

5

1 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
2 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
3 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
4 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
5 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.  
6 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,  
7 P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.  
8 107-116, P.L. 107-134, P.L. 107-147, excluding section sections 101 and 301 (a) of  
9 P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,  
10 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section  
11 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.  
12 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 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, and P.L. 108-476, P.L.  
15 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325,  
16 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301  
17 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to  
18 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227,  
19 and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, except that  
20 "Internal Revenue Code" does not include section 847 of the federal Internal Revenue  
21 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time  
22 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
23 after December 31, 2003, do not apply to this paragraph with respect to taxable years  
24 beginning after December 31, 2003, and before January 1, 2005, except that changes  
25 to the Internal Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311,

②

1 excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,  
2 excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L.  
3 108-357, P.L. 108-375, and P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections  
4 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L.  
5 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding  
6 sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and  
7 (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811  
8 and 844 of P.L. 109-280, and changes that indirectly affect the provisions applicable  
9 to this subchapter made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding  
10 sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding  
11 sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L.  
12 108-375, and P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308,  
13 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L.  
14 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101,  
15 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of  
16 P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L.  
17 109-280, apply for Wisconsin purposes at the same time as for federal purposes.

18 **SECTION 2084.** 71.42 (2) (q) of the statutes is amended to read:

19 71.42 (2) (q) For taxable years that begin after December 31, 2004, and before  
20 January 1, 2006, "Internal Revenue Code" means the federal Internal Revenue Code  
21 as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L.  
22 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
23 sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,  
24 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section  
25 431 of P.L. 107-16, section sections 101 and 301 (a) of P.L. 107-147, sections 106, 201,

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

1 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L.  
2 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101,  
3 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of  
4 P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512,  
5 and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and  
6 844 of P.L. 109-280, except that "Internal Revenue Code" does not include section  
7 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for  
8 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
9 federal Internal Revenue Code enacted after December 31, 2004, do not apply to this  
10 paragraph with respect to taxable years beginning after December 31, 2004, and  
11 before January 1, 2006, except that changes to the Internal Revenue Code made by  
12 P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325,  
13 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301  
14 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to  
15 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151,  
16 P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L.  
17 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and  
18 changes that indirectly affect the provisions applicable to this subchapter made by  
19 P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325,  
20 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301  
21 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to  
22 section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151,  
23 P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L.  
24 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, apply for  
25 Wisconsin purposes at the same time as for federal purposes.

1           **SECTION 2085.** 71.42 (2) (r) of the statutes is created to read:

2           71.42 (2) (r) For taxable years that begin after December 31, 2005, and before  
3           January 1, 2007, "Internal Revenue Code" means the federal Internal Revenue Code  
4           as amended to December 31, 2005, 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           sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3,  
7           4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section  
8           431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and  
9           202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403  
10          (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910  
11          of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326,  
12          1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301  
13          of P.L. 109-73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402  
14          (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and as amended by P.L. 109-222,  
15          excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and  
16          P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and as indirectly  
17          affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
18          101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and  
19          110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
20          13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
21          103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
22          (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
23          105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.  
24          106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,  
25          P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.

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

1           **SECTION 2086.** 71.42 (2) (s) of the statutes is created to read:

2           71.42 (2) (s) For taxable years that begin after December 31, 2006, "Internal  
3   Revenue Code" 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 by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.  
17   101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and  
18   110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
19   13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
20   103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
21   (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
22   105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.  
23   106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,  
24   P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.  
25   107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L.

1 107-147, 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, except that “Internal Revenue Code” does not include section 847 of the  
14 federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin  
15 purposes at the same time as for federal purposes. Amendments to the federal  
16 Internal Revenue Code enacted after December 31, 2006, do not apply to this  
17 paragraph with respect to taxable years beginning after December 31, 2006.

18 **SECTION 2087.** 71.44 (3) of the statutes is amended to read:

19 **71.44 (3) EXTENSIONS.** In the case of a corporation required to file a return,  
20 when sufficient reason is shown, the department of revenue may on written request  
21 shall allow an automatic extension of 30 days 7 months or until the original due date  
22 of the corporation’s corresponding federal return, whichever is later, if the  
23 corporation has not received an extension on its federal return. Any extension of time  
24 granted by law or by the internal revenue service for the filing of corresponding  
25 federal returns shall extend the time for filing under this subchapter to 30 days after



1 the federal due date if a copy of any extension requested of the internal revenue  
2 service is filed with the corporation reports the extension in the manner specified by  
3 the department on the return. Termination of an automatic extension by the internal  
4 revenue service, or its refusal to grant such automatic extension, shall similarly  
5 require that any returns due under this subchapter are due on or before 30 days after  
6 the date for termination fixed by the internal revenue service. Except for payments  
7 of estimated taxes, income or franchise taxes payable upon the filing of the tax return  
8 shall not become delinquent during such extension period, but shall be subject to  
9 interest at the rate of 12% per year during such period.

10 **SECTION 2088.** 71.45 (2) (a) 10. of the statutes is amended to read:

11 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
12 computed under s. 71.47 (1dd) to (1dx), (3n), (3p), (3w), (5b), (5e), (5f), (5g), and (5h),  
13 (5i), (5j), and (5k) and not passed through by a partnership, limited liability company,  
14 or tax-option corporation that has added that amount to the partnership's, limited  
15 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1)  
16 (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

17 **SECTION 2090.** 71.47 (1dx) (a) 5. of the statutes is amended to read:

18 71.47 (1dx) (a) 5. "Member of a targeted group" means a person who resides  
19 in an area designated by the federal government as an economic revitalization area,  
20 a person who is employed in an unsubsidized job but meets the eligibility  
21 requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position,  
22 a person who is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work,  
23 real pay project position under s. 49.147 (3m), a person who is eligible for child care  
24 assistance under s. 49.155, a person who is a vocational rehabilitation referral, an  
25 economically disadvantaged youth, an economically disadvantaged veteran, a

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

6 **SECTION 2091.** 71.47 (1dx) (b) 2. of the statutes is amended to read:

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

12 **SECTION 2092.** 71.47 (1dx) (b) 3. of the statutes is amended to read:

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

18 **SECTION 2093.** 71.47 (1dx) (b) 4. of the statutes is amended to 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.

1           **SECTION 2094.** 71.47 (1dx) (b) 5. of the statutes is amended to read:

2           71.47 (1dx) (b) 5. The amount determined by multiplying the amount  
3           determined under s. 560.785 (1) (c) by the number of full-time jobs retained, as  
4           provided in the rules under s. 560.785, excluding jobs for which a credit has been  
5           claimed under sub. (1dj), in a development zone and not filled by a member of a  
6           targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or  
7           the subsidies and reimbursements paid under s. 49.147 (3m) (c) for those jobs.

8           **SECTION 2095.** 71.47 (3p) of the statutes is created to read:

9           71.47 (3p) DAIRY MANUFACTURING FACILITY INVESTMENT CREDIT. (a) *Definitions.*

10          In this subsection:

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

1 f. Packaging and handling equipment, including sealing, bagging, boxing,  
2 labeling, conveying, and product movement equipment.

3 g. Warehouse equipment, including storage racks.

