



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3712/2

JK:jld:pg

imk

2007 BILL

RM not R

in 1-4-08
Recen
Today's plan

1 AN ACT *to amend* 71.22 (4) (n), 71.22 (4) (o), 71.22 (4) (p), 71.22 (4) (q), 71.22 (4)
2 (r), 71.22 (4) (s) and 71.22 (4) (t); *to repeal and recreate* 71.26 (2) (b); and *to*
3 *create* 71.22 (9a), 71.22 (9c), 71.22 (9d) and 71.22 (9e) of the statutes; **relating**
4 **to:** income and franchise taxes imposed on real estate investment trusts and
5 regulated investment companies.

Analysis by the Legislative Reference Bureau

transactions

This bill ~~disallows~~ certain ~~deductions~~ for income and franchise tax purposes, for amounts paid to a real estate investment trust if, generally, more than 50 percent of the voting power or value of the beneficial interests or shares of the trust are owned or controlled by a single entity that is not a real estate investment trust or otherwise exempt from state income and franchise taxes. The bill also ~~disallows~~ certain ~~deductions~~ for amounts paid to a regulated investment company if, generally, more than 50 percent of the voting power or value of the beneficial interests or shares of the company are owned or controlled by a single entity that is not a regulated investment company or otherwise exempt from state income and franchise taxes.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

transactions

(2x)↓
disregards

BILL

1 **SECTION 1.** 71.22 (4) (n) of the statutes, as affected by 2007 Wisconsin Act 20,
2 is amended to read:

3 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
4 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
5 December 31, 1998, and before January 1, 2000, means the federal Internal
6 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
7 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
8 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
9 and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
10 sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L.
11 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L.
12 107-147, P.L. 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of P.L.
13 108-121, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.
14 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,
15 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105,
16 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
17 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as
18 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
19 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
20 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
21 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
22 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
23 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
24 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
25 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.

BILL

1 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
2 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
3 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
4 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L.
5 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
6 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L.
7 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
8 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
9 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and
10 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue
11 Code applies for Wisconsin purposes at the same time as for federal purposes.
12 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,
13 do not apply to this paragraph with respect to taxable years beginning after
14 December 31, 1998, and before January 1, 2000, except that changes to the Internal
15 Revenue Code made by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,
16 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431
17 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406
18 of P.L. 107-147, P.L. 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of
19 P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a)
20 of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337,
21 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections
22 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405
23 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280,
24 and changes that indirectly affect the provisions applicable to this subchapter made
25 by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and

BILL**SECTION 1**

1 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134,
2 P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181,
3 P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311,
4 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
5 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
6 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates
7 to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L.
8 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin
9 purposes at the same time as for federal purposes.

10 **SECTION 2.** 71.22 (4) (o) of the statutes, as affected by 2007 Wisconsin Act 20,
11 is amended to read:

12 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 ~~(2)(b)~~ and (3), 71.34
13 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
14 December 31, 1999, and before January 1, 2003, means the federal Internal Revenue
15 Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
16 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
17 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
18 amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
19 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22,
20 P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of
21 P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
22 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
23 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,
24 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211,
25 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58,

BILL

1 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
2 and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
3 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and
4 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly
5 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
6 P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
7 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
8 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
9 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
10 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
11 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
12 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
13 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
14 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
15 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
16 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a),
17 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L.
18 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
19 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
20 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,
21 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L.
22 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
23 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201
24 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
25 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The

BILL

1 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
2 purposes. Amendments to the federal Internal Revenue Code enacted after
3 December 31, 1999, do not apply to this paragraph with respect to taxable years
4 beginning after December 31, 1999, and before January 1, 2003, except that changes
5 to the Internal Revenue Code made by P.L. 106-230, P.L. 106-554, excluding sections
6 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
7 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections
8 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L.
9 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.
10 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311,
11 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
12 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
13 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
14 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding
15 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
16 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.
17 109-280, and changes that indirectly affect the provisions applicable to this
18 subchapter made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
19 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
20 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a),
21 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L.
22 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
23 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
24 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,
25 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L.

