

1 ***-1195/3.55*** SECTION 2078. 71.42 (2) (m) of the statutes is amended to read:
2 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
3 January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code
4 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
5 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
6 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
7 amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding
8 sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L.
9 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L.
10 107-147, P.L. 107-181, P.L. 107-276, P.L. 108-121, excluding section 109 of P.L.
11 108-121, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.
12 108-311, and P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422,
13 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-135, excluding sections 101,
14 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of
15 P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and
16 as indirectly affected by P.L. 99-514, P.L. 100-203, 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. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.
25 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L.

SECTION 2078

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

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

8 ***-1195/3.56* SECTION 2079.** 71.42 (2) (n) of the statutes is amended to read:
9 71.42 (2) (n) For taxable years that begin after December 31, 1999, and before
10 January 1, 2003, "Internal Revenue Code" means the federal Internal Revenue Code
11 as amended to December 31, 1999, 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 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
14 amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.
15 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22,
16 P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of
17 P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
18 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
19 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,
20 316, 401, and 403 (a) of P.L. 108-311, and 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, and as

1 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
2 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
3 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
4 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
5 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
6 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.
7 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
8 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
9 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
10 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a),
11 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.
12 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
13 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,
14 308, 316, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,
15 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L.
16 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
17 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201
18 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
19 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, except
20 that "Internal Revenue Code" does not include section 847 of the federal Internal
21 Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the
22 same time as for federal purposes. Amendments to the federal Internal Revenue
23 Code enacted after December 31, 1999, do not apply to this paragraph with respect
24 to taxable years beginning after December 31, 1999, and before January 1, 2003,
25 except that changes to the Internal Revenue Code made by P.L. 106-230, P.L.

1 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16,
2 excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L.
3 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L.
4 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and
5 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218,
6 P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311,
7 and P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909,
8 and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308,
9 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L.
10 109-135, excluding 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 P.L. 109-280, excluding sections
12 811 and 844 of P.L. 109-280, and changes that indirectly affect the provisions
13 applicable to this subchapter made by P.L. 106-230, P.L. 106-554, excluding sections
14 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.
15 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections
16 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L.
17 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.
18 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311,
19 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, and P.L.
20 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
21 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310,
22 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135,
23 excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
24 (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844

1 of P.L. 109-280, apply for Wisconsin purposes at the same time as for federal
2 purposes.

3 ***-1195/3.57* SECTION 2080.** 71.42 (2) (o) of the statutes is amended to read:

4 71.42 (2) (o) For taxable years that begin after December 31, 2002, and before
5 January 1, 2004, "Internal Revenue Code" means the federal Internal Revenue Code
6 as amended to December 31, 2002, 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, and
10 section sections 101 and 301 (a) of P.L. 107-147, and as amended by P.L. 108-27,
11 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section
12 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.
13 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and
14 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336,
15 337, 422, 847, 909, and 910 of P.L. 108-357, and P.L. 108-375, P.L. 109-7, P.L.
16 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
17 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201
18 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
19 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as
20 indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L.
21 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections
22 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding
23 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L.
24 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections
25 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.

1 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
2 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of
3 P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.
4 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding section sections 101 and
5 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L.
6 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding
7 section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173,
8 P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401,
9 and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244,
10 336, 337, 422, 847, 909, and 910 of P.L. 108-357, and P.L. 108-375, P.L. 109-7, P.L.
11 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
12 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201
13 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L.
14 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, except
15 that "Internal Revenue Code" does not include section 847 of the federal Internal
16 Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the
17 same time as for federal purposes. Amendments to the federal Internal Revenue
18 Code enacted after December 31, 2002, do not apply to this paragraph with respect
19 to taxable years beginning after December 31, 2002, and before January 1, 2004,
20 except that changes to the Internal Revenue Code made by P.L. 108-27, excluding
21 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.
22 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.
23 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.
24 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847,
25 909, and 910 of P.L. 108-357, and P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding

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

16 ***-1195/3.58* SECTION 2081.** 71.42 (2) (p) of the statutes is amended 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 sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27,
24 section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and as amended by P.L.
25 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and

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

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

1 P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
2 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

3 ***-1195/3.59* SECTION 2082.** 71.42 (2) (q) of the statutes is amended to read:
4 71.42 (2) (q) For taxable years that begin after December 31, 2004, and before
5 January 1, 2006, "Internal Revenue Code" means the federal Internal Revenue Code
6 as amended to December 31, 2004, 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, ~~section sections~~ sections 101 and 301 (a) of P.L. 107-147, sections 106, 201,
11 and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and
12 403 (a) of P.L. 108-311, and sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909,
13 and 910 of P.L. 108-357, and as amended by P.L. 109-7, P.L. 109-58, excluding
14 sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351
15 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135,
16 excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
17 (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections
18 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280,
19 excluding sections 811 and 844 of P.L. 109-280, and as indirectly affected by P.L.
20 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
21 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
22 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
23 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
24 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
25 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.

1 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.
2 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,
3 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.
4 107-134, P.L. 107-147, excluding section sections 101 and 301 (a) of P.L. 107-147,
5 P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding
6 sections 106, 201, and 202 of P.L. 108-27, 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, 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, and P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308,
11 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L.
12 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101,
13 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of
14 P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512,
15 and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and
16 844 of P.L. 109-280, except that "Internal Revenue Code" does not include section
17 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for
18 Wisconsin purposes at the same time as for federal purposes. Amendments to the
19 federal Internal Revenue Code enacted after December 31, 2004, do not apply to this
20 paragraph with respect to taxable years beginning after December 31, 2004, and
21 before January 1, 2006, except that changes to the Internal Revenue Code made by
22 P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325,
23 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301
24 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to
25 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151,

1 P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L.
2 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and
3 changes that indirectly affect the provisions applicable to this subchapter made by
4 P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325,
5 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301
6 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to
7 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151,
8 P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L.
9 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for
10 Wisconsin purposes at the same time as for federal purposes.

11 *-1195/3.60* SECTION 2083. 71.42 (2) (r) of the statutes is created to read:
12 71.42 (2) (r) For taxable years that begin after December 31, 2005, and before
13 January 1, 2007, "Internal Revenue Code" means the federal Internal Revenue Code
14 as amended to December 31, 2005, excluding sections 103, 104, and 110 of P.L.
15 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,
16 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,
17 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section
18 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and
19 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403
20 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910
21 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,
22 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301
23 of P.L. 109-73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402
24 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and as amendeded by P.L. 109-222,
25 excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and

1 P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly
2 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
3 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
4 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
5 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
6 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
7 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
8 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
9 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
10 P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.
11 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L.
12 107-147, 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, P.L. 108-173,
14 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
15 excluding sections 306, 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. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
18 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
19 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
20 section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it
21 relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L.
22 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.
23 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
24 109-280, except that "Internal Revenue Code" does not include section 847 of the
25 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin

1 purposes at the same time as for federal purposes. Amendments to the federal
2 Internal Revenue Code enacted after December 31, 2005, do not apply to this
3 paragraph with respect to taxable years beginning after December 31, 2005, and
4 before January 1, 2007, except that changes to the Internal Revenue Code made by
5 P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L.
6 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and
7 changes that indirectly affect the provisions applicable to this subchapter made by
8 P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L.
9 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for
10 Wisconsin purposes at the same time as for federal purposes.