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

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

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

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

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

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

23 3. Partnerships, limited liability companies, and tax-option corporations may  
24 not claim the credit under this subsection, but the eligibility for, and the amount of,  
25 the credit are based on their payment of expenses under par. (b), except that the

1 aggregate amount of credits that the entity may compute shall not exceed \$200,000.  
2 A partnership, limited liability company, or tax-option corporation shall compute  
3 the amount of credit that each of its partners, members, or shareholders may claim  
4 and shall provide that information to each of them. Partners, members of limited  
5 liability companies, and shareholders of tax-option corporations may claim the  
6 credit in proportion to their ownership interest.

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

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

13 **SECTION 2096.** 71.47 (3w) (a) 5m. of the statutes is created to read:

14 71.47 (3w) (a) 5m. "Wages" means wages under section 3306 (b) of the Internal  
15 Revenue Code, determined without regard to any dollar limitations.

16 **SECTION 2097.** 71.47 (3w) (a) 6. of the statutes is amended to read:

17 71.47 (3w) (a) 6. "Zone payroll" means the amount of state payroll that is  
18 attributable to compensation wages paid to individuals full-time employees for  
19 services that are performed in a an enterprise zone. "Zone payroll" does not include  
20 the amount of compensation wages paid to any individuals full-time employees that  
21 exceeds \$100,000.

22 **SECTION 2098.** 71.47 (3w) (b) 1. a. of the statutes is amended to read:

23 71.47 (3w) (b) 1. a. The claimant's zone payroll in the taxable year, minus the  
24 claimant's zone payroll number of full-time employees whose annual wages are  
25 greater than \$30,000 and who the claimant employed in the enterprise zone in the

1 taxable year, minus the number of full-time employees whose annual wages were  
2 greater than \$30,000 and who the claimant employed in the area that comprises the  
3 enterprise zone in the base year.

4 **SECTION 2099.** 71.47 (3w) (b) 1. b. of the statutes is amended to read:

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

10 **SECTION 2100.** 71.47 (3w) (b) 2. of the statutes is amended to read:

11 71.47 (3w) (b) 2. ~~Subtract the number of~~ Determine the claimant's average  
12 zone payroll by dividing total wages for full-time employees that whose annual  
13 wages are greater than \$30,000 and who the claimant employed in the area that  
14 comprises the enterprise zone in the base taxable year from by the number of  
15 full-time employees that whose annual wages are greater than \$30,000 and who the  
16 claimant employed in the enterprise zone in the taxable year.

17 **SECTION 2101.** 71.47 (3w) (b) 3. of the statutes is amended to read:

18 71.47 (3w) (b) 3. ~~Multiply Subtract \$30,000 from the amount determined under~~  
19 ~~subd. 2., but not an amount less than zero, by \$30,000.~~

20 **SECTION 2102.** 71.47 (3w) (b) 4. of the statutes is amended to read:

21 71.47 (3w) (b) 4. ~~Subtract~~ Multiply the amount determined under subd. 3. from  
22 by the amount determined under subd. 1.

23 **SECTION 2103.** 71.47 (3w) (bm) (intro.) and 4. of the statutes are consolidated,  
24 renumbered 71.47 (3w) (bm) and amended to read:

1           71.47 (3w) (bm) *Filing supplemental claims.* In addition to the credit under  
2   par. (b) and subject to the limitations provided in this subsection and s. 560.799, a  
3   claimant may claim as a credit against the tax imposed under s. 71.43 an amount  
4   equal to all of the following: 4. ~~The~~ the amount the claimant paid in the taxable year  
5   to upgrade or improve the job-related skills of any of the claimant's full-time  
6   employees, to train any of the claimant's full-time employees on the use of  
7   job-related new technologies, or to ~~train~~ provide job-related training to any  
8   full-time employee whose employment with the claimant represents the employee's  
9   first full-time job. This subdivision does not apply to employees who do not work in  
10 ~~a~~ an enterprise zone.

11       **SECTION 2104.** 71.47 (3w) (bm) 3. of the statutes is repealed.

12       **SECTION 2105.** 71.47 (3w) (d) of the statutes is amended to read:

13       71.47 (3w) (d) *Administration.* Section 71.28 (4) (g) and (h), as it applies to the  
14   credit under s. 71.28 (4), applies to the credit under this subsection. Claimants shall  
15   include with their returns a copy of their certification for tax benefits, and a copy of  
16   the verification of their expenses, from the department of commerce.

17       **SECTION 2106.** 71.47 (5b) (c) 1. of the statutes is amended to read:

18       71.47 (5b) (c) 1. The Except as provided in s. 73.03 (63), the maximum amount  
19   of the credits that may be claimed under this subsection and ss. 71.07 (5b) and 71.28  
20   (5b) for all taxable years combined is ~~\$35,000,000~~ \$52,500,000.

21       **SECTION 2107.** 71.47 (5b) (d) of the statutes is renumbered 71.47 (5b) (d) 1.

22       **SECTION 2108.** 71.47 (5b) (d) 2. of the statutes is created to read:

23       71.47 (5b) (d) 2. The Wisconsin adjusted basis of any investment for which a  
24   credit is claimed under par. (b) shall be reduced by the amount of the credit that is  
25   offset against Wisconsin income taxes. The Wisconsin basis of a partner's interest

1 in a partnership, a member's interest in a limited liability company, or stock in a  
2 tax-option corporation shall be adjusted to reflect adjustments made under this  
3 subdivision.

4 **SECTION 2109.** 71.47 (5e) (b) of the statutes is amended to read:

5 71.47 (5e) (b) *Filing claims.* Subject to the limitations provided in this  
6 subsection and subject to 2005 Wisconsin Act 479, section 17, beginning in the first  
7 taxable year following the taxable year in which the claimant claims an exemption  
8 a deduction under s. ~~77.54 (48)~~ 77.585 (9), a claimant may claim as a credit against  
9 the taxes imposed under s. 71.43, up to the amount of those taxes, in each taxable  
10 year for 2 years, the amount certified by the department of commerce that resulted  
11 from the claimant claimed as an exemption claiming a deduction under s. ~~77.54 (48)~~  
12 77.585 (9).

13 **SECTION 2110.** 71.47 (5e) (c) 1. of the statutes is amended to read:

14 71.47 (5e) (c) 1. No credit may be allowed under this subsection unless the  
15 claimant satisfies the requirements under s. ~~77.54 (48)~~ 77.585 (9).

16 **SECTION 2111.** 71.47 (5e) (c) 3. of the statutes is amended to read:

17 71.47 (5e) (c) 3. The total amount of the credits and exemptions the sales and  
18 use tax resulting from the deductions claimed under s. ~~77.585 (9)~~ that may be claimed  
19 by all claimants under this subsection and ss. 71.07 (5e), 71.28 (5e), and ~~77.54 (48)~~  
20 77.585 (9) is \$7,500,000, as determined by the department of commerce.

21 **SECTION 2112.** 71.47 (5h) (a) 4. of the statutes is amended to read:

22 71.47 (5h) (a) 4. "Previously owned property" means real property that the  
23 claimant or a related person owned during the 2 years prior to doing business in this  
24 state as a film production company and for which the claimant may not deduct a loss  
25 from the sale of the property to, or an exchange of the property with, the related



1 person under section 267 of the Internal Revenue Code, except that section 267 of the  
2 Internal Revenue Code is modified so that if the claimant owns any part of the  
3 property, rather than 50 percent ownership, the claimant is subject to section 267 of  
4 the Internal Revenue Code for purposes of this subsection.