BILL

1 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
2 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201
3 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
4 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for
5 Wisconsin purposes at the same time as for federal purposes.

6 **SECTION 3.** 71.22 (4) (p) of the statutes, as affected by 2007 Wisconsin Act 20,
7 is amended to read:

8 71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 (2) ~~(b)~~ and (3), 71.34
9 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
10 December 31, 2002, and before January 1, 2004, means the federal Internal Revenue
11 Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L.
12 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
13 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
14 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and
15 sections 101 and 301 (a) of P.L. 107-147, and as amended by 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. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.
18 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.
19 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,
20 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding
21 sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351
22 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to
23 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L.
24 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly affected
25 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.

BILL

1 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
2 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
3 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
4 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
5 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
6 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
7 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
8 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
9 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
10 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
11 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
12 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
13 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
14 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
15 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and
16 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,
17 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58,
18 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
19 and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
20 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and
21 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue
22 Code applies for Wisconsin purposes at the same time as for federal purposes.
23 Amendments to the federal Internal Revenue Code enacted after December 31, 2002,
24 do not apply to this paragraph with respect to taxable years beginning after
25 December 31, 2002, and before January 1, 2004, except that changes to the Internal

BILL

1 Revenue Code made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L.
2 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding
3 section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding
4 sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding
5 sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
6 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
7 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding
8 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
9 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.
10 109-280, and changes that indirectly affect the provisions applicable to this
11 subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27,
12 P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section
13 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
14 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections
15 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
16 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
17 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding
18 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
19 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.
20 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

21 **SECTION 4.** 71.22 (4) (q) of the statutes, as affected by 2007 Wisconsin Act 20,
22 is amended to read:

23 71.22 (4) (q) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
24 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
25 December 31, 2003, and before January 1, 2005, means the federal Internal Revenue

BILL

1 Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L.
2 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
3 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
4 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16,
5 sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27,
6 section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and as amendeded by P.L.
7 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and
8 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,
9 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,
10 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
11 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L.
12 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section
13 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L.
14 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly affected
15 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
16 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
17 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
18 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
19 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
20 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
21 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
22 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
23 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
24 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
25 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.

BILL

1 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
2 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
3 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
4 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
5 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and
6 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,
7 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,
8 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
9 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L.
10 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section
11 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L.
12 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue Code
13 applies for Wisconsin purposes at the same time as for federal purposes.
14 Amendments to the federal Internal Revenue Code enacted after December 31, 2003,
15 do not apply to this paragraph with respect to taxable years beginning after
16 December 31, 2003, and before January 1, 2005, except that changes to the Internal
17 Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
18 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections
19 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
20 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309,
21 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73,
22 excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201
23 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
24 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
25 109-280, and changes that indirectly affect the provisions applicable to this

BILL

1 subchapter made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
2 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections
3 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
4 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309,
5 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73,
6 excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201
7 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
8 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
9 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

10 **SECTION 5.** 71.22 (4) (r) of the statutes, as affected by 2007 Wisconsin Act 20,
11 is amended to read:

12 71.22 (4) (r) Except as provided in sub. (4m) and ss. 71.26 ~~(2)(b)~~ and (3), 71.34
13 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
14 December 31, 2004, and before January 1, 2006, means the federal Internal Revenue
15 Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L.
16 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
17 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,
18 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
19 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and
20 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403
21 (a) of P.L. 108-311, and sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and
22 910 of P.L. 108-357, and as amended by P.L. 109-7, P.L. 109-58, excluding sections
23 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
24 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding
25 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and

BILL

1 (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,
2 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding
3 sections 811 and 844 of P.L. 109-280, and as indirectly affected in the provisions
4 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
5 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
6 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
7 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
8 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
9 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
10 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
11 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
12 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
13 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,
14 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.
15 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L.
16 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections
17 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201
18 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306,
19 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,
20 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L.
21 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
22 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding
23 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
24 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
25 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.

