

71.47 (3q) for the period beginning on January 1, 2010, and ending on June 30, 2013, is \$14,500,000.

(d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bb), except that the amounts certified under this subdivision for taxable years beginning after December 31, 2009, and before January 1, 2012, shall be paid in taxable years beginning after December 31, 2011.

SECTION 1655m. 71.28 (3w) (bm) 1. of the statutes, as affected by 2009 Wisconsin Act 11, is amended to read:

71.28 (3w) (bm) 1. In addition to the credits under par. (b) and ~~subd. subds. 2. and 3.~~, and subject to the limitations provided in this subsection and s. 560.799, a claimant may claim as a credit against the tax imposed under s. 71.23 an amount equal to a percentage, as determined by the department of commerce, not to exceed 100 percent, of the amount the claimant paid in the taxable year to upgrade or improve the job-related skills of any of the claimant's full-time employees, to train any of the claimant's full-time employees on the use of job-related new technologies, or to provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job. This subdivision does not apply to employees who do not work in an enterprise zone.

SECTION 1655n. 71.28 (3w) (bm) 2. of the statutes, as created by 2009 Wisconsin Act 11, is amended to read:

71.28 (3w) (bm) 2. In addition to the credits under par. (b) and ~~subd. subds. 1. and 3.~~, and subject to the limitations provided in this subsection and s. 560.799, a claimant may claim as a credit against the tax imposed under s. 71.23 an amount equal to the percentage, as determined by the department of commerce under s. 560.799, not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than \$20,000 in a tier I county or municipality, not including the wages paid to the employees determined under par. (b) 1., or greater than \$30,000 in a tier II county or municipality, not including the wages paid to the employees determined under par. (b) 1., and who the claimant employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year. A claimant may claim a credit under this subdivision for no more than 5 consecutive taxable years.

SECTION 1655p. 71.28 (3w) (bm) 3. of the statutes is created to read:

71.28 (3w) (bm) 3. In addition to the credits under par. (b) and subds. 1. and 2., and subject to the limitations provided in this subsection and s. 560.799, for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.23 up to 10 percent of the claimant's significant capital expenditures, as determined by the department of commerce under s. 560.799 (5m).

SECTION 1655r. 71.28 (3w) (c) 3. of the statutes is amended to read:

71.28 (3w) (c) 3. No credit may be allowed under this subsection unless the claimant includes with the claimant's return a copy of the claimant's certification for tax benefits under s. 560.799 (5) ~~or (5m)~~.

SECTION 1656. 71.28 (4m) of the statutes is created to read:

71.28 (4m) SUPER RESEARCH AND DEVELOPMENT CREDIT. (a) *Definition.* In this subsection, "qualified research expenses" means qualified research expenses as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the claimant for research conducted in this state for the taxable year and except that "qualified research expenses" do not include compensation used in computing the credits under subs. (1dj) and (1dx).

(b) *Credit.* Subject to the limitations provided under this subsection, for taxable years beginning on or after January 1, 2011, a corporation may claim as a credit against the tax imposed under s. 71.23, up to the amount of those taxes, an amount equal to the amount of qualified research expenses paid or incurred by the corporation in the taxable year that exceeds the amount calculated as follows:

1. Determine the average amount of the qualified research expenses paid or incurred by the corporation in the 3 taxable years immediately preceding the taxable year for which a credit is claimed under this subsection.

2. Multiply the amount determined under subd. 1. by 1.25.

(c) *Limitations.* Subsection (4) (b) to (d) and (i), as it applies to the credit under sub. (4), applies to the credit under this subsection.

(d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

2. If a credit computed under this subsection is not entirely offset against Wisconsin income or franchise taxes otherwise due, the unused balance may be carried forward and credited against Wisconsin income or franchise taxes otherwise due for the following 5 taxable years to the extent not offset by these taxes otherwise due in all intervening years between the year in which the expense was incurred and the year in which the carry-forward credit is claimed.

SECTION 1659. 71.28 (5b) (d) 3. of the statutes is created to read:

71.28 (5b) (d) 3. For calendar years beginning after December 31, 2007, if an investment for which a claimant claims a credit under par. (b) is held by the claimant for less than 3 years, the claimant shall pay to the department, in the manner prescribed by the department, the amount of the credit that the claimant received related to the investment.