5 **SECTION 2113.** 71.47 (5h) (c) 2. of the statutes is amended to read:

6 71.47 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount  
7 expended to construct, rehabilitate, remodel, or repair real property, if the claimant  
8 began the physical work of construction, rehabilitation, remodeling, or repair, or any  
9 demolition or destruction in preparation for the physical work, after December 31,  
10 2007, ~~or if~~ and the completed project is placed in service after December 31, 2007.

11 **SECTION 2114.** 71.47 (5h) (c) 3. of the statutes is amended to read:

12 71.47 (5h) (c) 3. A claimant may claim the credit under par. (b) 2. for an amount  
13 expended to acquire real property, if the property is not previously owned property  
14 and if the claimant acquires the property after December 31, 2007, ~~or if~~ and the  
15 completed project is placed in service after December 31, 2007.

16 **SECTION 2115.** 71.47 (5i) of the statutes is created to read:

17 71.47 (5i) ELECTRONIC MEDICAL RECORDS CREDIT. (a) *Definitions.* In this  
18 subsection, "claimant" means a person who files a claim under this subsection.

19 (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
20 taxable years beginning after December 31, 2008, a claimant may claim as a credit  
21 against the taxes imposed under s. 71.43, up to the amount of those taxes, an amount  
22 equal to 50 percent of the amount the claimant paid in the taxable year for  
23 information technology hardware or software that is used to maintain medical  
24 records in electronic form, if the claimant is a health care provider, as defined in s.  
25 146.81 (1).

1 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed  
2 under this subsection and ss. 71.07 (5i) and 71.28 (5i) in a taxable year is  
3 \$10,000,000, as allocated under s. 560.204.

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

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

14 **SECTION 2116.** 71.47 (5j) of the statutes is created to read:

15 71.47 (5j) ETHANOL AND BIODIESEL FUEL PUMP CREDIT. (a) *Definitions.* In this  
16 subsection:

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

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

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

20 (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
21 taxable years beginning after December 31, 2007, and before January 1, 2018, a  
22 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the  
23 amount of the taxes, an amount that is equal to 25 percent of the amount that the  
24 claimant paid in the taxable year to install or retrofit pumps located in this state that

1 dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20  
2 percent biodiesel fuel.

3 (c) *Limitations.* 1. The maximum amount of the credit that a claimant may  
4 claim under this subsection in a taxable year is an amount that is equal to \$5,000 for  
5 each service station for which the claimant has installed or retrofitted pumps as  
6 described under par. (b).

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

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

17 **SECTION 2116m.** 71.47 (5k) of the statutes is created to read:

18 **71.47 (5k) COMMUNITY REHABILITATION PROGRAM CREDIT.** (a) *Definitions.* In this  
19 subsection:

20 1. "Claimant" means a person who files a claim under this subsection.

21 2. "Community rehabilitation program" means a nonprofit entity, county,  
22 municipality, or state or federal agency that directly provides, or facilitates the  
23 provision of, vocational rehabilitation services to individuals who have disabilities  
24 to maximize the employment opportunities, including career advancement, of such  
25 individuals.

1           3. “Vocational rehabilitation services” include education, training,  
2           employment, counseling, therapy, placement, and case management.

3           4. “Work” includes production, packaging, assembly, food service, custodial  
4           service, clerical service, and other commercial activities that improve employment  
5           opportunities for individuals who have disabilities.

6           (b) *Filing claims.* Subject to the limitations provided in this subsection, for  
7           taxable years beginning after July 1, 2007, a claimant may claim as a credit against  
8           the tax imposed under s. 71.43, up to the amount of those taxes, an amount equal to  
9           5 percent of the amount the claimant paid in the taxable year to a community  
10          rehabilitation program to perform work for the claimant’s business, pursuant to a  
11          contract.

12          (c) *Limitations.* 1. The maximum amount of the credit that any claimant may  
13          claim under this subsection in a taxable year is \$25,000 for each community  
14          rehabilitation program for which the claimant enters into a contract to have the  
15          community rehabilitation program perform work for the claimant’s business.

16          2. No credit may be claimed under this subsection unless the claimant submits  
17          with the claimant’s return a form, as prescribed by the department of revenue, that  
18          verifies that the claimant has entered into a contract with a community  
19          rehabilitation program and that the program has received payment from the  
20          claimant for work provided by the program, consistent with par. (b).

21          3. Partnerships, limited liability companies, and tax-option corporations may  
22          not claim the credit under this subsection, but the eligibility for, and the amount of,  
23          the credit are based on their payment of amounts under par. (b). A partnership,  
24          limited liability company, or tax-option corporation shall compute the amount of  
25          credit that each of its partners, members, or shareholders may claim and shall

1 provide that information to each of them. Partners, members of limited liability  
2 companies, and shareholders of tax-option corporations may claim the credit in  
3 proportion to their ownership interests.

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

6 **SECTION 2116n.** 71.49 (1) (bn) of the statutes is created to read:

7 71.49 (1) (bn) Community rehabilitation program credit under s. 71.47 (5k).

8 **SECTION 2117.** 71.49 (1) (dd) of the statutes is created to read:

9 71.49 (1) (dd) Dairy manufacturing facility investment credit under s. 71.47  
10 (3p).

11 **SECTION 2118.** 71.49 (1) (ds) of the statutes is created to read:

12 71.49 (1) (ds) Ethanol and biodiesel fuel pump credit under s. 71.47 (5j).

13 **SECTION 2119.** 71.49 (1) (epa) of the statutes is created to read:

14 71.49 (1) (epa) Electronic medical records credit under s. 71.47 (5i).

15 **SECTION 2120.** 71.49 (1) (epp) of the statutes is renumbered 71.49 (1) (eps) and  
16 amended to read:

17 71.49 (1) (eps) Film production services credit under s. 71.47 (5f) (b) 1. and 3.

18 **SECTION 2121.** 71.49 (1) (f) of the statutes is amended to read:

19 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47  
20 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under  
21 s. 71.47 (2m), enterprise zone jobs credit under s. 71.47 (3w), film production services  
22 credit under s. 71.28 (5f) (b) 2., and estimated tax payments under s. 71.48.

23 **SECTION 2121s.** 71.54 (1) (f) (intro.) of the statutes is amended to read:

1           71.54 (1) (f) *2001 and thereafter.* (intro.) The Subject to sub. (2m), the amount  
2 of any claim filed in 2001 and thereafter and based on property taxes accrued or rent  
3 constituting property taxes accrued during the previous year is limited as follows:

4           **SECTION 2121t.** 71.54 (2) (b) 3. of the statutes is amended to read:

5           71.54 (2) (b) 3. In Subject to sub. (2m), in calendar year 1990 or any subsequent  
6 calendar year, \$1,450.

7           **SECTION 2122.** 71.54 (2m) of the statutes is created to read:

8           71.54 (2m) INDEXING FOR INFLATION; 2007 AND THEREAFTER. (a) For taxable years  
9 beginning after December 31, 2006, the dollar amounts for the threshold income  
10 under sub. (1) (f) 1. and 2., the maximum household income under sub. (1) (f) 3., and  
11 the maximum property taxes under sub. (2) (b) 3. shall be increased each year by a  
12 percentage equal to the percentage change between the U.S. consumer price index  
13 for all urban consumers, U.S. city average, for the month of August of the previous  
14 year and the U.S. consumer price index for all urban consumers, U.S. city average,  
15 for the month of August 2005, as determined by the federal department of labor.  
16 Each amount that is revised under this paragraph shall be rounded to the nearest  
17 multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount  
18 is a multiple of \$5, such an amount shall be increased to the next higher multiple of  
19 \$10. The department of revenue shall annually adjust the changes in dollar amounts  
20 required under this paragraph and incorporate the changes into the income tax  
21 forms and instructions.