BILL

1 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
2 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same
3 time as for federal purposes. Amendments to the federal Internal Revenue Code
4 enacted after December 31, 2004, do not apply to this paragraph with respect to
5 taxable years beginning after December 31, 2004, and before January 1, 2006,
6 except that changes to the Internal Revenue Code made by P.L. 109-7, P.L. 109-58,
7 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
8 and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L.
9 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402
10 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding
11 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
12 109-280, excluding sections 811 and 844 of P.L. 109-280, and changes that indirectly
13 affect the provisions applicable to this subchapter made by P.L. 109-7, P.L. 109-58,
14 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
15 and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L.
16 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402
17 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding
18 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
19 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin
20 purposes at the same time as for federal purposes.

21 **SECTION 6.** 71.22 (4) (s) of the statutes, as created by 2007 Wisconsin Act 20,
22 is amended to read:

23 71.22 (4) (s) Except as provided in sub. (4m) and ss. 71.26 (2) (b) and (3), 71.34
24 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
25 December 31, 2005, and before January 1, 2007, means the federal Internal Revenue

BILL

1 Code as amended to December 31, 2005, excluding sections 103, 104, and 110 of P.L.
2 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
3 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,
4 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
5 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and
6 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403
7 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
8 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,
9 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301
10 of P.L. 109-73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402
11 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and as amendeded by P.L. 109-222,
12 excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and
13 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly
14 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
15 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
16 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
17 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
18 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
19 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
20 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
21 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
22 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
23 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
24 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
25 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)

BILL

1 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
2 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
3 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
4 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
5 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
6 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
7 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
8 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
9 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
10 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
11 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.
12 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
13 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same
14 time as for federal purposes. Amendments to the federal Internal Revenue Code
15 enacted after December 31, 2005, do not apply to this paragraph with respect to
16 taxable years beginning after December 31, 2005, and before January 1, 2007,
17 except that changes to the Internal Revenue Code made by P.L. 109-222, excluding
18 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
19 109-280, excluding sections 811 and 844 of P.L. 109-280, and changes that indirectly
20 affect the provisions applicable to this subchapter made by P.L. 109-222, excluding
21 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
22 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin
23 purposes at the same time as for federal purposes.

24 **SECTION 7.** 71.22 (4) (t) of the statutes, as created by 2007 Wisconsin Act 20,
25 is amended to read:

BILL

1 71.22 (4) (t) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b) and~~ (3), 71.34
2 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
3 December 31, 2006, means the federal Internal Revenue Code as amended to
4 December 31, 2006, excluding sections 103, 104, and 110 of P.L. 102-227, sections
5 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
6 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L.
7 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L.
8 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L.
9 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L.
10 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
11 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
12 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L.
13 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
14 (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L.
15 109-222, sections 811 and 844 of P.L. 109-280, and P.L. 109-432, and as indirectly
16 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
17 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
18 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
19 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
20 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
21 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
22 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
23 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
24 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
25 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of

BILL**SECTION 7**

1 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
2 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
3 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
4 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
5 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
6 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
7 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
8 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
9 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
10 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
11 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
12 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
13 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.
14 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
15 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same
16 time as for federal purposes. Amendments to the federal Internal Revenue Code
17 enacted after December 31, 2006, do not apply to this paragraph with respect to
18 taxable years beginning after December 31, 2006.

19 **SECTION 8.** 71.22 (9a) of the statutes is created to read:

20 71.22 (9a) "Qualified real estate investment trust" means a real estate
21 investment trust, except a real estate investment trust of which more than 50
22 percent of the voting power or value of the beneficial interests or shares are owned
23 or controlled, directly or indirectly, by a single entity that is subject to sections 301
24 to 385 of the Internal Revenue Code, that is not exempt under s. 71.26 (1), and that

BILL

1 is not a real estate investment trust or a qualified real estate trust subsidiary under
2 section 856 (i) of the Internal Revenue Code.