11 *-1195/3.61* SECTION 2084. 71.42 (2) (s) of the statutes is created to read:

12 71.42 (2) (s) For taxable years that begin after December 31, 2006, "Internal
13 Revenue Code" means the federal Internal Revenue Code as amended to
14 December 31, 2006, excluding sections 103, 104, and 110 of P.L. 102-227, sections
15 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b),
16 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L.
17 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L.
18 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L.
19 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L.
20 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
21 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328,
22 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L.
23 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e),
24 (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L.
25 109-222, sections 811 and 844 of P.L. 109-280, and P.L. 109-432, and as indirectly

1 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
2 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
3 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
4 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
5 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
6 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
7 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.
8 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,
9 P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.
10 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L.
11 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,
12 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173,
13 excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311,
14 excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,
15 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.
16 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections
17 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.
18 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding
19 section 301 of P.L. 109-73, 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, P.L.
21 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L.
22 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.
23 109-280, except that "Internal Revenue Code" does not include section 847 of the
24 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin
25 purposes at the same time as for federal purposes. Amendments to the federal

1 Internal Revenue Code enacted after December 31, 2006, do not apply to this
2 paragraph with respect to taxable years beginning after December 31, 2006.

3 ***-1195/3.62* SECTION 2085.** 71.44 (3) of the statutes is amended to read:

4 71.44 (3) EXTENSIONS. In the case of a corporation required to file a return,
5 ~~when sufficient reason is shown, the department of revenue may on written request~~
6 shall allow an automatic extension of 30 days 7 months or until the original due date
7 of the corporation's corresponding federal return, whichever is later, ~~if the~~
8 ~~corporation has not received an extension on its federal return.~~ Any extension of time
9 granted by law or by the internal revenue service for the filing of corresponding
10 federal returns shall extend the time for filing under this subchapter to 30 days after
11 the federal due date if ~~a copy of any extension requested of the internal revenue~~
12 ~~service is filed with~~ the corporation reports the extension in the manner specified by
13 the department on the return. ~~Termination of an automatic extension by the internal~~
14 ~~revenue service, or its refusal to grant such automatic extension, shall similarly~~
15 ~~require that any returns due under this subchapter are due on or before 30 days after~~
16 ~~the date for termination fixed by the internal revenue service.~~ Except for payments
17 of estimated taxes, income or franchise taxes payable upon the filing of the tax return
18 shall not become delinquent during such extension period, but shall be subject to
19 interest at the rate of 12% per year during such period.

20 ***-1410/3.9* SECTION 2086.** 71.45 (2) (a) 10. of the statutes is amended to read:

21 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
22 computed under s. 71.47 (1dd) to (1dx), (3n), (3p), (3w), ~~(5b)~~, (5e), (5f), (5g), and (5h),
23 (5i), and (5j) and not passed through by a partnership, limited liability company, or
24 tax-option corporation that has added that amount to the partnership's, limited

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

***NOTE: This is reconciled s. 71.45 (2) (a) 10. This SECTION has been affected by
drafts with the following LRB numbers: 1410/2, 1502/1, 1822/1, and 0724/1.

3 ***-0486/1.17* SECTION 2087.** 71.47 (1dj) (am) 4h. of the statutes is amended to
4 read:

5 71.47 (1dj) (am) 4h. Modify section 51 (a) of the internal revenue code so that
6 the amount of the credit is 25% of the qualified first-year wages if the wages are paid
7 to an applicant for a Wisconsin works Works employment position for service either
8 in an unsubsidized position or in a trial job position under s. 49.147 (3) or (3m) and
9 so that the amount of the credit is 20% of the qualified first-year wages if the wages
10 are not paid to such an applicant.

11 ***-0486/1.18* SECTION 2088.** 71.47 (1dx) (a) 5. of the statutes is amended to
12 read:

13 71.47 (1dx) (a) 5. "Member of a targeted group" means a person who resides
14 in an area designated by the federal government as an economic revitalization area,
15 a person who is employed in an unsubsidized job but meets the eligibility
16 requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position,
17 a person who is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work,
18 real pay project position under s. 49.147 (3m), a person who is eligible for child care
19 assistance under s. 49.155, a person who is a vocational rehabilitation referral, an
20 economically disadvantaged youth, an economically disadvantaged veteran, a
21 supplemental security income recipient, a general assistance recipient, an
22 economically disadvantaged ex-convict, a qualified summer youth employee, as
23 defined in 26 USC 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or

1 a food stamp recipient, if the person has been certified in the manner under sub. (1dj)
2 (am) 3. by a designated local agency, as defined in sub. (1dj) (am) 2.

3 ***-0486/1.19* SECTION 2089.** 71.47 (1dx) (b) 2. of the statutes is amended to
4 read:

5 71.47 (1dx) (b) 2. The amount determined by multiplying the amount
6 determined under s. 560.785 (1) (b) by the number of full-time jobs created in a
7 development zone and filled by a member of a targeted group and by then subtracting
8 the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid
9 under s. 49.147 (3m) (c) for those jobs.

10 ***-0486/1.20* SECTION 2090.** 71.47 (1dx) (b) 3. of the statutes is amended to
11 read:

12 71.47 (1dx) (b) 3. The amount determined by multiplying the amount
13 determined under s. 560.785 (1) (c) by the number of full-time jobs created in a
14 development zone and not filled by a member of a targeted group and by then
15 subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and
16 reimbursements paid under s. 49.147 (3m) (c) for those jobs.

17 ***-0486/1.21* SECTION 2091.** 71.47 (1dx) (b) 4. of the statutes is amended to
18 read:

19 71.47 (1dx) (b) 4. The amount determined by multiplying the amount
20 determined under s. 560.785 (1) (bm) by the number of full-time jobs retained, as
21 provided in the rules under s. 560.785, excluding jobs for which a credit has been
22 claimed under sub. (1dj), in an enterprise development zone under s. 560.797 and for
23 which significant capital investment was made and by then subtracting the
24 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid
25 under s. 49.147 (3m) (c) for those jobs.

SECTION 2092

1 ***-0486/1.22*** SECTION 2092. 71.47 (1dx) (b) 5. of the statutes is amended to
2 read:

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

9 ***-1822/2.5*** SECTION 2093. 71.47 (3p) of the statutes is created to read:

10 71.47 (3p) DAIRY MANUFACTURING FACILITY INVESTMENT CREDIT. (a) *Definitions.*

11 In this subsection:

- 12 1. "Claimant" means a person who files a claim under this subsection.
- 13 2. "Dairy manufacturing" means processing milk into dairy products or
14 processing dairy products for sale commercially.
- 15 3. "Dairy manufacturing modernization or expansion" means constructing,
16 improving, or acquiring buildings or facilities, or acquiring equipment, for dairy
17 manufacturing, including the following, if used exclusively for dairy manufacturing
18 and if acquired and placed in service in this state during taxable years that begin
19 after December 31, 2006, and before January 1, 2015:
 - 20 a. Building construction, including storage and warehouse facilities.
 - 21 b. Building additions.
 - 22 c. Upgrades to utilities, including water, electric, heat, and waste facilities.
 - 23 d. Milk intake and storage equipment.