22           (b) The department of revenue shall annually adjust the slope under sub. (1)  
23 (f) 2. such that as a claimant's income increases from the threshold income as  
24 calculated under par. (a), to an amount that exceeds the maximum household income  
25 as calculated under par. (a), the credit that may be claimed is reduced to \$0 and the

1 department of revenue shall incorporate the changes into the income tax forms and  
2 instructions.

3 **SECTION 2127.** 71.738 (1d) of the statutes is repealed.

4 **SECTION 2128.** 71.738 (2d) of the statutes is repealed.

5 **SECTION 2129.** 71.74 (14) of the statutes is amended to read:

6 **71.74 (14) ADDITIONAL REMEDY TO COLLECT TAX.** The department may also  
7 proceed under s. 71.91 (5) for the collection of any additional assessment of income  
8 or franchise taxes or surtaxes, after notice thereof has been given under sub. (11) and  
9 before the same shall have become delinquent, when it has reasonable grounds to  
10 believe that the collection of such additional assessment will be jeopardized by delay.

11 In such cases notice of the intention to so proceed shall be given by registered mail  
12 to the taxpayer, and the warrant of the department shall not issue if the taxpayer  
13 within 10 days after such notice furnishes a bond in such amount, not exceeding  
14 double the amount of the tax, and with such sureties as the department shall  
15 approve, conditioned upon the payment of so much of the additional taxes as shall  
16 finally be determined to be due, together with interest thereon as provided by s. 71.82

17 (1) (a). Nothing in this subsection shall affect the review of additional assessments  
18 provided by ss. 71.88 (1) (a) and (2) (a), 71.89 (2), 73.01, and 73.015, and any amounts  
19 collected under this subsection shall be deposited with the secretary of  
20 administration department and disbursed after final determination of the taxes as  
21 are amounts deposited under s. 71.90 (2).

22 **SECTION 2130.** 71.765 of the statutes is repealed.

23 **SECTION 2131.** 71.775 (3) (a) 2. of the statutes is amended to read:

24 71.775 (3) (a) 2. The partner, member, shareholder, or beneficiary has no  
25 Wisconsin income other than his or her partner's, member's, shareholder's, or

1 beneficiary's share of income from the pass-through entity that is attributable to this  
2 state and his or her share of such income is less than \$1,000.

3 **SECTION 2132.** 71.775 (3) (a) 3. of the statutes is created to read:

4 71.775 (3) (a) 3. The nonresident partner, member, shareholder, or beneficiary  
5 files an affidavit with the department, in the form and manner prescribed by the  
6 department, whereby the nonresident partner, member, shareholder, or beneficiary  
7 agrees to file a Wisconsin income or franchise tax return and be subject to the  
8 personal jurisdiction of the department, the tax appeals commission, and the courts  
9 of this state for the purpose of determining and collecting Wisconsin income and  
10 franchise taxes, including estimated tax payments, together with any related  
11 interest and penalties.

12 **SECTION 2133.** 71.775 (4) (b) 2. of the statutes is amended to read:

13 71.775 (4) (b) 2. ~~A pass-through entity that pays the tax withheld under sub.~~  
14 ~~(2) as provided under subd. 1. is not subject to an underpayment of estimated tax~~  
15 ~~under s. 71.09 or 71.29, if 90 percent of the tax that is due for the current taxable year~~  
16 ~~is paid by the unextended due date or if 100 percent of the tax that is due for the~~  
17 ~~taxable year immediately preceding the current taxable year is paid by the~~  
18 ~~unextended due date and the taxable year immediately preceding the current~~  
19 ~~taxable year was a 12-month period. Interest Except as provided in par. (f), interest~~  
20 ~~at the rate of 12 percent shall be imposed on the unpaid amount of the tax withheld~~  
21 ~~due under sub. (2) during any extension period and interest at the rate of 18 percent~~  
22 ~~shall be imposed on the unpaid amount of the tax withheld due under sub. (2) for the~~  
23 ~~period beginning with the extended due date and ending with the date that the~~  
24 ~~unpaid amount is paid in full.~~

25 **SECTION 2134.** 71.775 (4) (d) of the statutes is amended to read:



1           71.775 (4) (d) A nonresident partner, member, shareholder, or beneficiary of a  
2    pass-through entity may claim a credit, as prescribed by the department, on his or  
3    her Wisconsin income or franchise tax return for the amount withheld under sub. (2)  
4    on his or her behalf for the tax period for which the income of the pass-through entity  
5    is reported. For purposes of this paragraph determining whether interest under s.  
6    71.84 applies to a nonresident partner, member, shareholder, or beneficiary, the  
7    amount withheld under sub. (2) is considered to be paid on the last day of the  
8    pass-through entity's taxable year for which the tax is paid in 4 equal quarterly  
9    installments.

10           **SECTION 2135.** 71.775 (4) (f) of the statutes is amended to read:

11           71.775 (4) (f) If a pass-through entity subject to withholding under this section  
12    fails to withhold pay the tax as required by this section, the pass-through entity shall  
13    be liable for any unpaid tax, interest, and penalties otherwise assessable to the  
14    nonresident partner, member, shareholder, or beneficiary with respect to income  
15    from the pass-through entity. If a nonresident partner, member, shareholder, or  
16    beneficiary of the pass-through entity files a return and pays the tax due, the  
17    pass-through entity shall not be liable for the tax, but shall be liable for any interest  
18    and penalties otherwise applicable for failure to withhold, as the penalty provided  
19    under ss. 71.82 (2) (d) and s. 71.83 (1) (a) 1. and for any interest otherwise assessable  
20    to the nonresident partner, member, shareholder, or beneficiary with respect to  
21    income from the pass-through entity.

22           **SECTION 2136.** 71.80 (20) of the statutes is amended to read:

23           71.80 (20) MAGNETIC MEDIA ELECTRONIC FILING. If the internal revenue service  
24    requires a person to file information returns or wage statements on magnetic media  
25    or in other machine-readable form electronically for federal income tax purposes, the

1 person shall also file the comparable state information returns or wage statements  
2 ~~on magnetic media or in other machine-readable form~~ electronically with the  
3 department of revenue for income or franchise tax purposes.

4 **SECTION 2137.** 71.805 of the statutes is created to read:

5 **71.805 Tax avoidance transactions voluntary compliance program. (1)**

6 **DEFINITIONS.** In this section:

7 (a) "Tax avoidance transaction" means a transaction, plan, or arrangement  
8 devised for the principal purpose of avoiding federal or Wisconsin income or  
9 franchise tax. "Tax avoidance transaction" includes a listed transaction as provided  
10 under U.S. department of the treasury regulations as of the effective date of this  
11 paragraph .... [revisor inserts date], and may include a transaction, as determined  
12 by the department, that provides a tax benefit for Wisconsin income or franchise tax  
13 purposes without providing a similar benefit for federal income tax purposes.