SECTION 1659y. 71.28 (5f) of the statutes is repealed and recreated to read:

71.28 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this subsection:

1. "Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the department of commerce, for which the aggregate salary and wages included in the cost of the production for the period ending 12 months after the month in which the principal filming or taping of the production begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. "Accredited production" also means an electronic game, as approved by the department of commerce, for which the aggregate salary and wages included in the cost of the production for the period ending 36 months after the month in which the principal programming, filming, or taping of the production begins exceeds \$100,000. "Accredited production" does not include any of the following, regardless of the production costs:

- a. News, current events, or public programming or a program that includes weather or market reports.
- b. A talk show.
- c. A production with respect to a questionnaire or contest.
- d. A sports event or sports activity.
- e. A gala presentation or awards show.
- f. A finished production that solicits funds.
- g. A production for which the production company is required under 18 USC 2257 to maintain records with respect to a performer portrayed in a single media or multimedia program.
- h. A production produced primarily for industrial, corporate, or institutional purposes.

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

3. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for set construction and operation, wardrobes, make-up, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar expenditure as determined by the department of commerce. "Production expenditures"

do not include salary, wages, or labor-related contract payments.

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.23 any of the following amounts:

1. An amount equal to 25 percent of the salary, wages, or labor-related contract payments paid by the claimant in the taxable year to individuals, including actors, who were residents of this state at the time that they were paid and who worked on an accredited production in this state, not including the salary, wages, or contract payments paid to any individual who was paid more than \$250,000. A claimant may claim an additional amount equal to 3 percent of any salary, wages, or contract payments described in this subdivision if the individual who received the salary, wages, or contract payments was also living in an economically distressed area of this state, as determined by the department of commerce under s. 560.706 (2) (e), at the time that the individual was paid.

2. An amount equal to 20 percent of the salary, wages, or labor-related contract payments paid by the claimant in the taxable year to individuals who were not residents of this state at the time that they were paid and who worked on an accredited production in this state, not including the salary, wages, or contract payments paid to any individual who was paid more than \$250,000 or paid as above-the-line expenses to individuals such as non-technical crew members, producers, writers, casting directors, and actors.

3. An amount equal to 25 percent of the production expenditures paid by the claimant in the taxable year to produce an accredited production.

(c) *Limitations.* 1. A claimant may not claim a credit under this subsection if less than 35 percent of the total budget for the accredited production is spent in this state.

2. The total amount of the credits that a claimant may claim under par. (b) 2. in a taxable year shall not exceed an amount equal to the first \$20,000 of salary, wages, or labor-related contract payments paid to each individual described in par. (b) 2. in the taxable year.

3. No credit may be claimed under par. (b) 3. for the purchase of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) the sale of which is not sourced to this state, as provided under s. 77.522.

4. The maximum amount of all credits that a claimant may claim under this subsection for each accredited production is \$10,000,000.

5. The maximum amount of the credits that may be claimed under this subsection and sub. (5h) and ss. 71.07 (5f) and (5h) and 71.47 (5f) and (5h) in fiscal year 2009-10 is \$1,500,000. The maximum amount of the credits that may be claimed under this subsection and

sub. (5h) and ss. 71.07 (5f) and (5h) and 71.47 (5f) and (5h) in fiscal year 2010-11 is \$1,500,000.

6. No credit may be allowed under this subsection unless the claimant files an application with the department of commerce, at the time and in the manner prescribed by the department of commerce, and the department of commerce approves the application. The claimant shall submit a fee with the application in an amount equal to 2 percent of the claimant's budgeted production expenditures or to \$5,000, whichever is less. The claimant shall submit a copy of the approved application with the claimant's return.

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

(d) *Administration*. 1. Subsection (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credits under this subsection.

2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.23 or no tax is due under s. 71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bm).

SECTION 1660bd. 71.28 (5h) (a) 2. of the statutes is amended to read:

71.28 (5h) (a) 2. "Film production company" means an entity that exclusively creates films, videos, electronic games, broadcast advertisement, or television productions, not including the productions described under s. 71.28 accredited productions, as defined in sub. (5f) (a) 1. a. to h.