1 e. Processing and manufacturing equipment, including pipes, motors, pumps,
2 valves, pasteurizers, homogenizers, vats, evaporators, dryers, concentrators, and
3 churns.

4 f. Packaging and handling equipment, including sealing, bagging, boxing,
5 labeling, conveying, and product movement equipment.

6 g. Warehouse equipment, including storage racks.

7 h. Waste treatment and waste management equipment, including tanks,
8 blowers, separators, dryers, digesters, and equipment that uses waste to produce
9 energy, fuel, or industrial products.

10 i. Computer software and hardware used for managing the claimant's dairy
11 manufacturing operation, including software and hardware related to logistics,
12 inventory management, and production plant controls.

13 4. "Used exclusively" means used to the exclusion of all other uses except for
14 use not exceeding 5 percent of total use.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
16 taxable years beginning after December 31, 2006, and before January 1, 2015, a
17 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
18 amount of the tax, an amount equal to 10 percent of the amount the claimant paid
19 in the taxable year for dairy manufacturing modernization or expansion related to
20 the claimant's dairy manufacturing operation.

21 (c) *Limitations.* 1. No credit may be allowed under this subsection for any
22 amount that the claimant paid for expenses described under par. (b) that the
23 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

24 2. The aggregate amount of credits that a claimant may claim under this
25 subsection is \$200,000.

SECTION 2093

1 3. Partnerships, limited liability companies, and tax-option corporations may
2 not claim the credit under this subsection, but the eligibility for, and the amount of,
3 the credit are based on their payment of expenses under par. (b), except that the
4 aggregate amount of credits that the entity may compute shall not exceed \$200,000.
5 A partnership, limited liability company, or tax-option corporation shall compute
6 the amount of credit that each of its partners, members, or shareholders may claim
7 and shall provide that information to each of them. Partners, members of limited
8 liability companies, and shareholders of tax-option corporations may claim the
9 credit in proportion to their ownership interest.

10 4. If 2 or more persons own and operate the dairy manufacturing operation,
11 each person may claim a credit under par. (b) in proportion to his or her ownership
12 interest, except that the aggregate amount of the credits claimed by all persons who
13 own and operate the farm shall not exceed \$200,000.

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

16 *-0722/2.21* SECTION 2094. 71.47 (3w) (a) 5m. of the statutes is created to
17 read:

18 71.47 (3w) (a) 5m. "Wages" means wages under section 3306 (b) of the Internal
19 Revenue Code, determined without regard to any dollar limitations.

20 *-0722/2.22* SECTION 2095. 71.47 (3w) (a) 6. of the statutes is amended to
21 read:

22 71.47 (3w) (a) 6. "Zone payroll" means the amount of state payroll that is
23 attributable to ~~compensation~~ wages paid to individuals full-time employees for
24 services that are performed in ~~a~~ an enterprise zone. "Zone payroll" does not include

1 the amount of ~~compensation wages~~ paid to any individuals full-time employees that
2 exceeds \$100,000.

3 ***-0722/2.23* SECTION 2096.** 71.47 (3w) (b) 1. a. of the statutes is amended to
4 read:

5 71.47 (3w) (b) 1. a. The claimant's zone payroll in the taxable year, minus the
6 claimant's zone payroll number of full-time employees whose annual wages are
7 greater than \$30,000 and who the claimant employed in the enterprise zone in the
8 taxable year, minus the number of full-time employees whose annual wages were
9 greater than \$30,000 and who the claimant employed in the area that comprises the
10 enterprise zone in the base year.

11 ***-0722/2.24* SECTION 2097.** 71.47 (3w) (b) 1. b. of the statutes is amended to
12 read:

13 71.47 (3w) (b) 1. b. The claimant's state payroll in the taxable year, minus the
14 claimant's state payroll number of full-time employees whose annual wages are
15 greater than \$30,000 and who the claimant employed in the state in the taxable year,
16 minus the number of full-time employees whose annual wages were greater than
17 \$30,000 and who the claimant employed in the state in the base year.

18 ***-0722/2.25* SECTION 2098.** 71.47 (3w) (b) 2. of the statutes is amended to
19 read:

20 71.47 (3w) (b) 2. Subtract the number of Determine the claimant's average
21 zone payroll by dividing total wages for full-time employees that whose annual
22 wages are greater than \$30,000 and who the claimant employed in the area that
23 comprises the enterprise zone in the base taxable year from by the number of
24 full-time employees that whose annual wages are greater than \$30,000 and who the
25 claimant employed in the enterprise zone in the taxable year.

1 ***-0722/2.26*** SECTION 2099. 71.47 (3w) (b) 3. of the statutes is amended to
2 read:

3 71.47 (3w) (b) 3. ~~Multiply~~ Subtract \$30,000 from the amount determined under
4 subd. 2., but not an amount less than zero, by \$30,000.

5 ***-0722/2.27*** SECTION 2100. 71.47 (3w) (b) 4. of the statutes is amended to
6 read:

7 71.47 (3w) (b) 4. ~~Subtract~~ Multiply the amount determined under subd. 3. ~~from~~
8 by the amount determined under subd. 1.

9 ***-0722/2.28*** SECTION 2101. 71.47 (3w) (bm) (intro.) and 4. of the statutes are
10 consolidated, renumbered 71.47 (3w) (bm) and amended to read:

11 71.47 (3w) (bm) *Filing supplemental claims.* In addition to the credit under
12 par. (b) and subject to the limitations provided in this subsection and s. 560.799, a
13 claimant may claim as a credit against the tax imposed under s. 71.43 an amount
14 equal to all of the following: ~~4. The~~ the amount the claimant paid in the taxable year
15 to upgrade or improve the job-related skills of any of the claimant's full-time
16 employees, to train any of the claimant's full-time employees on the use of
17 job-related new technologies, or to ~~train~~ provide job-related training to any
18 full-time employee whose employment with the claimant represents the employee's
19 first full-time job. This subdivision does not apply to employees who do not work in
20 ~~a~~ an enterprise zone.

21 ***-0722/2.29*** SECTION 2102. 71.47 (3w) (bm) 3. of the statutes is repealed.

22 ***-0722/2.30*** SECTION 2103. 71.47 (3w) (d) of the statutes is amended to read:

23 71.47 (3w) (d) *Administration.* Section 71.28 (4) (g) and (h), as it applies to the
24 credit under s. 71.28 (4), applies to the credit under this subsection. Claimants shall

1 include with their returns a copy of their certification for tax benefits, and a copy of
2 the verification of their expenses, from the department of commerce.

3 ***-1361/4.5* SECTION 2104.** 71.47 (5b) (c) 1. of the statutes is amended to read:

4 71.47 (5b) (c) 1. The Except as provided in s. 73.03 (63), the maximum amount
5 of the credits that may be claimed under this subsection and ss. 71.07 (5b) and 71.28
6 (5b) for all taxable years combined is \$35,000,000 \$52,500,000.