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

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

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

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

1           **(3) TAXPAYER ELIGIBILITY.** A taxpayer is eligible for the benefits described under  
2           sub. (2) (a) and (b), if, during the period beginning on October 1, 2007, and ending  
3           on February 29, 2008, the taxpayer does the following:

4           (a) Files an amended Wisconsin tax return for each taxable year for which the  
5           taxpayer has previously filed a Wisconsin tax return that uses a tax avoidance  
6           transaction to underreport the taxpayer's Wisconsin income or franchise tax liability  
7           and the amended return reports the total Wisconsin net income and tax for the  
8           taxable year, computed without regard to any tax avoidance transaction and without  
9           regard to any other adjustment that is unrelated to any tax avoidance transaction.

10          (b) Pays, in full, for each taxable year for which an amended return is filed  
11          under par. (a), the entire amount of Wisconsin income or franchise tax and interest  
12          due that is attributable to using a tax avoidance transaction, except that the  
13          secretary of revenue may enter into an agreement with the taxpayer to make  
14          payments in installments. A taxpayer who does not comply with an installment  
15          agreement provided under this paragraph is ineligible to receive the benefits  
16          described under sub. (2) (a) and (b) and the total amount of tax, interest, and  
17          penalties shall be immediately due and payable.

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

22          (b) The department may not waive or abate a penalty as provided under sub.  
23          (2) (a) if the penalty relates to an amount of Wisconsin income and franchise tax that  
24          is attributable to a tax avoidance transaction and assessed or paid prior to October  
25          1, 2007, or after February 29, 2008.

1 SECTION 2138. 71.81 of the statutes is created to read:

2 **71.81 Disclosing reportable transactions.** (1) DEFINITIONS. In this section:

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

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

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

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

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

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

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

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

6           4. In the case of a listed transaction, from which the tax benefits are provided  
7 primarily 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 required by the internal revenue service for disclosing the 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 February 29, 2008. 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, 2001, or any  
19 reportable transaction entered into prior to January 1, 2001, that reduced the  
20 taxpayer's tax liability for taxable years beginning on or after January 1, 2001, for  
21 any taxable year for which the transaction remains undisclosed and for which the  
22 statute of limitations on assessment, including any extension provided under sub.  
23 (6), has not expired as of the date that is 60 days after the effective date of this  
24 subsection ... [revisor inserts date].

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

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

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

8 (b) The secretary of revenue may waive or abate any penalty imposed under  
9 this subsection, or any portion of such penalty, related to a reportable transaction  
10 that is not a listed transaction, if the waiver or abatement promotes compliance with  
11 this section and effective tax administration. Notwithstanding any other law or rule,  
12 a determination by the secretary of revenue under this paragraph may not be  
13 reviewed in any judicial proceeding.

14 (c) The penalties imposed under this subsection apply to any failure to disclose  
15 a listed transaction entered into on or after January 1, 2001, or entered into prior to  
16 January 1, 2001, that reduced the taxpayer's tax liability for taxable years beginning  
17 on or after January 1, 2001, including transactions that were not listed transactions  
18 when entered into, but became listed transactions before the effective date of this  
19 paragraph .... [revisor inserts date], or any other reportable transaction entered into  
20 after the effective date of this paragraph .... [revisor inserts date], for any taxable  
21 year for which the statute of limitations on assessment, including any extension  
22 under sub. (6), has not expired as of the effective date of this paragraph .... [revisor  
23 inserts date].

24 (4) UNDERSTATEMENT PENALTY. (a) If a taxpayer has a reportable transaction  
25 understatement, as determined in par. (b), the taxpayer shall pay, in addition to any

1 tax owed with regard to the reportable transaction, an amount equal to either 20  
2 percent of the reportable transaction understatement or, in the case of a reportable  
3 transaction that is not disclosed as provided in sub. (2), 30 percent of the reportable  
4 transaction understatement.

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

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

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

20 (c) The secretary of revenue may waive or abate any penalty imposed under this  
21 subsection, or any portion of such penalty, if the taxpayer demonstrates to the  
22 department that the taxpayer had reasonable cause to act the way the taxpayer did,  
23 and in good faith, with regard to the tax treatment for which the taxpayer is subject  
24 to a penalty under this subsection and all facts relevant to the tax treatment are  
25 adequately disclosed in the filing under sub. (2); except that, if the taxpayer does not

1 fully disclose such facts under sub. (2), the taxpayer's penalty may be waived or  
2 abated under this paragraph if the taxpayer demonstrates to the department that  
3 the taxpayer reasonably believed that the tax treatment for which the taxpayer is  
4 subject to a penalty under this subsection was more likely than not the proper  
5 treatment and substantial authority exists or existed for the tax treatment for which  
6 the taxpayer is subject to a penalty under this subsection. Notwithstanding any  
7 other law or rule, a determination by the secretary of revenue under this paragraph  
8 may not be reviewed in any judicial proceeding.

9 (d) The penalties under par. (a) apply to any reportable transaction  
10 understatement from a reportable transaction, including a listed transaction,  
11 entered into on or after January 1, 2001, or entered into prior to January 1, 2001, that  
12 reduced the taxpayer's tax liability for taxable years beginning on or after January  
13 1, 2001, for any taxable year for which the statute of limitations on assessment,  
14 including any extension provided under sub. (6), has not expired as of the effective  
15 date of this paragraph .... [revisor inserts date].

16 (5) ADDITIONAL UNDERSTATEMENT PENALTY. (a) 1. In addition to the penalty  
17 under sub. (4) (a), a taxpayer who files an amended return after February 29, 2008,  
18 and before the taxpayer is contacted by the internal revenue service or the  
19 department regarding a reportable transaction is subject to a penalty in an amount  
20 equal to 50 percent of the interest assessed under s. 71.82 on any reportable  
21 transaction understatement, as determined under sub. (4) (b), for the tax period for  
22 which the taxpayer files an amended return.

23 2. If the internal revenue service or the department contacts a taxpayer after  
24 February 29, 2008, regarding a reportable transaction and the taxpayer is contacted  
25 before the taxpayer files an amended return with respect to that transaction, the



1 taxpayer is subject to a penalty in an amount equal to the interest assessed under  
2 s. 71.82 on any reportable transaction understatement, as determined under sub. (4)  
3 (b), for the tax period for which the internal revenue service or the department  
4 contacts the taxpayer.

5 (b) The penalties under par. (a) apply to any reportable transaction  
6 understatement resulting from a reportable transaction, including a listed  
7 transaction, entered into on or after January 1, 2001, or entered into prior to January  
8 1, 2001, that reduced the taxpayer's tax liability for taxable years beginning on or  
9 after January 1, 2001, for any taxable year for which the statute of limitations on  
10 assessment, including any extension provided under sub. (6), has not expired as of  
11 the effective date of this paragraph .... [revisor inserts date].

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

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

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

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

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

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

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

23           (c) This subsection applies to any reportable transaction, including a listed  
24 transaction entered into on or after January 1, 2001, or entered into prior to January

1 1, 2001, that reduced the taxpayer's tax liability for taxable years beginning on or  
2 after January 1, 2001.

3 (7) MATERIAL ADVISOR. (a) Each material advisor who is required to disclose a  
4 reportable transaction under section 6111 of the Internal Revenue Code shall file a  
5 copy of the disclosure with the department no later than 60 days after the date for  
6 which the material advisor is required to file the disclosure with the internal revenue  
7 service, except that, if a material advisor files the disclosure with the internal  
8 revenue service on or before the effective date of this paragraph ... [revisor inserts  
9 date], the material advisor shall file a copy of the disclosure with the department no  
10 later than February 29, 2008.

