-related revenues from  
25 sales made in this state.

## SECTION 1459

1           \*~~0945/2.3~~\* SECTION 1459. 76.16 of the statutes is amended to read:

2           **76.16 Separate valuation of repair facilities, docks, piers, wharves, ore**  
3 **yards, elevators, car ferries and oil pipeline terminal facilities.** After the  
4 property of a company is first valued as a whole, if any repair facilities, docks, ore  
5 yards, piers, wharves, grain elevators or car ferries used in transferring freight or  
6 passengers between cars and vessels or transfer of freight cars located on car ferries,  
7 or if any oil pipeline terminal storage facilities, ~~docks, pipelines and pumping~~  
8 ~~equipment used in transferring oil from pipelines to vessels~~ shall be included in such  
9 valuation, then for the purpose of accounting to the proper taxation districts, the  
10 department shall make a separate valuation of each such repair facility, dock, ore  
11 yard, pier, wharf, grain elevator, including the approaches thereto, or car ferries and  
12 of each such oil pipeline terminal storage facility, ~~dock, pipeline and pumping~~  
13 ~~equipment~~. As used herein, an approach shall be an immediate access facility  
14 commencing at the switching point which leads primarily to the terminal facility. For  
15 the purpose of defining the oil pipeline terminal facilities affected by this section,  
16 such facilities shall begin where the incoming pipeline enters the terminal storage  
17 facility site ~~used in the transfer of oil to vessels~~.

18           \*~~0945/2.4~~\* SECTION 1460. 76.24 (2) (a) of the statutes is amended to read:

19           76.24 (2) (a) All taxes paid by any railroad company derived from or  
20 apportionable to repair facilities, docks, ore yards, piers, wharves, grain elevators,  
21 and their approaches, or car ferries ~~or terminal storage facilities, docks, pipelines~~  
22 ~~and pumping equipment used in transferring oil from pipelines to vessels~~ on the  
23 basis of the separate valuation provided for in s. 76.16, shall be distributed annually  
24 from the transportation fund to the towns, villages and cities in which they are

1 located, pursuant to certification made by the department of revenue on or before  
2 August 15.

3 **\*-0945/2.5\* SECTION 1461.** 76.24 (2) (am) of the statutes is created to read:

4 76.24 (2) (am) All taxes paid by any pipeline company derived from or  
5 apportionable to oil pipeline terminal facilities on the basis of the separate valuation  
6 under s. 76.16 shall be distributed annually from the appropriation under s. 20.855  
7 (4) (bm) to the towns, villages, and cities in which the facilities are located, pursuant  
8 to certification made by the department of revenue no later than November 1.

9 **\*-0945/2.6\* SECTION 1462.** 76.24 (2) (bm) of the statutes is created to read:

10 76.24 (2) (bm) If the state is compelled to refund in whole or in part any of the  
11 taxes which have been distributed to municipalities under par. (am), the  
12 municipalities shall repay to the state, for deposit in the general fund, the amount  
13 of such tax received by them, and the department of administration shall certify the  
14 amounts to be repaid to the state to the county clerks of the counties in which the  
15 municipalities are located for levy and collection from the municipalities as other  
16 state taxes are levied and collected.

17 **\*-0375/2.3\* SECTION 1463.** 76.30 (2) (i) of the statutes is created to read:

18 76.30 (2) (i) The secretary of revenue and employees of that department for the  
19 purposes of preparing and maintaining the list of persons with unpaid tax  
20 obligations as described in s. 71.91 (8) so that the list of such persons is available for  
21 public inspection.

22 **\*-1693/1.1\* SECTION 1464.** 77.24 of the statutes is amended to read:

23 **77.24 Division of fee.** Twenty percent of all fees collected under this  
24 subchapter shall be retained by the county and the balance shall be transmitted to  
25 the state, except that the fees retained by the county that are collected in conjunction

1 with the transfer of real estate in a 1st class city shall be transmitted to the 1st class  
2 city. Remittances shall be made monthly by the county treasurers to the department  
3 of revenue or the 1st class city, as appropriate, by the 15th day of the month following  
4 the close of the month in which the fee was collected. The remittance to the  
5 department shall be accompanied by the returns executed under s. 77.22.

6 \***-1796/3.1**\* SECTION 1465. 77.51 (1) of the statutes is renumbered 77.51 (1d).