3 **SECTION 9.** 71.22 (9c) of the statutes is created to read:

4 71.22 (9c) "Real estate investment trust" means a real estate investment trust
5 under section 856 of the Internal Revenue Code.

6 **SECTION 10.** 71.22 (9d) of the statutes is created to read:

7 71.22 (9d) "Real estate mortgage investment conduit" means a real estate
8 mortgage investment conduit under section 860D of the Internal Revenue Code.

9 **SECTION 11.** 71.22 (9e) of the statutes is created to read:

10 71.22 (9e) "Regulated investment company" means a regulated investment
11 company under section 851 of the Internal Revenue Code.

12 **SECTION 12.** 71.26 (2) (b) of the statutes is repealed and recreated to read:

13 71.26 (2) (b) *Regulated investment companies, real estate investment trusts,*
14 *and real estate mortgage investment conduits.* 1. In this paragraph, except as
15 provided in subds. 2. to ~~4.~~⁵, "net income" means one of the following:

16 a. That part of the federal regulated investment company income that is subject
17 to federal tax as provided in sections 851 and 852 of the Internal Revenue Code,
18 including federal undistributed net capital gain.

19 b. That part of the federal real estate investment trust income that is subject
20 to federal tax as provided in sections 856 and 857 of the Internal Revenue Code,
21 including federal undistributed net capital gain, federal net income from foreclosure
22 property, and federal net income derived from prohibited transactions. The
23 treatment of certain wholly owned subsidiaries under section 856 (i) of the Internal
24 Revenue Code shall apply in computing the net income of a real estate investment
25 trust.

BILL

1 c. That part of the federal real estate mortgage investment conduit income that
2 is subject to federal tax, including federal net income derived from prohibited
3 transactions under section 860F of the Internal Revenue Code and federal net
4 income from foreclosure property under section 860G of the Internal Revenue Code.

5 2. Property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
6 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
7 amended to December 31, 1980, shall continue to be depreciated under the Internal
8 Revenue Code as amended to December 31, 1980.

9 3. With regard to federal regulated investment company income, federal real
10 estate investment trust income, and federal real estate mortgage investment conduit
11 income, the appropriate amount shall be added or subtracted to reflect differences
12 between the depreciation or adjusted basis for federal income tax purposes and the
13 depreciation or adjusted basis under this chapter of any property disposed of during
14 the taxable year.

15 4. The dividend paid deduction otherwise allowed by federal law in computing
16 net income of a real estate investment trust that is subject to federal income tax shall
17 be added back in computing the tax imposed under this chapter unless the real estate
18 investment trust is a qualified real estate investment trust.

SECTION 13. Initial applicability.

19 (1) This act first applies to taxable years beginning on January 1, 2008.
20

21 (END)

INSERT 20-R

BILL

SECTION 12

1 including federal undistributed net capital gain, federal net income from foreclosure
 2 property, and federal net income derived from prohibited transactions. The
 3 treatment of certain wholly owned subsidiaries under section 856 (j) of the Internal
 4 Revenue Code shall apply in computing the net income of a real estate investment
 5 trust.

6 c. That part of the federal real estate mortgage investment conduit income that
 7 is subject to federal tax, including federal net income derived from prohibited
 8 transactions under section 860F of the Internal Revenue Code and federal net
 9 income from foreclosure property under section 860G of the Internal Revenue Code.

10 2. Property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
 11 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
 12 amended to December 31, 1980, shall continue to be depreciated under the Internal
 13 Revenue Code as amended to December 31, 1980.

14 3. With regard to federal regulated investment company income, federal real
 15 estate investment trust income, and federal real estate mortgage investment conduit
 16 income, the appropriate amount shall be added or subtracted to reflect differences
 17 between the depreciation or adjusted basis for federal income tax purposes and the
 18 depreciation or adjusted basis under this chapter of any property disposed of during
 19 the taxable year.