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

21 (c) This subsection applies to reportable transactions, not including listed  
22 transactions, for which a material advisor provides services after the effective date  
23 of this paragraph ... [revisor inserts date], and listed transactions for which a  
24 material advisor provides services, and were entered into, on or after January 1,  
25 2001, or were entered into prior to January 1, 2001, and that reduced the taxpayer's

1 tax liability for taxable years beginning on or after January 1, 2001, regardless of  
2 when the transactions became listed transactions.

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

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

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

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

17 (c) The secretary of revenue may waive or abate any penalty imposed under this  
18 subsection, or any portion of such penalty, related to a reportable transaction that  
19 is not a listed transaction, if the waiver or abatement promotes compliance with this  
20 section and effective tax administration or, with regard to the penalty imposed under  
21 par. (b), if, on each day after the time for providing the list without incurring a  
22 penalty has expired, the person demonstrates to the department that the person's  
23 failure to provide the list on that day is because of reasonable cause.

24 Notwithstanding any other law or rule, a determination by the secretary of revenue  
25 under this paragraph may not be reviewed in any judicial proceeding.

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

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

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

23           **SECTION 2139.** 71.83 (1) (a) 1. of the statutes is amended to read:

24           71.83 (1) (a) 1. 'Failure to file.' In case of failure to file any return required  
25 under s. 71.03, 71.24 or, 71.44, or 71.775 on the due date prescribed therefor,

1 including any applicable extension of time for filing, unless it is shown that the  
2 failure is due to reasonable cause and not due to willful neglect, there shall be added  
3 to the amount required to be shown as tax on the return 5% of the amount of the tax  
4 if the failure is for not more than one month, with an additional 5% for each  
5 additional month or fraction thereof during which the failure continues, not  
6 exceeding 25% in the aggregate. For purposes of this subdivision, the amount of tax  
7 required to be shown on the return shall be reduced by the amount of any part of the  
8 tax which is paid on or before the due date prescribed for payment and by the amount  
9 of any credit against the tax which may be claimed upon the return.

10 **SECTION 2139e.** 71.83 (1) (a) 6. of the statutes is amended to read:

11 71.83 (1) (a) 6. 'Retirement plans.' Any natural person who is liable for a  
12 penalty for federal income tax purposes under section 72 (m) (5), (q), (t), and (v), 4973,  
13 4974, 4975, or 4980A of the ~~internal revenue code~~ Internal Revenue Code is liable  
14 for 33% of the federal penalty unless the income received is exempt from taxation  
15 under s. 71.05 (1) (a) or (ae). The penalties provided under this subdivision shall be  
16 assessed, levied, and collected in the same manner as income or franchise taxes.

17 **SECTION 2140.** 71.90 (2) of the statutes is amended to read:

18 71.90 (2) ~~DEPOSIT WITH THE SECRETARY OF ADMINISTRATION DEPARTMENT~~ At any  
19 time while the petition is pending before the tax appeals commission or an appeal  
20 in regard to that petition is pending in a court, the taxpayer may offer to deposit the  
21 entire amount of the additional taxes, penalties, and fines, together with interest,  
22 with the ~~secretary of administration~~. If an offer to deposit is made, the department  
23 of revenue shall issue a certificate to the ~~secretary of administration~~ authorizing the  
24 ~~secretary to accept payment of such taxes together with interest to the first day of~~  
25 ~~the succeeding month and to give a receipt. A copy of the certificate shall be mailed~~

1 to the taxpayer who shall pay the taxes and interest to the secretary of  
2 administration within 30 days. A copy of the receipt of the secretary of  
3 administration shall be filed with the department. The department shall, upon final  
4 determination of the appeal, certify to the secretary of administration the amount  
5 of the taxes as finally determined and direct the secretary of administration to refund  
6 to the appellant any portion of such payment which has been found to have been  
7 improperly assessed, including interest. The secretary of administration shall make  
8 the refunds directed by the certificate within 30 days after receipt. Taxes paid to the  
9 secretary of administration under this subsection shall be subject to the interest  
10 provided by ss. 71.82 and 71.91 (1) (c) only to the extent of the interest accrued on  
11 the taxes prior to the first day of the month succeeding the application for hearing.  
12 Any portion of the amount deposited with the secretary of administration which is  
13 refunded to the taxpayer shall bear interest at the rate of 9% per year during the time  
14 that the funds are on deposit.

15 **SECTION 2141.** 71.93 (1) (a) 2. of the statutes is amended to read:

16 71.93 (1) (a) 2. A delinquent child support or spousal support obligation that  
17 has been reduced to a judgment and has been submitted by an agency of another  
18 state to the department of workforce development children and families for  
19 certification under this section.

20 **SECTION 2142.** 71.93 (1) (a) 4. of the statutes is amended to read:

21 71.93 (1) (a) 4. An amount that the department of workforce development  
22 children and families may recover under s. 49.161 or 49.195 (3) or collect under s.  
23 49.147 (6) (cm), if the department of workforce development children and families  
24 has certified the amount under s. 49.85.

25 **SECTION 2143m.** 73.01 (4) (e) 2. of the statutes is amended to read:

1           73.01 (4) (e) 2. Except for hearings on ss. 341.405 and 341.45, the department  
2 of revenue may choose not to appeal and to nonacquiesce in the decision or order by  
3 sending a notice of nonacquiescence to the clerk of the commission, to the revisor of  
4 statutes legislative reference bureau for publication in the Wisconsin administrative  
5 register and to the taxpayer or the taxpayer's representative before the time expires  
6 for seeking a review of the decision or order under s. 73.015. The effect of this action  
7 is that, although the decision or order is binding on the parties for the instant case,  
8 the commission's conclusions of law, the rationale and construction of statutes in the  
9 instant case are not binding upon or required to be followed by the department of  
10 revenue in other cases.

11           **SECTION 2146.** 73.03 (2a) of the statutes is amended to read:

12           73.03 (2a) To prepare, ~~have published and distribute to each property tax~~  
13 ~~assessor and to others who so request and publish, in electronic form and on the~~  
14 Internet, assessment manuals. The manual shall discuss and illustrate accepted  
15 assessment methods, techniques and practices with a view to more nearly uniform  
16 and more consistent assessments of property at the local level. The manual shall be  
17 amended by the department from time to time to reflect advances in the science of  
18 assessment, court decisions concerning assessment practices, costs, and statistical  
19 and other information considered valuable to local assessors by the department. The  
20 manual shall incorporate standards for the assessment of all types of renewable  
21 energy resource systems used in this state as soon as such systems are used in  
22 sufficient numbers and sufficient data exists to allow the formulation of valid  
23 guidelines. The manual shall incorporate standards, which the department of  
24 revenue and the state historical society of Wisconsin shall develop, for the  
25 assessment of nonhistoric property in historic districts and for the assessment of



1 historic property, including but not limited to property that is being preserved or  
2 restored; property that is subject to a protective easement, covenant or other  
3 restriction for historic preservation purposes; property that is listed in the national  
4 register of historic places in Wisconsin or in this state's register of historic places and  
5 property that is designated as a historic landmark and is subject to restrictions  
6 imposed by a municipality or by a landmarks commission. The manual shall  
7 incorporate general guidelines about ways to determine whether property is taxable  
8 in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in specific  
9 situations. The manual shall state that assessors are required to comply with s. 70.32  
10 (1g) and shall suggest procedures for doing so. The manual or a supplement to it shall  
11 specify per acre value guidelines for each municipality for various categories of  
12 agricultural land based on the income that could be generated from its estimated  
13 rental for agricultural use, as defined by rule, and capitalization rates established  
14 by rule. The manual shall include guidelines for classifying land as agricultural  
15 land, as defined in s. 70.32 (2) (c) 1g., and guidelines for distinguishing between land  
16 and improvements to land. The cost of the development, preparation, and Internet  
17 publication and distribution of the manual and of revisions and amendments to it  
18 shall be borne by the assessors and requesters at an individual volume cost or a  
19 subscription cost as determined by the department. All receipts shall be credited to  
20 paid from the appropriation under s. 20.566 (2) (hi). The department may provide  
21 free assessment manuals to other state agencies or exchange them at no cost with  
22 agencies of other states or of the federal government for similar information or  
23 publications (b).