7 ***-0724/2.6* SECTION 2105.** 71.47 (5b) (d) of the statutes is renumbered 71.47

8 (5b) (d) 1.

9 ***-0724/2.7* SECTION 2106.** 71.47 (5b) (d) 2. of the statutes is created to read:

10 71.47 (5b) (d) 2. The Wisconsin adjusted basis of any investment for which a
11 credit is claimed under par. (b) shall be reduced by the amount of the credit that is
12 offset against Wisconsin income taxes. The Wisconsin basis of a partner's interest
13 in a partnership, a member's interest in a limited liability company, or stock in a
14 tax-option corporation shall be adjusted to reflect adjustments made under this
15 subdivision.

16 ***-0728/6.12* SECTION 2107.** 71.47 (5e) (b) of the statutes is amended to read:

17 71.47 (5e) (b) *Filing claims.* Subject to the limitations provided in this
18 subsection and subject to 2005 Wisconsin Act 479, section 17, beginning in the first
19 taxable year following the taxable year in which the claimant claims ~~an exemption~~
20 a deduction under s. ~~77.54 (48)~~ 77.585 (9), a claimant may claim as a credit against
21 the taxes imposed under s. 71.43, up to the amount of those taxes, in each taxable
22 year for 2 years, the amount certified by the department of commerce that the
23 claimant claimed as ~~an exemption~~ a deduction under s. ~~77.54 (48)~~ 77.585 (9).

24 ***-0728/6.13* SECTION 2108.** 71.47 (5e) (c) 1. of the statutes is amended to read:

SECTION 2108

1 71.47 (5e) (c) 1. No credit may be allowed under this subsection unless the
2 claimant satisfies the requirements under s. ~~77.54 (48)~~ 77.585 (9).

3 ***-0728/6.14* SECTION 2109.** 71.47 (5e) (c) 3. of the statutes is amended to read:

4 71.47 (5e) (c) 3. The total amount of the credits and ~~exemptions~~ deductions that
5 may be claimed by all claimants under this subsection and ss. 71.07 (5e), 71.28 (5e),
6 and ~~77.54 (48)~~ 77.585 (9) is \$7,500,000, as determined by the department of
7 commerce.

8 ***-0720/1.9* SECTION 2110.** 71.47 (5h) (a) 4. of the statutes is amended to read:

9 71.47 (5h) (a) 4. "Previously owned property" means real property that the
10 claimant or a related person owned during the 2 years prior to doing business in this
11 state as a film production company and for which the claimant may not deduct a loss
12 from the sale of the property to, or an exchange of the property with, the related
13 person under section 267 of the Internal Revenue Code, except that section 267 of the
14 Internal Revenue Code is modified so that if the claimant owns any part of the
15 property, rather than 50 percent ownership, the claimant is subject to section 267 of
16 the Internal Revenue Code for purposes of this subsection.

17 ***-0720/1.10* SECTION 2111.** 71.47 (5h) (c) 2. of the statutes is amended to read:

18 71.47 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount
19 expended to construct, rehabilitate, remodel, or repair real property, if the claimant
20 began the physical work of construction, rehabilitation, remodeling, or repair, or any
21 demolition or destruction in preparation for the physical work, after December 31,
22 2007, ~~or if and~~ and the completed project is placed in service after December 31, 2007.

23 ***-0720/1.11* SECTION 2112.** 71.47 (5h) (c) 3. of the statutes is amended to read:

24 71.47 (5h) (c) 3. A claimant may claim the credit under par. (b) 2. for an amount
25 expended to acquire real property, if the property is not previously owned property

1 and if the claimant acquires the property after December 31, 2007, ~~or if~~ and the
2 completed project is placed in service after December 31, 2007.

3 ***-1502/2.6* SECTION 2113.** 71.47 (5i) of the statutes is created to read:

4 71.47 (5i) ELECTRONIC MEDICAL RECORDS CREDIT. (a) *Definitions.* In this
5 subsection, "claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
7 taxable years beginning after December 31, 2008, a claimant may claim as a credit
8 against the taxes imposed under s. 71.43, up to the amount of those taxes, an amount
9 equal to 50 percent of the amount the claimant paid in the taxable year for
10 information technology hardware or software that is used to maintain medical
11 records in electronic form, if the claimant is a health care provider, as defined in s.
12 146.81 (1).

13 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
14 under this subsection and ss. 71.07 (5i) and 71.28 (5i) in a taxable year is
15 \$10,000,000, as allocated under s. 560.204.

16 2. Partnerships, limited liability companies, and tax-option corporations may
17 not claim the credit under this subsection, but the eligibility for, and the amount of,
18 the credit are based on their payment of amounts under par. (b). A partnership,
19 limited liability company, or tax-option corporation shall compute the amount of
20 credit that each of its partners, members, or shareholders may claim and shall
21 provide that information to each of them. Partners, members of limited liability
22 companies, and shareholders of tax-option corporations may claim the credit in
23 proportion to their ownership interests.

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

1 *-1410/3.10* SECTION 2114. 71.47 (5j) of the statutes is created to read:

2 71.47 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions*. In this
3 subsection:

4 1. "Biodiesel fuel" has the meaning given in s. 168.14 (2m) (a).

5 2. "Claimant" means a person who files a claim under this subsection.

6 3. "Motor vehicle fuel" has the meaning given in s. 78.005 (13).

7 (b) *Filing claims*. Subject to the limitations provided in this subsection, for
8 taxable years beginning after December 31, 2007, and before January 1, 2018, a
9 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
10 amount of the taxes, an amount that is equal to 25 percent of the amount that the
11 claimant paid in the taxable year to install or retrofit pumps located in this state that
12 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20
13 percent biodiesel fuel.

14 (c) *Limitations*. 1. The maximum amount of the credit that a claimant may
15 claim under this subsection in a taxable year is an amount that is equal to \$5,000 per
16 installed or retrofitted pump that is used as the basis for the credit claimed under
17 par. (b).

18 2. Partnerships, limited liability companies, and tax-option corporations may
19 not claim the credit under this subsection, but the eligibility for, and the amount of,
20 the credit are based on their payment of amounts under par. (b). A partnership,
21 limited liability company, or tax-option corporation shall compute the amount of
22 credit that each of its partners, members, or shareholders may claim and shall
23 provide that information to each of them. Partners, members of limited liability
24 companies, and shareholders of tax-option corporations may claim the credit in
25 proportion to their ownership interests.

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

3 ***-1822/2.6* SECTION 2115.** 71.49 (1) (dd) of the statutes is created to read:
4 71.49 (1) (dd) Dairy manufacturing facility investment credit under s. 71.47
5 (3p).

6 ***-1410/3.11* SECTION 2116.** 71.49 (1) (ds) of the statutes is created to read:
7 71.49 (1) (ds) Ethanol and biodiesel fuel pump credit under s. 71.47 (5j).

8 ***-1502/2.7* SECTION 2117.** 71.49 (1) (epa) of the statutes is created to read:
9 71.49 (1) (epa) Electronic medical records credit under s. 71.47 (5i).