SECTION 1660bg. 71.28 (5h) (b) (intro.) of the statutes is amended to read:

71.28 (5h) (b) *Filing claims*. (intro.) Subject to the limitations provided in this subsection, for taxable years beginning after December 31, ~~2007~~ 2008, a claimant may claim as a credit against the tax imposed under s. 71.23, ~~up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company,~~ an amount that is equal to 15 percent of the following that the claimant paid in the taxable year to establish or operate a film production company in this state:

SECTION 1660c. 71.28 (5h) (b) 1. of the statutes is amended to read:

71.28 (5h) (b) 1. The purchase price of depreciable, tangible personal property and items, property, and goods under s. 77.52 (1) (b), (c), and (d), if the sale of the tangible personal property, items, property, or goods is sourced to this state under s. 77.522.

SECTION 1660d. 71.28 (5h) (c) 1. of the statutes is amended to read:

71.28 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property, or item, property, or good under s. 77.52 (1) (b), (c), or (d), is purchased after December 31, ~~2007~~ 2008, and the tangible personal property, item, property, or good is used for at least 50 percent of its use in the claimant's business as a film production company.

SECTION 1660e. 71.28 (5h) (c) 2. of the statutes is amended to read:

71.28 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, ~~2007~~ 2008, and the completed project is placed in service after December 31, ~~2007~~ 2008.

SECTION 1660f. 71.28 (5h) (c) 3. of the statutes is amended to read:

71.28 (5h) (c) 3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, ~~2007~~ 2008, and the completed project is placed in service after December 31, ~~2007~~ 2008.

SECTION 1660g. 71.28 (5h) (c) 4. of the statutes is amended to read:

71.28 (5h) (c) 4. No claim may be allowed under this subsection unless the department of commerce certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing or operating a film production company in this state and the claimant submits a copy of the certification with the claimant's return.

SECTION 1660h. 71.28 (5h) (c) 4d. of the statutes is created to read:

71.28 (5h) (c) 4d. The maximum amount of all credits that a claimant may claim under this subsection for each project for which expenses are certified under subd. 4. is \$10,000,000.

SECTION 1660i. 71.28 (5h) (c) 4m. of the statutes is created to read:

71.28 (5h) (c) 4m. The maximum amount of the credits that may be claimed under this subsection and sub. (5f) and ss. 71.07 (5f) and (5h) and 71.47 (5f) and (5h) in fiscal year 2009-10 is \$1,500,000. The maximum amount of the credits that may be claimed under this subsection

and sub. (5f) and ss. 71.07 (5f) and (5h) and 71.47 (5f) and (5h) in fiscal year 2010-11 is \$1,500,000.

SECTION 1660j. 71.28 (5h) (d) of the statutes is renumbered 71.28 (5h) (d) 1. and amended to read:

71.28 (5h) (d) 1. Subsection (4) (e) ~~to, (g), and (h),~~ as it applies to the credit under sub. (4), applies to the credits under this subsection.

SECTION 1660k. 71.28 (5h) (d) 2. of the statutes is created to read:

71.28 (5h) (d) 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.23 or no tax is due under s. 71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bL).

SECTION 1662. 71.28 (5i) (b) of the statutes is amended to read:

71.28 (5i) (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, ~~2009~~ 2011, a claimant may claim as a credit against the taxes imposed under s. 71.23, up to the amount of those taxes, an amount equal to 50 percent of the amount the claimant paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form, if the claimant is a health care provider, as defined in s. 146.81 (1) (a) to (p).

SECTION 1662d. 71.28 (5k) (b) of the statutes is amended to read:

71.28 (5k) (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after July 1, ~~2009~~ 2011, a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of those taxes, an amount equal to 5 percent of the amount the claimant paid in the taxable year to a community rehabilitation program to perform work for the claimant's business, pursuant to a contract.

SECTION 1663. 71.28 (6) (c) of the statutes is amended to read:

71.28 (6) (c) No person may claim the credit under this subsection unless the claimant includes with the claimant's return evidence that the rehabilitation was ~~approved~~ recommended by the state historic preservation officer for approval by the secretary of the interior under 36 CFR 67.6 before the physical work of construction, or destruction in preparation for construction, began and that the rehabilitation was approved by the secretary of the interior under 36 CFR 67.6.

SECTION 1664. 71.28 (6) (cm) of the statutes is created to read:

71.28 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes shall be claimed at the same time as for federal purposes.