7 \***-0303/4.9**\* SECTION 1466. 77.51 (1b) of the statutes is created to read:

8 77.51 (1b) “Alcohol beverage” means a beverage that is suitable for human  
9 consumption and that contains 0.5 percent or more of alcohol by volume.

10 \***-1796/3.2**\* SECTION 1467. 77.51 (1bk) of the statutes is created to read:

11 77.51 (1bk) “Audio works” means works that result from the fixation of a series  
12 of musical, spoken, or other sounds, including prerecorded or live music, prerecorded  
13 or live readings of books or other written materials, prerecorded or live speeches, and  
14 digitized sound files that are downloaded to a telephone handset. “Audio works” does  
15 not include broadcast radio services or sounds accompanying an audiovisual work.

16 \***-1796/3.3**\* SECTION 1468. 77.51 (1bm) of the statutes is created to read:

17 77.51 (1bm) “Audiovisual works” means a series of related images that, when  
18 shown in succession, impart an impression of motion, together with sound, including  
19 motion pictures, musical videos, and live events. “Audiovisual works” does not  
20 include broadcast television services or cable television system services.

21 \***-0303/4.10**\* SECTION 1469. 77.51 (1e) of the statutes is created to read:

22 77.51 (1e) “Candy” means a preparation of sugar, honey, or other natural or  
23 artificial sweetener combined with chocolate, fruit, nuts, or other ingredients or  
24 flavorings in the form of bars, drops, or pieces. “Candy” does not include a  
25 preparation that contains flour or that requires refrigeration.

1           \***-0303/4.11**\* SECTION 1470. 77.51 (1n) of the statutes is created to read:

2           77.51 (1n) “Computer” means an electronic device that accepts information in  
3 digital or similar form and that manipulates such information to achieve a result  
4 based on a sequence of instructions.

5           \***-0303/4.12**\* SECTION 1471. 77.51 (1p) of the statutes is created to read:

6           77.51 (1p) “Computer software” means a set of coded instructions designed to  
7 cause a computer or automatic data processing equipment to perform a task.

8           \***-0303/4.13**\* SECTION 1472. 77.51 (2k) of the statutes is created to read:

9           77.51 (2k) “Delivered electronically” means delivered to a purchaser by means  
10 other than by tangible storage media.

11           \***-0303/4.14**\* SECTION 1473. 77.51 (2m) of the statutes is created to read:

12           77.51 (2m) “Delivery charges” means charges by a seller to prepare and deliver  
13 tangible personal property or services to a location designated by the purchaser of  
14 the tangible personal property or services, including charges for transportation,  
15 shipping, postage, handling, crating, and packing.

16           \***-0303/4.15**\* SECTION 1474. 77.51 (3p) of the statutes is created to read:

17           77.51 (3p) “Dietary supplement” means a product, other than tobacco, that is  
18 intended to supplement a person’s diet, if all of the following apply:

19           (a) The product contains any of the following ingredients or any combination  
20 of any of the following ingredients:

- 21           1. A vitamin.
- 22           2. A mineral.
- 23           3. An herb or other botanical.
- 24           4. An amino acid.

1           5. A dietary substance that is intended for human consumption to supplement  
2 the diet by increasing total dietary intake.

3           6. A concentrate, metabolite, constituent, or extract.

4           (b) The product is intended for ingestion in tablet, capsule, powder, soft-gel,  
5 gel-cap, or liquid form, or, if not intended for ingestion in such forms, is not  
6 represented as conventional food and is not represented for use as the sole item of  
7 a meal or diet.

8           (c) The product is required to be labeled as a dietary supplement as required  
9 under 21 CFR 101.36.

10           \*~~0303/4.16~~\* SECTION 1475. 77.51 (3pd) of the statutes is created to read:

11           77.51 (3pd) “Direct mail” means printed material that is delivered by the U.S.  
12 postal service or other delivery service to a mass audience or to addressees on a  
13 mailing list provided by or at the direction of the purchaser of the printed material,  
14 if the cost of the printed material or any tangible personal property included with the  
15 printed material is not billed directly to the recipients of the printed material.  
16 “Direct mail” includes any tangible personal property provided directly or indirectly  
17 by the purchaser of the printed material to the seller of the printed material for  
18 inclusion in any package containing printed material. “Direct mail” does not include  
19 multiple items of printed material delivered to a single address.