10 ***-0720/1.12* SECTION 2118.** 71.49 (1) (epp) of the statutes is renumbered 71.49
11 (1) (eps) and amended to read:

12 71.49 (1) (eps) Film production services credit under s. 71.47 (5f) (b) 1. and 3.

13 ***-0720/1.13* SECTION 2119.** 71.49 (1) (f) of the statutes is amended to read:
14 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
15 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under
16 s. 71.47 (2m), enterprise zone jobs credit under s. 71.47 (3w), film production services
17 credit under s. 71.28 (5f) (b) 2., and estimated tax payments under s. 71.48.

18 ***-1302/1.1* SECTION 2120.** 71.54 (2m) of the statutes is created to read:
19 71.54 (2m) INDEXING FOR INFLATION; 2008 AND THEREAFTER. (a) For taxable years
20 beginning after December 31, 2007, the dollar amount for the maximum household
21 income under sub. (1) (f) 3. shall be increased each year by a percentage equal to the
22 percentage change between the U.S. consumer price index for all urban consumers,
23 U.S. city average, for the month of August of the previous year and the U.S. consumer
24 price index for all urban consumers, U.S. city average, for the month of August 2006,
25 as determined by the federal department of labor. The amount that is revised under

1 this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount
2 is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount
3 shall be increased to the next higher multiple of \$10. The department of revenue
4 shall annually adjust the changes in dollar amounts required under this paragraph
5 and incorporate the changes into the income tax forms and instructions.

6 (b) The department of revenue shall annually adjust the slope under sub. (1)
7 (f) 2. such that as a claimant's income increases from the threshold income under sub.
8 (1) (f) 1. and 2., to an amount that exceeds the maximum household income as
9 calculated under par. (a), the credit that may be claimed is reduced to \$0 and the
10 department of revenue shall incorporate the changes into the income tax forms and
11 instructions.

12 ***-1465/2.1* SECTION 2121.** 71.60 (1) (b) of the statutes is amended to read:

13 71.60 (1) (b) The credit allowed under this subchapter shall be limited to 90%
14 of the first \$2,000 of excessive property taxes plus 70% of the 2nd \$2,000 of excessive
15 property taxes plus 50% of the 3rd \$2,000 of excessive property taxes. The maximum
16 credit shall not exceed \$4,200 for any claimant. The credit for any claimant shall be
17 the greater of either the credit as calculated under this subchapter as it exists at the
18 end of the year for which the claim is filed or as it existed on the date on which the
19 farmland became subject to a current agreement under subch. II ~~or~~ III of ch. 91 or
20 under subch. III of ch. 91, 2005 stats., using for such calculations household income
21 and property taxes accrued of the year for which the claim is filed.

22 ***-1465/2.2* SECTION 2122.** 71.60 (1) (c) 3. of the statutes is amended to read:

23 71.60 (1) (c) 3. If the claimant or any member of the claimant's household owns
24 farmland which is ineligible for credit under subd. 1. or 2. but was subject to a
25 farmland preservation agreement under subch. III of ch. 91, 2005 stats., on July 1

1 of the year for which credit is claimed, or the owner had applied for such an
2 agreement before July 1 of such year and the agreement has subsequently been
3 executed, and if the owner has applied by the end of the year in which conversion
4 under s. 91.41, 2005 stats., is first possible for conversion of the agreement to a
5 transition area agreement under subch. II of ch. 91, and the transition area
6 agreement has subsequently been executed, and the farmland is located in a city or
7 village which has a certified exclusive agricultural use zoning ordinance under
8 subch. V of ch. 91 in effect at the close of the year for which credit is claimed, or in
9 a town which is subject to a certified county exclusive agricultural use zoning
10 ordinance under subch. V of ch. 91 in effect at the close of the year for which credit
11 is claimed, the amount of the claim shall be that specified in par. (b).

12 ***-1465/2.3* SECTION 2123.** 71.60 (1) (c) 5. of the statutes is amended to read:

13 71.60 (1) (c) 5. If the claimant or any member of the claimant's household owns
14 farmland which is ineligible for credit under subs. 1. to 4. but was subject to a
15 farmland preservation agreement under subch. III of ch. 91, 2005 stats., on July 1
16 of the year for which credit is claimed, or the owner had applied for such an
17 agreement before July 1 of such year and the agreement has subsequently been
18 executed, and if the owner has applied by the end of the year in which conversion
19 under s. 91.41, 2005 stats., is first possible for conversion of the agreement to an
20 agreement under subch. II of ch. 91, and the agreement under subch. II of ch. 91 has
21 subsequently been executed, the amount of the claim shall be limited to 80% of that
22 specified in par. (b).

23 ***-1465/2.4* SECTION 2124.** 71.60 (1) (c) 8. of the statutes is amended to read:

24 71.60 (1) (c) 8. If the farmland is subject to a farmland preservation agreement
25 under subch. III of ch. 91, 2005 stats., on July 1 of the year for which credit is claimed

1 or the claimant had applied for such an agreement before July 1 of such year and the
2 agreement has subsequently been executed, the amount of the claim shall be limited
3 to 50% of that specified in par. (b).

4 ***-1195/3.63* SECTION 2125.** 71.738 (1d) of the statutes is repealed.

5 ***-1195/3.64* SECTION 2126.** 71.738 (2d) of the statutes is repealed.

6 ***-0891/1.1* SECTION 2127.** 71.74 (14) of the statutes is amended to read:

7 71.74 (14) ADDITIONAL REMEDY TO COLLECT TAX. The department may also
8 proceed under s. 71.91 (5) for the collection of any additional assessment of income
9 or franchise taxes or surtaxes, after notice thereof has been given under sub. (11) and
10 before the same shall have become delinquent, when it has reasonable grounds to
11 believe that the collection of such additional assessment will be jeopardized by delay.
12 In such cases notice of the intention to so proceed shall be given by registered mail
13 to the taxpayer, and the warrant of the department shall not issue if the taxpayer
14 within 10 days after such notice furnishes a bond in such amount, not exceeding
15 double the amount of the tax, and with such sureties as the department shall
16 approve, conditioned upon the payment of so much of the additional taxes as shall
17 finally be determined to be due, together with interest thereon as provided by s. 71.82
18 (1) (a). Nothing in this subsection shall affect the review of additional assessments
19 provided by ss. 71.88 (1) (a) and (2) (a), 71.89 (2), 73.01, and 73.015, and any amounts
20 collected under this subsection shall be deposited with the ~~secretary of~~
21 administration department and disbursed after final determination of the taxes as
22 are amounts deposited under s. 71.90 (2).

23 ***-1195/3.65* SECTION 2128.** 71.765 of the statutes is repealed.