SECTION 1665. 71.28 (6) (f) of the statutes is amended to read:

71.28 (6) (f) A partnership, limited liability company, or tax-option corporation may not claim the credit under this ~~section~~ subsection. The ~~individual partners of a partnership~~, members of a limited liability company, or shareholders in a tax-option corporation may claim the credit under this subsection based on eligible costs incurred by the partnership, limited liability company, or tax-option corporation, ~~in proportion to the ownership interest of each partner, member or shareholder.~~ The partnership, limited liability company, or tax-option corporation shall calculate the amount of the credit which may be claimed by each partner, member, or shareholder and shall provide that information to the partner, member, or shareholder. For shareholders of a tax-option corporation, the credit may be allocated in proportion to the ownership interest of each shareholder. Credits computed by a partnership or limited liability company may be claimed in proportion to the ownership interests of the partners or members or allocated to partners or members as provided in a written agreement among the partners or members that is entered into no later than the last day of the taxable year of the partnership or limited liability company, for which the credit is claimed. For a partnership or limited liability company that places property in service after June 29, 2008, and before January 1, 2009, the credit attributable to such property may be allocated, at the election of the partnership or limited liability company, to partners or members for a taxable year of the partnership or limited liability company that ends after June 29, 2008, and before January 1, 2010. Any partner or member who claims the credit as provided under this paragraph shall attach a copy of the agreement, if applicable, to the tax return on which the credit is claimed. A person claiming the credit as provided under this paragraph is solely responsible for any tax liability arising from a dispute with the department of revenue related to claiming the credit.

SECTION 1666. 71.28 (6) (g) of the statutes is created to read:

71.28 (6) (g) 1. If a person who claims the credit under this subsection elects to claim the credit based on claiming amounts for expenditures as the expenditures are paid, rather than when the rehabilitation work is completed, the person shall file an election form with the department, in the manner prescribed by the department.

2. Notwithstanding s. 71.77, the department may adjust or disallow the credit claimed under this subsection within 4 years after the date that the state historical society notifies the department that the expenditures for which the credit was claimed do not comply with the standards for certification promulgated under s. 44.02 (24).

SECTION 1667. 71.28 (8r) of the statutes is created to read:

71.28 (8r) BEGINNING FARMER AND FARM ASSET OWNER TAX CREDIT. (a) *Definitions.* In this subsection:

1. "Agricultural assets" means machinery, equipment, facilities, or livestock that is used in farming.
2. "Beginning farmer" means a person who meets the conditions specified in s. 93.53 (2).
3. "Claimant" means an established farmer who files a claim under this subsection.
4. "Established farmer" means a person who meets the conditions specified in s. 93.53 (3).
5. "Farming" has the meaning given in section 464 (e) (1) of the Internal Revenue Code.
6. "Lease amount" is the amount of the cash payment paid by a beginning farmer to an established farmer each year for leasing the established farmer's agricultural assets.

(b) *Filing claims.* For taxable years beginning after December 31, 2010, and subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.23 an amount equal to 15 percent of the lease amount received by the claimant in the taxable year. If the allowable amount of the claim exceeds the taxes otherwise due on the claimant's income, the amount of the claim not used as an offset against those taxes shall be certified by the department of revenue to the department of administration for payment to the claimant by check, share draft, or other draft from the appropriation under s. 20.835 (2) (en).

(c) *Limitations.* 1. A claimant may only claim the credit under this subsection for the first 3 years of any lease of the claimant's agricultural assets to a beginning farmer.

2. Along with a claimant's income tax return, a claimant shall submit to the department a certificate of eligibility provided under s. 93.53 (5) (c).

3. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on the amounts received by the entities under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.* Subsection (4) (e), (g), and (h), as it applies to the credit under that sub. (4), applies to the credit under this subsection.

SECTION 1668. 71.29 (7) (c) of the statutes is created to read:

71.29 (7) (c) For taxable years beginning after December 31, 2008, the taxpayer qualifies for a federal extension of time to file under 26 USC 7508A due to a

presidentially declared disaster or terroristic or military action.

SECTION 1669. 71.30 (3) (db) of the statutes is created to read:

71.30 (3) (db) Super research and development credit under s. 71.28 (4m).

SECTION 1670. 71.30 (3) (ed) of the statutes is renumbered 71.30 (3) (ds).

SECTION 1676d. 71.30 (3) (epr) of the statutes is repealed.

SECTION 1676e. 71.30 (3) (eps) of the statutes is repealed.