20           \*~~0303/4.17~~\* SECTION 1476. 77.51 (3pj) of the statutes is created to read:

21           77.51 (3pj) “Drug” means a compound, substance, or preparation, or any  
22 component of them, other than food and food ingredients, dietary supplements, or  
23 alcoholic beverages, to which any of the following applies:

1 (a) It is listed in the United States Pharmacopoeia, Homeopathic  
2 Pharmacopoeia of the United States, or National Formulary, or any supplement to  
3 any of them.

4 (b) It is intended for use in diagnosing, curing, mitigating, treating, or  
5 preventing a disease.

6 (c) It is intended to affect a function or structure of the body.

7 **\*-0303/4.18\* SECTION 1477.** 77.51 (3pm) of the statutes is created to read:

8 77.51 (3pm) “Durable medical equipment” means equipment, including the  
9 repair parts and replacement parts for the equipment that is primarily and  
10 customarily used for a medical purpose related to a person; that can withstand  
11 repeated use; that is not generally useful to a person who is not ill or injured; and that  
12 is not placed in or worn on the body. “Durable medical equipment” does not include  
13 mobility-enhancing equipment.

14 **\*-0303/4.19\* SECTION 1478.** 77.51 (3pp) of the statutes is created to read:

15 77.51 (3pp) “Electronic” means relating to technology having electrical,  
16 digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

17 **\*-1796/3.4\* SECTION 1479.** 77.51 (3s) of the statutes is created to read:

18 77.51 (3s) “Finished artwork” means the final art used for actual reproduction  
19 by photomechanical or other processes or for display purposes. “Finished artwork”  
20 also includes all of the following items regardless of whether such items are  
21 reproduced:

22 (a) Drawings.

23 (b) Paintings.

24 (c) Designs.

25 (d) Photographs.

1 (e) Lettering.

2 (f) Paste-ups.

3 (g) Mechanicals.

4 (h) Assemblies.

5 (i) Charts.

6 (j) Graphs.

7 (k) Illustrative materials.

8 **\*-0303/4.20\* SECTION 1480.** 77.51 (3t) of the statutes is created to read:

9 77.51 (3t) “Food and food ingredient” means a substance in liquid,  
10 concentrated, solid, frozen, dried, or dehydrated form, that is sold for ingestion, or  
11 for chewing, by humans and that is ingested or chewed for its taste or nutritional  
12 value. “Food and food ingredient” does not include alcohol beverages or tobacco.

13 **\*-0303/4.21\* SECTION 1481.** 77.51 (4) of the statutes is repealed.

14 **\*-0303/4.22\* SECTION 1482.** 77.51 (5) of the statutes is amended to read:

15 77.51 (5) For purposes of subs. (13) (e) and (f) and ~~(14) (L)~~ (15a) and s. 77.52  
16 (2m), “incidental” means depending upon or appertaining to something else as  
17 primary; something necessary, appertaining to, or depending upon another which is  
18 termed the principal; something incidental to the main purpose of the service.  
19 Tangible personal property transferred by a service provider is incidental to the  
20 service if the purchaser’s main purpose or objective is to obtain the service rather  
21 than the property, even though the property may be necessary or essential to  
22 providing the service.

23 **\*-0303/4.23\* SECTION 1483.** 77.51 (7) of the statutes is repealed and recreated  
24 to read:

1           77.51 (7) (a) “Lease or rental” means any transfer of possession or control of  
2 tangible personal property for a fixed or indeterminate term and for consideration  
3 and includes:

4           1. A transfer that includes future options to purchase or extend.

5           2. Agreements related to the transfer of possession or control of motor vehicles  
6 or trailers, if the amount of any consideration may be increased or decreased by  
7 reference to the amount realized on the sale or other disposition of such motor  
8 vehicles or trailers, consistent with section 7701 (h) (1) of the Internal Revenue Code.

9           (b) “Lease or rental” does not include any of the following:

10          1. A transfer of possession or control of tangible personal property under a  
11 security agreement or deferred payment plan, if such agreement or plan requires  
12 transferring title to the tangible personal property after making all required  
13 payments.

14          2. A transfer of possession or control of tangible personal property under any  
15 agreement that requires transferring title to the tangible personal property after  
16 making all required payments and after paying an option price that does not exceed  
17 the greater of \$100 or 1 percent of the total amount of the required payments.