20 4. If the real estate investment trust is not a qualified real estate investment
 21 trust, all transactions between the real estate investment trust and an entity that
 22 owns or controls, directly or indirectly, more than 50 percent of the voting power or
 23 value of the beneficial interests or shares of the real estate investment trust, shall
 24 be disregarded.

INSENT
 20-18



BILL

1 5. For purposes of subd. 4., any transaction between a real estate investment
2 trust and an entity that does not own or control more than 50 percent of the voting
3 power or value of the beneficial interests or shares of the real estate investment trust,
4 but that is owned or controlled, directly or indirectly, by a related person under
5 section 267 (b) of the Internal Revenue Code that does own or control, directly or
6 indirectly, more than 50 percent of the voting power or value of the beneficial
7 interests or shares of the real estate investment trust, shall be disregarded.

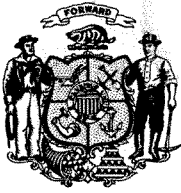
8 **SECTION 13. Initial applicability**

9 (1) This act first applies to taxable years beginning on January 1, 2008.

10

(END)

*end of insert
2-18*



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3712/3
JK:jld&lmk:nwn

4
MWR

2007 BILL

in 2-27-08

Today

4

Regen

1 AN ACT *to amend* 71.22 (4) (n), 71.22 (4) (o), 71.22 (4) (p), 71.22 (4) (q), 71.22 (4)
2 (r), 71.22 (4) (s) and 71.22 (4) (t); *to repeal and recreate* 71.26 (2) (b); and *to*
3 *create* 71.22 (9a), 71.22 (9c), 71.22 (9d) and 71.22 (9e) of the statutes; **relating**
4 **to:** income and franchise taxes imposed on real estate investment trusts and
5 regulated investment companies.

Analysis by the Legislative Reference Bureau

This bill disregards certain transactions, for income and franchise tax purposes, for amounts paid to a real estate investment trust if, generally, more than 50 percent of the voting power or value of the beneficial interests or shares of the trust are owned or controlled by a single entity that is not a real estate investment trust or otherwise exempt from state income and franchise taxes. The bill also disregards certain transactions for amounts paid to a regulated investment company if, generally, more than 50 percent of the voting power or value of the beneficial interests or shares of the company are owned or controlled by a single entity that is not a regulated investment company or otherwise exempt from state income and franchise taxes.

BILL

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.22 (4) (n) of the statutes, as affected by 2007 Wisconsin Act 20,
2 is amended to read:

3 71.22 (4) (n) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
4 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
5 December 31, 1998, and before January 1, 2000, means the federal Internal
6 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and
7 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
8 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,
9 and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
10 sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L.
11 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L.
12 107-147, P.L. 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of P.L.
13 108-121, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.
14 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,
15 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105,
16 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
17 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as
18 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
19 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
20 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
21 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,

BILL

1 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
2 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
3 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
4 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.
5 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.
6 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections
7 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
8 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L.
9 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L.
10 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L.
11 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
12 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
13 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and
14 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue
15 Code applies for Wisconsin purposes at the same time as for federal purposes.
16 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,
17 do not apply to this paragraph with respect to taxable years beginning after
18 December 31, 1998, and before January 1, 2000, except that changes to the Internal
19 Revenue Code made by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,
20 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431
21 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406
22 of P.L. 107-147, P.L. 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of
23 P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a)
24 of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337,
25 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections

BILL

1 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405
2 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280,
3 and changes that indirectly affect the provisions applicable to this subchapter made
4 by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and
5 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134,
6 P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181,
7 P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311,
8 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
9 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
10 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates
11 to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L.
12 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin
13 purposes at the same time as for federal purposes.