24 SECTION 2147. 73.03 (28e) of the statutes is created to read:

1           73.03 (28e) To participate as a member state of the streamlined sales tax  
2 governing board which administers the agreement, as defined in s. 77.65 (2) (a), and  
3 includes having the governing board enter into contracts that are necessary to  
4 implement the agreement on behalf of the member states, and to allocate a portion  
5 of the amount collected under ch. 77 through the agreement to the appropriation  
6 under s. 20.566 (1) (ho) to pay the dues necessary to participate in the governing  
7 board. The department shall allocate the remainder of such collections to the general  
8 fund.

9           **SECTION 2148.** 73.03 (50) (c) of the statutes is amended to read:

10           73.03 (50) (c) In the case of an applicant who is an individual and who has a  
11 social security number, sets forth the social security number of the applicant or, in  
12 the case of an applicant who is an individual and who does not have a social security  
13 number, submits a statement made or subscribed under oath or affirmation that the  
14 applicant does not have a social security number. The form of the statement shall  
15 be prescribed by the department of ~~workforce development~~ children and families. A  
16 certificate issued in reliance upon a false statement submitted under this paragraph  
17 is invalid.

18           **SECTION 2149.** 73.03 (50) (d) of the statutes is amended to read:

19           73.03 (50) (d) In the case of a sole proprietor, signs the form or, in the case of  
20 other persons, has an individual who is authorized to act on behalf of the person sign  
21 the form, or, in the case of a single-owner entity that is disregarded as a separate  
22 entity under section 7701 of the Internal Revenue Code, the person is the owner. Any  
23 person who may register under this subsection may designate an agent, as defined  
24 in s. 77.524 (1) (ag), to register with the department under this subsection in the

1 manner prescribed by the department. In this paragraph, "sign" has the meaning  
2 given in s. 77.51 (17r).

3 **SECTION 2150.** 73.03 (50b) of the statutes is created to read:

4 **73.03 (50b)** To waive the fee established under sub. (50) for applying for and  
5 renewing the business tax registration certificate, if the person who is applying for  
6 or renewing the certificate is not required for purposes of ch. 77 to hold such a  
7 certificate.

8 **SECTION 2151.** 73.03 (50m) of the statutes is amended to read:

9 **73.03 (50m)** To enter into a memorandum of understanding with the  
10 department of workforce development children and families under s. 49.857. The  
11 department of revenue shall suspend, refuse to issue or refuse to renew any  
12 certificate issued under sub. (50) as provided in the memorandum of understanding  
13 entered into under s. 49.857. Notwithstanding ss. 71.78 and 77.61 (5), the  
14 department of revenue shall disclose to the department of workforce development  
15 children and families the social security number of any applicant for a certificate  
16 issued under sub. (50) as provided in the memorandum of understanding.

17 **SECTION 2152.** 73.03 (52n) of the statutes is created to read:

18 **73.03 (52n)** To enter into agreements with federally recognized tribes located  
19 in this state that provide for offsetting state tax refunds against tribal obligations  
20 and to charge a fee up to \$25 per transaction to the debtor for the administrative costs  
21 of such setoffs. The administrative costs collected under this subsection shall be  
22 credited to the appropriation under s. 20.566 (1) (h). Setoffs under ss. 71.93, 71.935,  
23 and 73.03 (52) shall occur before setoffs under this subsection. Any legal proceeding  
24 to contest a setoff under this subsection shall be brought against the tribe under the  
25 process established by the tribe.

1           **SECTION 2153.** 73.03 (61) of the statutes is created to read:

2           **73.03 (61)** To do all of the following related to the Uniform Sales and Use Tax  
3 Administration Act:

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

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

8           (c) Consistent with the agreement, as defined in s. 77.65 (2) (a), establish  
9 performance standards and eligibility criteria for a seller that sells tangible personal  
10 property, items or property under s. 77.52 (1) (b) or (c), or taxable services in at least  
11 5 states that are signatories to the agreement, as defined in s. 77.65 (2) (a); that has  
12 total annual sales revenue of at least \$500,000,000; that has a proprietary system  
13 that calculates the amount of tax owed to each taxing jurisdiction in which the seller  
14 sells tangible personal property, items or property under s. 77.52 (1) (b) or (c), or  
15 taxable services; and that has entered into a performance agreement with the states  
16 that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of  
17 this paragraph, "seller" includes an affiliated group of sellers using the same  
18 proprietary system to calculate the amount of tax owed in each taxing jurisdiction  
19 in which the sellers sell tangible personal property, items or property under s. 77.52  
20 (1) (b) or (c), or taxable services.

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

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

5 (f) Maintain a database that is accessible to sellers and certified service  
6 providers, as defined in s. 77.51 (1g), and available in a downloadable format, that  
7 indicates tax rates, taxing jurisdiction boundaries, and zip code or address  
8 assignments related to the administration of taxes imposed under subchs. III and V  
9 of ch. 77.

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

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

17 **SECTION 2154.** 73.03 (63) of the statutes is created to read:

18 **73.03 (63)** Notwithstanding the amount limitations specified under ss. 71.07  
19 (5b) (c) 1. and (5d) (c) 1., 71.28 (5b) (c) 1., 71.47 (5b) (c) 1., and 560.205 (3) (d), in  
20 consultation with the department of commerce, to carry forward to subsequent  
21 taxable years unclaimed credit amounts of the early stage seed investment credits  
22 under ss. 71.07 (5b), 71.28 (5b), and 71.47 (5b) and the angel investment credit under  
23 s. 71.07 (5d). Annually, no later than July 1, the department of commerce shall  
24 submit to the department of revenue its recommendations for the carry forward of  
25 credit amounts as provided under this subsection.

1           **SECTION 2155.** 73.0301 (1) (d) 2. of the statutes is amended to read:

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

6           **SECTION 2156m.** 73.0301 (1) (e) of the statutes, as affected by 2007 Wisconsin  
7           Act 1, is amended to read:

8           73.0301 (1) (e) "Licensing department" means the department of  
9           administration; the board of commissioners of public lands; the department of  
10          commerce; the department of children and families; the government accountability  
11          board; the department of financial institutions; the department of health and family  
12          services; the department of natural resources; the department of public instruction;  
13          the department of regulation and licensing; the department of workforce  
14          development; the office of the commissioner of insurance; or the department of  
15          transportation.