18          3. Providing tangible personal property along with an operator, if the operator  
19 is necessary for the tangible personal property to perform in the manner for which  
20 it is designed and if the operator does more than maintain, inspect, or set up the  
21 tangible personal property.

22          (c) 1. Transfers described under par. (a) are considered a lease or rental,  
23 regardless of whether such transfer is considered a lease or rental under generally  
24 accepted accounting principles, or any provision of federal or local law, or any other  
25 provision of state law.

1           2. Transfers described under par. (b) are not considered a lease or rental,  
2 regardless of whether such transfer is considered a lease or rental under generally  
3 accepted accounting principles, or any provision of federal or local law, or any other  
4 provision of state law.

5           \***-1796/3.5\*** SECTION 1484. 77.51 (7d) of the statutes is created to read:

6           77.51 (7d) “Literary works” means works, not including audiovisual works,  
7 audio works, and computer software that are expressed in words, numbers, or other  
8 verbal or numerical symbols or indicia, including books and periodicals.

9           \***-0303/4.24\*** SECTION 1485. 77.51 (7m) of the statutes is created to read:

10          77.51 (7m) “Mobility-enhancing equipment” means equipment, including the  
11 repair parts and replacement parts for the equipment, that is primarily and  
12 customarily used to provide or increase the ability of a person to move from one place  
13 to another; that may be used in a home or motor vehicle; and that is generally not  
14 used by a person who has normal mobility. “Mobility-enhancing equipment” does  
15 not include a motor vehicle or any equipment on a motor vehicle that is generally  
16 provided by a motor vehicle manufacturer.

17          \***-0303/4.25\*** SECTION 1486. 77.51 (10m) of the statutes is created to read:

18          77.51 (10m) (a) “Prepared food” means:

19           1. Food and food ingredients sold in a heated state.

20           2. Food and food ingredients heated by the retailer, except as provided in par.

21          (b).

22           3. Food and food ingredients sold with eating utensils that are provided by the  
23 retailer of the food and food ingredients, including plates, knives, forks, spoons,  
24 glasses, cups, napkins, or straws. In this subdivision, “plate” does not include a  
25 container or packaging used to transport food and food ingredients.

1           4. Except as provided in par. (b), 2 or more food ingredients mixed or combined  
2 by a retailer for sale as a single item.

3           (b) “Prepared food” under par. (a) 2. and 4. does not include:

4           1. Two or more food ingredients mixed or combined by a retailer for sale as a  
5 single item, if the retailer’s primary classification in the 1997 North American  
6 Industry Classification System, published by the federal office of management and  
7 budget, is manufacturing under sectors 31 to 33, not including bakeries and tortilla  
8 manufacturing under industry group number 3118.

9           2. Two or more food ingredients mixed or combined by a retailer for sale as a  
10 single item, sold unheated, and sold by volume or weight.

11           3. Bakery items made by a retailer, including breads, rolls, pastries, buns,  
12 biscuits, bagels, croissants, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,  
13 cookies, and tortillas.

14           4. Food and food ingredients that are only sliced, repackaged, or pasteurized  
15 by a retailer.

16           5. Eggs, fish, meat, and poultry, and foods containing any of them in raw form,  
17 that require cooking by the consumer, as recommended by the food and drug  
18 administration in chapter 3, part 401.11 of its food code to prevent food-borne  
19 illnesses.

20           \*–0303/4.26\* SECTION 1487. 77.51 (10n) of the statutes is created to read:

21           77.51 (10n) “Prescription” means an order, formula, or recipe that is issued by  
22 any oral, written, electronic, or other means of transmission and by a person who is  
23 authorized by the laws of this state to issue such an order, formula, or recipe.

24           \*–0303/4.27\* SECTION 1488. 77.51 (10r) of the statutes is created to read:

25           77.51 (10r) “Prewritten computer software” means any of the following:

1 (a) Computer software that is not designed and developed by the author or  
2 creator of the software according to a specific purchaser's specifications.

3 (b) Computer software upgrades that are not designed and developed by the  
4 author or creator of the software according to a specific purchaser's specifications.

5 (c) Computer software that is designed and developed by the author or creator  
6 of the software according to a specific purchaser's specifications and that is sold to  
7 another purchaser.

8 (d) Any combination of computer software under pars. (a) to (c), including any  
9 combination with any portion of such software.