24 ***-0721/2.1* SECTION 2129.** 71.775 (3) (a) 2. of the statutes is amended to read:

1 71.775 (3) (a) 2. ~~The partner, member, shareholder, or beneficiary has no~~
2 ~~Wisconsin income other than his or her partner's, member's, shareholder's, or~~
3 ~~beneficiary's share of income from the pass-through entity that is attributable to this~~
4 ~~state and his or her share of such income is less than \$1,000.~~

5 *~~0721/2.2~~* SECTION 2130. 71.775 (3) (a) 3. of the statutes is created to read:

6 71.775 (3) (a) 3. The nonresident partner, member, shareholder, or beneficiary
7 files an affidavit with the department, in the form and manner prescribed by the
8 department, whereby the nonresident partner, member, shareholder, or beneficiary
9 agrees to file a Wisconsin income or franchise tax return and be subject to the
10 personal jurisdiction of the department, the tax appeals commission, and the courts
11 of this state for the purpose of determining and collecting Wisconsin income and
12 franchise taxes, including estimated tax payments, together with any related
13 interest and penalties.

14 *~~0721/2.3~~* SECTION 2131. 71.775 (4) (b) 2. of the statutes is amended to read:

15 71.775 (4) (b) 2. ~~A pass-through entity that pays the tax withheld under sub.~~
16 ~~(2) as provided under subd. 1. is not subject to an underpayment of estimated tax~~
17 ~~under s. 71.09 or 71.29, if 90 percent of the tax that is due for the current taxable year~~
18 ~~is paid by the unextended due date or if 100 percent of the tax that is due for the~~
19 ~~taxable year immediately preceding the current taxable year is paid by the~~
20 ~~unextended due date and the taxable year immediately preceding the current~~
21 ~~taxable year was a 12-month period. Interest at the rate of 12 percent shall be~~
22 imposed on the unpaid amount of the tax withheld due under sub. (2) during any
23 extension period and interest at the rate of 18 percent shall be imposed on the unpaid
24 amount of the tax withheld due under sub. (2) for the period beginning with the
25 extended due date and ending with the date that the unpaid amount is paid in full.

1 ***-0721/2.4*** SECTION 2132. 71.775 (4) (d) of the statutes is amended to read:

2 71.775 (4) (d) A nonresident partner, member, shareholder, or beneficiary of a
3 pass-through entity may claim a credit, as prescribed by the department, on his or
4 her Wisconsin income or franchise tax return for the amount withheld under sub. (2)
5 on his or her behalf for the tax period for which the income of the pass-through entity
6 is reported. For purposes of this paragraph determining whether interest under s.
7 71.84 applies to a nonresident partner, member, shareholder, or beneficiary, the
8 amount withheld under sub. (2) is considered to be paid ~~on the last day of the~~
9 ~~pass-through entity's taxable year for which the tax is paid~~ in 4 equal quarterly
10 installments.

11 ***-0721/2.5*** SECTION 2133. 71.775 (4) (f) of the statutes is amended to read:

12 71.775 (4) (f) If a pass-through entity subject to withholding under this section
13 fails to ~~withhold~~ pay the tax as required by this section, the pass-through entity shall
14 be liable for any tax, interest, and penalties. If a nonresident partner, member,
15 shareholder, or beneficiary of the pass-through entity files a return and pays the tax
16 due, the pass-through entity shall not be liable for the tax, but shall be liable for any
17 ~~interest and penalties otherwise applicable for failure to withhold, as the penalty~~
18 provided under ss. 71.82 (2) (d) and s. 71.83 (1) (a) 1.

19 ***-1195/3.66*** SECTION 2134. 71.80 (20) of the statutes is amended to read:

20 71.80 (20) ~~MAGNETIC MEDIA~~ ELECTRONIC FILING. If the internal revenue service
21 requires a person to file information returns or wage statements ~~on magnetic media~~
22 ~~or in other machine-readable form~~ electronically for federal income tax purposes, the
23 person shall also file the comparable state information returns or wage statements
24 ~~on magnetic media or in other machine-readable form~~ electronically with the
25 department of revenue for income or franchise tax purposes.

1 *-1602/2.1* SECTION 2135. 71.805 of the statutes is created to read:

2 **71.805 Tax avoidance transactions voluntary compliance program. (1)**

3 DEFINITIONS. In this section:

4 (a) "Tax avoidance transaction" means a transaction, plan, or arrangement
5 devised for the principal purpose of avoiding federal or Wisconsin income or
6 franchise tax and that is a reportable transaction as provided under U.S. department
7 of the treasury regulations as of the effective date of this paragraph [revisor
8 inserts date].

9 (b) "Taxpayer" means a person who is subject to the taxes imposed under this
10 chapter and who has a tax liability attributable to using a tax avoidance transaction
11 for any taxable year beginning before January 1, 2007.

12 **(2) PENALTY WAIVER OR ABATEMENT.** All of the following apply with regard to a
13 taxpayer who satisfies the conditions under sub. (3):

14 (a) Except as provided under sub. (4) (b), the department shall waive or abate
15 all penalties that are applicable to the underreporting or underpayment of Wisconsin
16 income or franchise taxes attributable to using a tax avoidance transaction for any
17 taxable year for which the taxpayer satisfies the conditions under sub. (3).

18 (b) The department shall not seek a criminal prosecution against the taxpayer
19 with respect to using a tax avoidance transaction for any taxable year for which the
20 taxpayer satisfies the conditions under sub. (3).

21 **(3) TAXPAYER ELIGIBILITY.** A taxpayer is eligible for the benefits described under
22 sub. (2) (a) and (b), if, during the period beginning on October 1, 2007, and ending
23 on December 31, 2007, the taxpayer does the following:

24 (a) Files an amended Wisconsin tax return for each taxable year for which the
25 taxpayer has previously filed a Wisconsin tax return that uses a tax avoidance

1 transaction to underreport the taxpayer's Wisconsin income or franchise tax liability
2 and the amended return reports the total Wisconsin net income and tax for the
3 taxable year, computed without regard to any tax avoidance transaction and without
4 regard to any other adjustment that is unrelated to any tax avoidance transaction.

5 (b) Pays, in full, for each taxable year for which an amended return is filed
6 under par. (a), the entire amount of Wisconsin income or franchise tax and interest
7 due that is attributable to using a tax avoidance transaction.

8 (4) LIMITATIONS AND ADMINISTRATION. (a) A taxpayer who receives the benefits
9 described under sub. (2) may not file an appeal or a claim for credit or refund with
10 respect to the tax avoidance transactions for the taxable years for which the taxpayer
11 satisfied the conditions under sub. (3).

12 (b) The department may not waive or abate a penalty as provided under sub.
13 (2) (a) if the penalty relates to an amount of Wisconsin income and franchise tax that
14 is attributable to a tax avoidance transaction and assessed or paid prior to October
15 1, 2007, or after December 31, 2007.

16 (c) Notwithstanding the other provisions of this section, a transaction does not
17 have to be a reportable transaction as provided under U.S. department of the
18 treasury regulations in order for the department to examine the transaction with
19 regard to its principal purpose.

20 (d) A taxpayer who files an amended return under sub. (3) (a) may file a
21 separate amended return with respect to adjustments that are unrelated to any tax
22 avoidance transaction.

23 (e) The department shall promulgate rules, publish forms and instructions,
24 and take any other action necessary to implement and administer this section.