16          **SECTION 2157.** 73.0301 (2) (c) 1. am. of the statutes is amended to read:

17          73.0301 (2) (c) 1. am. If the applicant is an individual and does not have a social  
18          security number, a statement made or subscribed under oath or affirmation that the  
19          applicant does not have a social security number. The form of the statement shall  
20          be prescribed by the department of ~~workforce development~~ children and families. A  
21          license issued in reliance upon a false statement submitted under this subd. 1. am.  
22          is invalid.

23          **SECTION 2158.** 73.0301 (2) (c) 2. of the statutes is amended to read:

24          73.0301 (2) (c) 2. A licensing department may not disclose any information  
25          received under subd. 1. a. or b. to any person except to the department of revenue for

1 the purpose of requesting certifications under par. (b) 2. in accordance with the  
2 memorandum of understanding under sub. (4) and administering state taxes or to  
3 the department of workforce development children and families for the purpose of  
4 administering s. 49.22.

5 **SECTION 2159.** 74.09 (3) (b) 6m. of the statutes is created to read:

6 74.09 (3) (b) 6m. The amount of the credit under s. 79.10 (5m) allocable to the  
7 property for the previous year and the current year, and the percentage change  
8 between those years.

9 **SECTION 2160.** 74.09 (3) (b) 7. of the statutes is amended to read:

10 74.09 (3) (b) 7. The amount obtained by subtracting the amount amounts under  
11 subd. subds. 6. and 6m. from the amount under subd. 5., for the previous year and  
12 the current year, and the percentage change in that amount between those years.

13 **SECTION 2161.** 76.07 (4g) (b) 8. of the statutes is amended to read:

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

21 **SECTION 2161g.** 76.29 (1) (f) of the statutes is amended to read:

22 76.29 (1) (f) "Tax period" means each calendar year or portion of a calendar year  
23 from January 1, 2004, to December 31, 2009.

24 **SECTION 2161h.** 76.29 (2) of the statutes is amended to read:

1        76.29 (2) IMPOSITION. There is imposed on every light, heat, and power company  
2        and electric cooperative that owns an electric utility plant, an annual license fee to  
3        be assessed by the department on or before May 1, 2005, and every May 1 thereafter,  
4        ending with the assessment on May 1, 2010, measured by the gross revenues of the  
5        preceding tax period in an amount equal to the apportionment factor multiplied by  
6        gross revenues multiplied by 1.59%. The fee shall become delinquent if not paid  
7        when due and when delinquent shall be subject to interest at the rate of 1.5% per  
8        month until paid. Gross revenues earned by a light, heat, and power company after  
9        December 31, 2009, are subject to the license fee imposed under s. 76.28 (2). Gross  
10       revenues earned by an electric cooperative after December 31, 2009, are subject to  
11       the license fee imposed under s. 76.48 (1r).

12        **SECTION 2161n.** 76.635 (1) (a) of the statutes is amended to read:

13        76.635 (1) (a) "Certified capital company" has the meaning given in s. 560.30

14        ~~(2) 560.29 (1) (a).~~

15        **SECTION 2161o.** 76.635 (1) (b) of the statutes is amended to read:

16        76.635 (1) (b) "Certified capital investment" has the meaning given in s. 560.30

17        ~~(4) 560.29 (1) (b).~~

18        **SECTION 2161p.** 76.635 (1) (c) of the statutes is amended to read:

19        76.635 (1) (c) "Investment date" has the meaning given in s. 560.30 ~~(6)~~ 560.29

20        (1) (d).

21        **SECTION 2161q.** 76.635 (1) (d) of the statutes is amended to read:

22        76.635 (1) (d) "Investment pool" has the meaning given in s. 560.30 ~~(7)~~ 560.29

23        (1) (e).

24        **SECTION 2161r.** 76.635 (1) (e) of the statutes is amended to read:



1 76.635 (1) (e) "Qualified investment" has the meaning given in s. 560.30 (11)  
2 560.29 (1) (g).

3 **SECTION 2161s.** 76.635 (4) (a) of the statutes is amended to read:

4 76.635 (4) (a) If a certified capital company is decertified, or an investment pool  
5 is disqualified, under s. 560.37, 2005 stats., before the certified capital company  
6 fulfills the investment requirement under s. 560.34 (1m) (a) 1., 2005 stats., with  
7 respect to the investment pool, any insurer that has received a credit under this  
8 section with respect to that investment pool shall repay that credit to the  
9 commissioner of insurance, for deposit in the general fund, and may not claim more  
10 credit in respect to that investment pool.

11 **SECTION 2161t.** 76.635 (4) (b) of the statutes is amended to read:

12 76.635 (4) (b) If a certified capital company fulfills the investment requirement  
13 under s. 560.34 (1m) (a) 1., 2005 stats., with respect to an investment pool but the  
14 certified capital company is decertified, or an investment pool is disqualified, under  
15 s. 560.37, 2005 stats., before the certified capital company fulfills the investment  
16 requirement under s. 560.34 (1m) (a) 2., 2005 stats., for that investment pool, any  
17 insurer that has received a credit under this section with respect to that investment  
18 pool shall repay all credits that were claimed for taxable years after the taxable year  
19 that includes the 3rd anniversary of the investment date of the investment pool and  
20 may claim no more credits for taxable years after the taxable year that includes the  
21 3rd anniversary of the investment date of the investment pool.

22 **SECTION 2162.** 76.636 (1) (e) of the statutes is amended to read:

23 76.636 (1) (e) "Member of a targeted group" means a person who resides in an  
24 area designated by the federal government as an economic revitalization area, a  
25 person who is employed in an unsubsidized job but meets the eligibility requirements

1 under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who  
2 is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work, real pay  
3 project position under s. 49.147 (3m), a person who is eligible for child care assistance  
4 under s. 49.155, a person who is a vocational rehabilitation referral, an economically  
5 disadvantaged youth, an economically disadvantaged veteran, a supplemental  
6 security income recipient, a general assistance recipient, an economically  
7 disadvantaged ex-convict, a qualified summer youth employee, as defined in 26 USC  
8 51 (d) (7), a dislocated worker, as defined in 29 USC 2801 (9), or a food stamp  
9 recipient, if the person has been certified in the manner under s. 71.47 (1dj) (am) 3.  
10 by a designated local agency, as defined in s. 71.47 (1dj) (am) 2.

11 **SECTION 2163.** 76.636 (2) (b) of the statutes is amended to read:

12 76.636 (2) (b) The amount determined by multiplying the amount determined  
13 under s. 560.785 (1) (b) by the number of full-time jobs created in a development zone  
14 and filled by a member of a targeted group and by then subtracting the subsidies paid  
15 under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147 (3m)  
16 (c) for those jobs.

17 **SECTION 2164.** 76.636 (2) (c) of the statutes is amended to read:

18 76.636 (2) (c) The amount determined by multiplying the amount determined  
19 under s. 560.785 (1) (c) by the number of full-time jobs created in a development zone  
20 and not filled by a member of a targeted group and by then subtracting the subsidies  
21 paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid under s. 49.147  
22 (3m) (c) for those jobs.

23 **SECTION 2165.** 76.636 (2) (d) of the statutes is amended to read:

24 76.636 (2) (d) The amount determined by multiplying the amount determined  
25 under s. 560.785 (1) (bm) by the number of full-time jobs retained, as provided in the