SECTION 1677b. 71.30 (3) (f) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

71.30 (3) (f) The total of ~~farmers' drought property tax credit under s. 71.28 (4fd)~~, farmland preservation credit under subch. IX, farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing facility investment credit under s. 71.28 (3r), enterprise zone jobs credit under s. 71.28 (3w), film production services credit under s. 71.28 (5f) ~~(b) 2.~~, film production company investment credit under s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r), and estimated tax payments under s. 71.29.

SECTION 1678. 71.30 (8) (b) of the statutes is amended to read:

71.30 (8) (b) For the purpose of this chapter, if a corporation which is required to file an income or franchise tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations or has income that is regulated through contract or other arrangement, the department of revenue may require such consolidated statements as in its opinion are necessary in order to determine the taxable income received by any one of the affiliated or related corporations or to determine whether the corporations are a unitary business.

SECTION 1679. 71.34 (1g) (n) of the statutes is repealed.

SECTION 1680. 71.34 (1g) (o) of the statutes is amended to read:

71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 1999, and before January 1, 2003, means the federal Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107.22, P.L. 107.116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147,

P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1999, do not apply to this paragraph with respect to taxable years beginning after December 31, 1999, and before January 1, 2003, except that changes to the Inter-

nal Revenue Code made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1681. 71.34 (1g) (p) of the statutes is amended to read:

71.34 (1g) (p) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 2002, and before January 1, 2004, means the federal Internal Revenue Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and sections 101 and 301 (a) of P.L. 107-147, and as amended by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.

108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2002, do not apply to this paragraph with respect to taxable years beginning after December 31, 2002, and before January 1, 2004, except that changes to the Inter-

nal Revenue Code made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1682. 71.34 (1g) (q) of the statutes is amended to read:

71.34 (1g) (q) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 2003, and before January 1, 2005, means the federal Internal Revenue Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and as amended by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to sec-

tion 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2003, do not apply to this paragraph with respect to taxable years beginning after December 31, 2003, and before January 1, 2005, except that changes to the Internal Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of

P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1683. 71.34 (1g) (r) of the statutes is amended to read:

71.34 (1g) (r) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 2004, and before January 1, 2006, means the federal Internal Revenue Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, and sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, and as amended by P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113,

13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2004, do not apply to this paragraph with respect to taxable years beginning after December 31, 2004, and before January 1, 2006, except that changes to the Internal Revenue Code made by P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207,

209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1684. 71.34 (1g) (s) of the statutes is amended to read:

71.34 (1g) (s) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 2005, and before January 1, 2007, means the federal Internal Revenue Code as amended to December 31, 2005, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and as amendeded by P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910

of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2005, do not apply to this paragraph with respect to taxable years beginning after December 31, 2005, and before January 1, 2007, except that changes to the Internal Revenue Code made by P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1685. 71.34 (1g) (t) of the statutes is amended to read:

71.34 (1g) (t) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 2006, and before January 1, 2008, means the federal Internal Revenue Code as amended to December 31, 2006, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, sections 811 and 844 of P.L. 109-280, and P.L. 109-432, and as amendeded by P.L. 110-458, and as indirectly affected in the provi-

sions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2006, do not apply to this paragraph with respect to taxable years beginning after December 31, 2006, and before January 1, 2008, except that changes to the Internal Revenue Code made by P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1686. 71.34 (1g) (u) of the statutes is created to read:

71.34 (1g) (u) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 2007, and before January 1, 2009, means

the federal Internal Revenue Code as amended to December 31, 2007, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, sections 811 and 844 of P.L. 109-280, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, and P.L. 110-172, and as amendeded by P.L. 110-458, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding

sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2007, do not apply to this paragraph with respect to taxable years beginning after December 31, 2007, and before January 1, 2009, except that changes to the Internal Revenue Code made by P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1687. 71.34 (1g) (um) of the statutes is created to read:

71.34 (1g) (um) "Internal Revenue Code" for tax-option corporations, for taxable years that begin after December 31, 2008, means the federal Internal Revenue Code as amended to December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, sections 811 and 844 of P.L. 109-280, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234, P.L. 110-245, P.L. 110-289, P.L. 110-317, P.L. 110-343, and P.L. 110-351, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.

104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458 except that section 1366 (f) (relating to pass-through of items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2008, do not apply to this paragraph with respect to taxable years beginning after December 31, 2008.