10 (e) Computer software as described under pars. (a) to (d), and any portion of  
11 such software, that is modified or enhanced by any degree to a specific purchaser's  
12 specifications, except such modification or enhancement that is reasonably and  
13 separately indicated on an invoice, or other statement of the price, provided to the  
14 purchaser.

15 **\*-0303/4.28\* SECTION 1489.** 77.51 (11m) of the statutes is created to read:

16 77.51 (11m) "Prosthetic device" means a device, including the repair parts and  
17 replacement parts for the device, that is placed in or worn on the body to artificially  
18 replace a missing portion of the body; to prevent or correct a physical deformity or  
19 malfunction; or to support a weak or deformed portion of the body.

20 **\*-0303/4.29\* SECTION 1490.** 77.51 (12m) of the statutes is created to read:

21 77.51 (12m) (a) "Purchase price" means the total amount of consideration,  
22 including cash, credit, property, and services, for which tangible personal property  
23 or services are sold, leased, or rented, valued in money, whether paid in money or  
24 otherwise, without any deduction for the following:

25 1. The seller's cost of the property sold.

1           2. The cost of materials used, labor or service cost, interest, losses, all costs of  
2 transportation to the seller, all taxes imposed on the seller, and any other expense  
3 of the seller.

4           3. Charges by the seller for any services necessary to complete a sale, not  
5 including delivery and installation charges.

6           4. a. Delivery charges, except as provided in par. (b) 4.

7           b. If a shipment includes property that is subject to tax under this subchapter  
8 and property that is not subject to tax under this subchapter, the amount of the  
9 delivery charge allocated to the property that is subject to tax under this subchapter  
10 based on the total purchase price of the property that is subject to tax under this  
11 subchapter as compared to the total purchase price of all the property or on the total  
12 weight of the property that is subject to tax under this subchapter as compared to the  
13 total weight of all the property.

14           5. Installation charges.

15           6. The value of exempt tangible personal property, if the exempt tangible  
16 personal property is bundled with taxable tangible personal property and sold by the  
17 seller as a single product or piece of merchandise.

18           (b) "Purchase price" does not include:

19           1. Discounts, including cash, terms, or coupons, that are not reimbursed by a  
20 3rd party; that are allowed by a seller; and that are taken by a purchaser on a sale.

21           2. Interest, financing, and carrying charges from credit that is extended on a  
22 sale of personal property or services, if the amount of the interest, financing, or  
23 carrying charges is separately stated on the invoice, bill of sale, or similar document  
24 that the seller gives to the purchaser.

1           3. Any taxes legally imposed directly on the purchaser that are separately  
2 stated on the invoice, bill of sale, or similar document that the seller gives to the  
3 purchaser.

4           4. Delivery charges for direct mail.

5           5. In all transactions in which an article of tangible personal property is traded  
6 toward the purchase of an article of greater value, the amount of the purchase price  
7 that represents the amount allowed for the article traded, except that this  
8 subdivision does not apply to any transaction to which subd. 7. or 8. applies.

9           6. If a person who purchases a motor vehicle presents a statement issued under  
10 s. 218.0171 (2) (cq) to the seller at the time of purchase, and the person presents the  
11 statement to the seller within 60 days from the date of receiving a refund under s.  
12 218.0171 (2) (b) 2. b., the trade-in amount specified in the statement issued under  
13 s. 218.0171 (2) (cq), but not to exceed the purchase price from the sale of the motor  
14 vehicle. This subdivision applies only to the first motor vehicle purchased by a  
15 person after receiving a refund under s. 218.0171 (2) (b) 2. b.

16           7. Thirty-five percent of the purchase price, excluding trade-ins, of a new  
17 mobile home, as defined in s. 340.01 (29), that is a primary housing unit or of a new  
18 mobile home, as defined in s. 340.01 (29), that is transported in 2 unattached sections  
19 if the total size of the combined sections, not including additions and attachments,  
20 is at least 984 square feet measured when the sections are ready for transport. This  
21 subdivision does not apply to a lease or rental.

22           8. At the retailer's option; except that after the retailer chooses an option the  
23 retailer may not use the other option for other sales without the department's written  
24 approval; either 35 percent of the purchase price of a manufactured building, as  
25 defined in s. 101.71 (6), or an amount equal to the purchase price of the manufactured