14 **SECTION 2.** 71.22 (4) (o) of the statutes, as affected by 2007 Wisconsin Act 20,
15 is amended to read:

16 71.22 (4) (o) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
17 (1g) and 71.42 (2), "Internal Revenue Code", for taxable years that begin after
18 December 31, 1999, and before January 1, 2003, means the federal Internal Revenue
19 Code as amended to December 31, 1999, 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 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
22 amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
23 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22,
24 P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of
25 P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,

BILL

1 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
2 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,
3 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211,
4 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58,
5 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
6 and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
7 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and
8 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly
9 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
10 P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
11 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
12 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
13 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
14 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
15 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
16 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
17 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
18 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
19 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
20 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a),
21 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L.
22 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
23 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
24 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,
25 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L.

BILL

1 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
2 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201
3 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
4 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The
5 Internal 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, 1999, do not apply to this paragraph with respect to taxable years
8 beginning after December 31, 1999, and before January 1, 2003, except that changes
9 to the Internal Revenue Code made by P.L. 106-230, P.L. 106-554, excluding sections
10 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
11 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections
12 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L.
13 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.
14 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311,
15 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
16 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
17 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
18 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding
19 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
20 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.
21 109-280, and changes that indirectly affect the provisions applicable to this
22 subchapter made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
23 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
24 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a),
25 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L.

BILL

1 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
2 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
3 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,
4 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L.
5 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
6 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201
7 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
8 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for
9 Wisconsin purposes at the same time as for federal purposes.

10 **SECTION 3.** 71.22 (4) (p) of the statutes, as affected by 2007 Wisconsin Act 20,
11 is amended to read:

12 71.22 (4) (p) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
13 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
14 December 31, 2002, and before January 1, 2004, means the federal Internal Revenue
15 Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L.
16 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
17 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
18 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and
19 sections 101 and 301 (a) of P.L. 107-147, and as amended by P.L. 108-27, excluding
20 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.
21 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.
22 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.
23 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,
24 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding
25 sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351

BILL**SECTION 3**

1 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to
2 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L.
3 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly affected
4 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
5 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
6 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
7 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
8 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
9 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
10 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
11 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
12 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
13 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
14 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
15 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
16 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
17 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
18 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
19 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and
20 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,
21 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58,
22 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
23 and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
24 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and
25 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue

BILL

1 Code applies for Wisconsin purposes at the same time as for federal purposes.
2 Amendments to the federal Internal Revenue Code enacted after December 31, 2002,
3 do not apply to this paragraph with respect to taxable years beginning after
4 December 31, 2002, and before January 1, 2004, except that changes to the Internal
5 Revenue Code made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L.
6 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding
7 section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding
8 sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding
9 sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
10 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
11 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding
12 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
13 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.
14 109-280, and changes that indirectly affect the provisions applicable to this
15 subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27,
16 P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section
17 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
18 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections
19 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
20 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
21 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding
22 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
23 (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L.
24 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

BILL

1 **SECTION 4.** 71.22 (4) (q) of the statutes, as affected by 2007 Wisconsin Act 20,
2 is amended to read:

3 71.22 (4) (q) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
4 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
5 December 31, 2003, and before January 1, 2005, means the federal Internal Revenue
6 Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L.
7 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
8 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519,
9 sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16,
10 sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27,
11 section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and as amended by P.L.
12 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and
13 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,
14 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,
15 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
16 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L.
17 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section
18 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L.
19 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly affected
20 in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L.
21 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823
22 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
23 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
24 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
25 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.

BILL

1 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
2 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
3 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
4 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
5 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
6 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
7 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
8 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
9 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
10 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and
11 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,
12 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7,
13 P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
14 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L.
15 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section
16 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L.
17 109-280, excluding sections 811 and 844 of P.L. 109-280. The Internal Revenue Code
18 applies for Wisconsin purposes at the same time as for federal purposes.
19 Amendments to the federal Internal Revenue Code enacted after December 31, 2003,
20 do not apply to this paragraph with respect to taxable years beginning after
21 December 31, 2003, and before January 1, 2005, except that changes to the Internal
22 Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
23 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections
24 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
25 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309,