25 *-1602/2.2* SECTION 2136. 71.81 of the statutes is created to read:

1 **71.81 Disclosing reportable transactions. (1) DEFINITIONS.** In this section:

2 (a) "Listed transaction" means any reportable transaction that is the same as,
3 or substantially similar to, a transaction, plan, or arrangement specifically identified
4 by the U.S. secretary of the treasury as a listed transaction, for purposes of section
5 6011 of the Internal Revenue Code, that occurred on or after January 1, 2002, and
6 that is specifically identified by the U.S. secretary of the treasury as a listed
7 transaction on or after the date the transaction occurred.

8 (b) "Material advisor" means any person who provides any material aid,
9 assistance, or advice with respect to organizing, managing, promoting, selling,
10 implementing, insuring, or carrying out any reportable transaction and who, directly
11 or indirectly, derives gross income from providing such aid, assistance, or advice in
12 an amount that exceeds the threshold amount.

13 (c) "Reportable transaction" means any transaction, plan, or arrangement,
14 including a listed transaction, for which a taxpayer is required to submit information
15 to the department because the taxpayer is required to disclose the transaction, plan,
16 or arrangement for federal income tax purposes, as provided under U.S. department
17 of treasury regulations.

18 (d) "Tax shelter" means any entity, plan, or arrangement, if avoiding or evading
19 federal income tax or Wisconsin income or franchise tax is a significant purpose of
20 the entity, plan, or arrangement.

21 (e) "Threshold amount" means the following:

22 1. In the case of a reportable transaction, not including a listed transaction,
23 from which a substantial part of the tax benefits are provided to an individual,
24 \$50,000.

1 2. In the case of a listed transaction from which a substantial part of the tax
2 benefits are provided to an individual, \$10,000.

3 3. In the case of a reportable transaction, not including a listed transaction,
4 from which a substantial part of the tax benefits are provided to an entity and not
5 an individual, \$250,000.

6 4. In the case of a listed transaction, from which a substantial part of the tax
7 benefits are provided to an entity and not an individual, \$25,000.

8 **(2) DISCLOSURE.** For each taxable year in which a taxpayer has participated in
9 a reportable transaction, the taxpayer shall file with the department a copy of any
10 form prescribed by the internal revenue service for disclosing a reportable
11 transaction for federal income tax purposes no later than 60 days after the date for
12 which the taxpayer is required to file the form for federal income tax purposes, except
13 that, if the taxpayer has filed a form with the internal revenue service on or before
14 the effective date of this subsection [revisor inserts date], the taxpayer shall file
15 a copy of the form with the department no later than December 31, 2007. The
16 department may require that forms filed with the department under this subsection
17 be filed separately from this state's income or franchise tax return. This subsection
18 applies to any reportable transaction entered into on or after January 1, 2002, for any
19 taxable year for which the transaction remains undisclosed and for which the statute
20 of limitations on assessment, including any extension provided under sub. (6), has
21 not expired as of the date that is 60 days after the effective date of this subsection
22 [revisor inserts date].

23 **(3) PENALTY FOR FAILING TO DISCLOSE.** (a) Any taxpayer who does not file the
24 form under sub. (2) and who is required to file the form is subject to the following
25 penalty:

1 1. If the taxpayer participated in a reportable transaction that is not a listed
2 transaction, the lesser of \$15,000 or 10 percent of the tax benefit obtained from the
3 reportable transaction.

4 2. If the taxpayer participated in a listed transaction, \$30,000.

5 (b) The secretary of revenue may waive or abate any penalty imposed under
6 this subsection, or any portion of such penalty, related to a reportable transaction
7 that is not a listed transaction, if the waiver or abatement promotes compliance with
8 this section and effective tax administration.

9 (c) The penalties imposed under this subsection apply to any failure to disclose
10 a listed transaction entered into on or after January 1, 2002, including transactions
11 that were not listed transactions when entered into, but became listed transactions
12 before the effective date of this paragraph [revisor inserts date], or any other
13 reportable transaction entered into after the effective date of this paragraph
14 [revisor inserts date], for any taxable year for which the statute of limitations on
15 assessment, including any extension under sub. (6), has not expired as of the effective
16 date of this paragraph [revisor inserts date].

17 (4) UNDERSTATEMENT PENALTY. (a) If a taxpayer has a reportable transaction
18 understatement, as determined in par. (b), the taxpayer shall pay, in addition to any
19 tax owed with regard to the reportable transaction, an amount equal to either 20
20 percent of the reportable transaction understatement or, in the case of a reportable
21 transaction that is not disclosed as provided in sub. (2), 30 percent of the reportable
22 transaction understatement.

23 (b) A taxpayer has a reportable transaction understatement if the following
24 calculation results in a positive number:

1 1. Multiply the taxpayer's highest applicable tax rate under s. 71.06, 71.27, or
2 71.46, by the amount of any increase in Wisconsin taxable income that results from
3 the difference between the proper tax treatment of a reportable transaction and the
4 taxpayer's treatment of the transaction as shown on the taxpayer's tax return,
5 including any amended return the taxpayer files before the date on which the
6 department first contacts the taxpayer regarding an examination of the taxable year
7 for which the amended return is filed. For purposes of this subdivision, the amount
8 of any increase in Wisconsin taxable income for a taxable year includes any reduction
9 in the amount of loss available for carry-forward to the subsequent year.

10 2. Add the amount determined under subd. 1. to the amount of any decrease
11 in the aggregate amount of Wisconsin income or franchise tax credits that results
12 from the difference between the proper tax treatment of a reportable transaction and
13 the taxpayer's treatment of the transaction as shown on the taxpayer's tax return.

14 (c) The secretary of revenue may waive or abate any penalty imposed under this
15 subsection, or any portion of such penalty, if the taxpayer demonstrates to the
16 department that the taxpayer had reasonable cause to act the way the taxpayer did,
17 and in good faith, with regard to the tax treatment for which the taxpayer is subject
18 to a penalty under this subsection and all facts relevant to the tax treatment are
19 adequately disclosed in the filing under sub. (2), except that, if the taxpayer does not
20 fully disclose such facts under sub. (2), the taxpayer's penalty may be waived or
21 abated under this paragraph if the taxpayer demonstrates to the department that
22 the taxpayer reasonably believed that the tax treatment for which the taxpayer is
23 subject to a penalty under this subsection was more likely than not the proper
24 treatment and substantial authority exists or existed for the tax treatment for which
25 the taxpayer is subject to a penalty under this subsection.

1 (d) The penalties under par. (a) apply to any reportable transaction
2 understatement from a reportable transaction, including a listed transaction,
3 entered into on or after January 1, 2002, for any taxable year for which the statute
4 of limitations on assessment, including any extension provided under sub. (6), has
5 not expired as of the effective date of this paragraph [revisor inserts date].

6 (5) ADDITIONAL UNDERSTATEMENT PENALTY. (a) 1. A taxpayer who files an
7 amended return after December 31, 2007, and before the taxpayer is contacted by the
8 internal revenue service or the department regarding a reportable transaction is
9 subject to a penalty in an amount equal to 50 percent of the interest assessed under
10 s. 71.82 on any reportable transaction understatement, as determined under sub. (4)
11 (b), for the tax period for which the taxpayer files an amended return.

12 2. If the internal revenue service or the department contacts a taxpayer after
13 December 31, 2007, regarding a reportable transaction and the taxpayer is contacted
14 before the taxpayer files an amended return with respect to that transaction, the
15 taxpayer is subject to a penalty in an amount equal to the interest assessed under
16 s. 71.82 on any reportable transaction understatement, as determined under sub. (4)
17 (b), for the tax period for which the internal revenue service or the department
18 contacts the taxpayer.

19 (b) The penalties under par. (a) apply to any reportable transaction
20 understatement resulting from a reportable transaction, including a listed
21 transaction, entered into on or after January 1, 2002, for any taxable year for which
22 the statute of limitations on assessment, including any extension provided under
23 sub. (6), has not expired as of the effective date of this paragraph [revisor inserts
24 date].

1 (c) The secretary of revenue may waive or abate any penalty imposed under this
2 subsection, or any portion of such penalty, if the taxpayer demonstrates to the
3 department that the taxpayer had reasonable cause to act the way the taxpayer did,
4 and in good faith, with regard to the tax treatment for which the taxpayer is subject
5 to a penalty under this subsection and all facts relevant to the tax treatment are
6 adequately disclosed in the filing under sub. (2), except that, if the taxpayer does not
7 fully disclose such facts under sub. (2), the taxpayer's penalty may be waived or
8 abated under this paragraph if the taxpayer demonstrates to the department that
9 the taxpayer reasonably believed that the tax treatment for which the taxpayer is
10 subject to a penalty under this subsection was more likely than not the proper
11 treatment and substantial authority exists or existed for the tax treatment for which
12 the taxpayer is subject to a penalty under this subsection.

13 (6) STATUTE OF LIMITATIONS EXTENSION. (a) Except as provided in par. (b), if a
14 taxpayer fails to provide any information regarding a reportable transaction, other
15 than a listed transaction, under sub. (2), the time for assessing any tax imposed
16 under this chapter with respect to that transaction shall expire no later than the date
17 that is 6 years after the date on which the return for the taxable year in which the
18 reportable transaction occurred was filed. If a taxpayer fails to provide any
19 information regarding a listed transaction, under sub. (2), the time for assessing any
20 tax imposed under this chapter with respect to that transaction shall expire on the
21 latest of the following dates:

22 1. The date that is 6 years after the date on which the return for the taxable
23 year in which the listed transaction occurred was filed.

24 2. The date that is 12 months after the date on which the taxpayer provides
25 information regarding the listed transaction under sub. (2).

1 3. The date that is 12 months after the date on which the taxpayer's material
2 advisor provides, at the department's request, the list described in sub. (7) (b).

3 4. The date that is 4 years after the date on which the department discovers
4 a listed transaction that was a listed transaction on the date the transaction occurred
5 for which the taxpayer did not provide the information described under sub. (2) or
6 for which the taxpayer's material advisor did not provide the information described
7 under sub (7) (b).

8 (b) Any limitation determined under par. (a) may be extended by a written
9 agreement between the taxpayer and the department as provided under s. 71.77 (5).

10 **(7) MATERIAL ADVISOR.** (a) Each material advisor who is required to disclose a
11 reportable transaction under section 6111 of the Internal Revenue Code shall file a
12 copy of the disclosure with the department no later than 60 days after the date for
13 which the material advisor is required to file the disclosure with the internal revenue
14 service, except that, if a material advisor files the disclosure with the internal
15 revenue service on or before the effective date of this paragraph ... [revisor inserts
16 date], the material advisor shall file a copy of the disclosure with the department no
17 later than December 31, 2007.

18 (b) Each material advisor shall maintain a list that identifies each Wisconsin
19 taxpayer for whom the person provided services as a material advisor with respect
20 to a reportable transaction, regardless of whether the taxpayer is required to file the
21 form under sub. (2). Any material advisor who is required to maintain a list under
22 this paragraph shall provide the list to the department after receiving the
23 department's written request to provide the list and shall retain the information
24 contained in the list for 7 years or for the period determined by the department by
25 rule. If 2 or more material advisors are required under this paragraph to maintain

1 identical lists, the department may provide that only one of the material advisors
2 maintain the list.

3 (c) This subsection applies to reportable transactions, not including listed
4 transactions, for which a material advisor provides services after the effective date
5 of this paragraph [revisor inserts date], and listed transactions for which a
6 material advisor provides services, and were entered into, on or after January 1,
7 2002, regardless of when the transactions became listed transactions.

8 (8) MATERIAL ADVISOR PENALTIES. (a) If a person who is required to file a
9 disclosure with the department as provided under sub. (7) (a) fails to file the
10 disclosure or files a disclosure containing false or incomplete information, the person
11 is subject to a penalty equal to the following amounts:

12 1. If the disclosure relates to a reportable transaction that is not a listed
13 transaction, \$15,000.

14 2. If the disclosure relates to a listed transaction, \$100,000.

15 (b) Any person who is required to maintain a list under sub. (7) (b) and who fails
16 to provide the list to the department no later than 20 business days after the date on
17 which the person receives the department's request to provide the list, as provided
18 under sub. (7) (b), shall pay a penalty to the department in an amount that is equal
19 to \$10,000 for each day that the person does not provide the list, beginning with the
20 day that is 21 business days after the date on which the person receives the
21 department's request.

22 (c) The secretary of revenue may waive or abate any penalty imposed under this
23 subsection, or any portion of such penalty, related to a reportable transaction that
24 is not a listed transaction, if the waiver or abatement promotes compliance with this
25 section and effective tax administration or, with regard to the penalty imposed under

1 par. (b), if, on each day after the time for providing the list without incurring a
2 penalty has expired, the person demonstrates to the department that the person's
3 failure to provide the list on that day is because of reasonable cause.

4 (9) TAX SHELTER PROMOTION. (a) Beginning on the effective date of this
5 paragraph [revisor inserts date], any person who organizes or assists in
6 organizing a tax shelter, or directly or indirectly participates in the sale of any
7 interest in a tax shelter, and who makes or provides or causes another person to make
8 or provide, in connection with such organization or sale, a statement that the person
9 knows or has reason to know is false or fraudulent as to any material matter
10 regarding the allowability of any tax deduction or credit, the excludability of any
11 income, the manipulation of any allocation or apportionment rule, or the securing of
12 any other tax benefit resulting from holding an interest in the entity or participating
13 in the plan or arrangement, shall pay a penalty to the department, with respect to
14 each sale or act of organization described under this paragraph, in an amount equal
15 to 50 percent of the person's gross income derived from the sale or act.

16 (b) For purposes of administering this chapter, beginning on the effective date
17 of this paragraph [revisor inserts date], a written communication between a tax
18 practitioner and any person, director, officer, employee, agent, or representative of
19 the person, or any other person holding a capital or profits interest in the person,
20 regarding the promotion of the person's direct or indirect participation in any tax
21 shelter is not considered a confidential or privileged communication.

22 (11) INJUNCTION. The department may commence an action in the circuit court
23 of Dane County to enjoin a person from taking any action, or failing to take any
24 action, that is subject to a penalty under this section or in violation of this section or
25 any rules that the department promulgates pursuant to this section.