BILL

1 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73,
2 excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201
3 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
4 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
5 109-280, and changes that indirectly affect the provisions applicable to this
6 subchapter made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections
7 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections
8 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.
9 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309,
10 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73,
11 excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201
12 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
13 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
14 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

15 **SECTION 5.** 71.22 (4) (r) of the statutes, as affected by 2007 Wisconsin Act 20,
16 is amended to read:

17 71.22 (4) (r) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
18 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
19 December 31, 2004, and before January 1, 2006, means the federal Internal Revenue
20 Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L.
21 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
22 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,
23 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
24 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and
25 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403

BILL

1 (a) of P.L. 108-311, and sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and
2 910 of P.L. 108-357, and as amended by P.L. 109-7, P.L. 109-58, excluding sections
3 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
4 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding
5 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and
6 (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,
7 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding
8 sections 811 and 844 of P.L. 109-280, and as indirectly affected in the provisions
9 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
10 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
11 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
12 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
13 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
14 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
15 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
16 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
17 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
18 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,
19 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.
20 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L.
21 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections
22 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201
23 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306,
24 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,
25 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L.

BILL**SECTION 5**

1 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323,
2 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding
3 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
4 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
5 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.
6 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
7 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same
8 time as for federal purposes. Amendments to the federal Internal Revenue Code
9 enacted after December 31, 2004, do not apply to this paragraph with respect to
10 taxable years beginning after December 31, 2004, and before January 1, 2006,
11 except that changes to the Internal Revenue Code made by P.L. 109-7, P.L. 109-58,
12 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
13 and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L.
14 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402
15 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding
16 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
17 109-280, excluding sections 811 and 844 of P.L. 109-280, and changes that indirectly
18 affect the provisions applicable to this subchapter made by P.L. 109-7, P.L. 109-58,
19 excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348,
20 and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L.
21 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402
22 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding
23 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
24 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin
25 purposes at the same time as for federal purposes.

BILL

1 **SECTION 6.** 71.22 (4) (s) of the statutes, as created by 2007 Wisconsin Act 20,
2 is amended to read:

3 71.22 (4) (s) Except as provided in sub. (4m) and ss. 71.26 ~~(2) (b)~~ and (3), 71.34
4 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
5 December 31, 2005, and before January 1, 2007, means the federal Internal Revenue
6 Code as amended to December 31, 2005, excluding sections 103, 104, and 110 of P.L.
7 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
8 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,
9 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
10 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and
11 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403
12 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
13 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,
14 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301
15 of P.L. 109-73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402
16 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and as amendeded by P.L. 109-222,
17 excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and
18 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly
19 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
20 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
21 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
22 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
23 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
24 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
25 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections

BILL

1 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
2 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
3 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
4 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
5 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
6 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
7 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
8 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
9 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
10 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
11 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
12 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
13 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
14 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
15 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
16 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.
17 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
18 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same
19 time as for federal purposes. Amendments to the federal Internal Revenue Code
20 enacted after December 31, 2005, do not apply to this paragraph with respect to
21 taxable years beginning after December 31, 2005, and before January 1, 2007,
22 except that changes to the Internal Revenue Code made by P.L. 109-222, excluding
23 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
24 109-280, excluding sections 811 and 844 of P.L. 109-280, and changes that indirectly
25 affect the provisions applicable to this subchapter made by P.L. 109-222, excluding

BILL

1 sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L.
2 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for Wisconsin
3 purposes at the same time as for federal purposes.

4 **SECTION 7.** 71.22 (4) (t) of the statutes, as created by 2007 Wisconsin Act 20,
5 is amended to read:

6 71.22 (4) (t) Except as provided in sub. (4m) and ss. 71.26 ~~(2)(b)~~ and (3), 71.34
7 (1g), and 71.42 (2), "Internal Revenue Code," for taxable years that begin after
8 December 31, 2006, means the federal Internal Revenue Code as amended to
9 December 31, 2006, 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, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L.
14 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L.
15 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
16 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
17 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L.
18 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
19 (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L.
20 109-222, sections 811 and 844 of P.L. 109-280, and P.L. 109-432, and as indirectly
21 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,
22 P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and
23 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L.
24 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
25 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding

BILL

1 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
2 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
3 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
4 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
5 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
6 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
7 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a)
8 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
9 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
10 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
11 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
12 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
13 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
14 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
15 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
16 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
17 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
18 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.
19 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
20 109-280. The Internal Revenue Code applies for Wisconsin purposes at the same
21 time as for federal purposes. Amendments to the federal Internal Revenue Code
22 enacted after December 31, 2006, do not apply to this paragraph with respect to
23 taxable years beginning after December 31, 2006.

24 **SECTION 8.** 71.22 (9a) of the statutes is created to read:

BILL

1 71.22 (9a) “Qualified real estate investment trust” means a real estate
2 investment trust, except a real estate investment trust of which more than 50
3 percent of the voting power or value of the beneficial interests or shares are owned
4 or controlled, directly or indirectly, by a single entity that is subject to sections 301
5 to 385 of the Internal Revenue Code, that is not exempt under s. 71.26 (1), and that
6 is not a real estate investment trust or a qualified real estate trust subsidiary under
7 section 856 (i) of the Internal Revenue Code.

8 **SECTION 9.** 71.22 (9c) of the statutes is created to read:

9 71.22 (9c) “Real estate investment trust” means a real estate investment trust
10 under section 856 of the Internal Revenue Code.

11 **SECTION 10.** 71.22 (9d) of the statutes is created to read:

12 71.22 (9d) “Real estate mortgage investment conduit” means a real estate
13 mortgage investment conduit under section 860D of the Internal Revenue Code.

14 **SECTION 11.** 71.22 (9e) of the statutes is created to read:

15 71.22 (9e) “Regulated investment company” means a regulated investment
16 company under section 851 of the Internal Revenue Code.

17 **SECTION 12.** 71.26 (2) (b) of the statutes is repealed and recreated to read:

18 71.26 (2) (b) *Regulated investment companies, real estate investment trusts,*
19 *and real estate mortgage investment conduits.* 1. In this paragraph, except as
20 provided in subds. 2. to 5., “net income” means one of the following:

21 a. That part of the federal regulated investment company income that is subject
22 to federal tax as provided in sections 851 and 852 of the Internal Revenue Code,
23 including federal undistributed net capital gain.

24 b. That part of the federal real estate investment trust income that is subject
25 to federal tax as provided in sections 856 and 857 of the Internal Revenue Code,

BILL

1 including federal undistributed net capital gain, federal net income from foreclosure
2 property, and federal net income derived from prohibited transactions. The
3 treatment of certain wholly owned subsidiaries under section 856 (i) of the Internal
4 Revenue Code shall apply in computing the net income of a real estate investment
5 trust.

6 c. That part of the federal real estate mortgage investment conduit income that
7 is subject to federal tax, including federal net income derived from prohibited
8 transactions under section 860F of the Internal Revenue Code and federal net
9 income from foreclosure property under section 860G of the Internal Revenue Code.

10 2. Property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be
11 depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as
12 amended to December 31, 1980, shall continue to be depreciated under the Internal
13 Revenue Code as amended to December 31, 1980.

14 3. With regard to federal regulated investment company income, federal real
15 estate investment trust income, and federal real estate mortgage investment conduit
16 income, the appropriate amount shall be added or subtracted to reflect differences
17 between the depreciation or adjusted basis for federal income tax purposes and the
18 depreciation or adjusted basis under this chapter of any property disposed of during
19 the taxable year.

20 4. If the real estate investment trust is not a qualified real estate investment
21 trust, all transactions between the real estate investment trust and an entity that
22 owns or controls, directly or indirectly, more than 50 percent of the voting power or
23 value of the beneficial interests or shares of the real estate investment trust, shall
24 be disregarded.