SECTION 1688d. 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

71.34 (1k) (g) An addition shall be made for credits computed by a tax-option corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), ~~and (5k), and (8r)~~ and passed through to shareholders.

SECTION 1689. 71.36 (4) of the statutes is created to read:

71.36 (4) Every tax-option corporation that is required to file a return under s. 71.24 (1) shall, on or before the due date of the return, including extensions, provide a schedule to each shareholder whose share of income, deductions, credits, or other items of the tax-option corporation may affect the shareholder's tax liability under this chapter. The schedule shall separately indicate the shareholder's share of each item.

SECTION 1690. 71.365 (3) of the statutes is amended to read:

71.365 (3) CREDITS NOT ALLOWED. The credits under s. 71.28 (4), ~~(4m)~~, and (5) may not be claimed by a tax-option corporation or shareholders of a tax-option corporation.

SECTION 1691. 71.42 (2) (m) of the statutes is repealed.

SECTION 1692. 71.42 (2) (n) of the statutes is amended to read:

71.42 (2) (n) For taxable years that begin after December 31, 1999, and before January 1, 2003, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, ~~and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458,~~ and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L.

108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1999, do not apply to this paragraph with respect to taxable years beginning after December 31, 1999, and before January 1, 2003, except that changes to the Internal Revenue Code made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101, 301 (a), and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for

Wisconsin purposes at the same time as for federal purposes.

SECTION 1693. 71.42 (2) (o) of the statutes is amended to read:

71.42 (2) (o) For taxable years that begin after December 31, 2002, and before January 1, 2004, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and sections 101 and 301 (a) of P.L. 107-147, and as amended by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sec-

tions 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2002, do not apply to this paragraph with respect to taxable years beginning after December 31, 2002, and before January 1, 2004, except that changes to the Internal Revenue Code made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1694. 71.42 (2) (p) of the statutes is amended to read:

71.42 (2) For taxable years that begin after December 31, 2003, and before January 1, 2005, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sec-

tions 106, 201, and 202 of P.L. 108-27, section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and as amended by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2003, do not apply to this paragraph with respect to taxable years beginning after December 31, 2003, and before January 1, 2005, except that changes to the Internal Revenue Code made by P.L.

108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1695. 71.42 (2) (q) of the statutes is amended to read:

71.42 (2) (q) For taxable years that begin after December 31, 2004, and before January 1, 2006, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, and sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, and as amended by P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.

101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2004, do not apply to this paragraph with respect to taxable years beginning after December 31, 2004, and before January 1, 2006, except that changes to the Internal Revenue Code made by P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201

(a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1696. 71.42 (2) (r) of the statutes is amended to read:

71.42 (2) (r) For taxable years that begin after December 31, 2005, and before January 1, 2007, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2005, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, and sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, and as amendeded by P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375,

P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, and P.L. 110-458, excluding sections 811 and 844 of P.L. 109-280, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2005, do not apply to this paragraph with respect to taxable years beginning after December 31, 2005, and before January 1, 2007, except that changes to the Internal Revenue Code made by P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1697. 71.42 (2) (s) of the statutes is amended to read:

71.42 (2) (s) For taxable years that begin after December 31, 2006, and before January 1, 2008, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2006, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, sections 811 and 844 of P.L. 109-280, and P.L. 109-432, and as amendeded by P.L. 110-458, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.

101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, and P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2006, do not apply to this paragraph with respect to taxable years beginning after December 31, 2006, and before January 1, 2008, except that changes to the Internal Revenue Code made by P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1698. 71.42 (2) (t) of the statutes is created to read:

71.42 (2) (t) For taxable years that begin after December 31, 2007, and before January 1, 2009, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2007, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L.

106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, sections 811 and 844 of P.L. 109-280, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, and P.L. 110-172, and as amendeded by P.L. 110-458, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L. 109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2007, do not apply to this paragraph with respect to taxable years beginning after Decem-

ber 31, 2007, and before January 1, 2009, except that changes to the Internal Revenue Code made by P.L. 110-458, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 110-458, apply for Wisconsin purposes at the same time as for federal purposes.

SECTION 1699. 71.42 (2) (tm) of the statutes is created to read:

71.42 (2) (tm) For taxable years that begin after December 31, 2008, "Internal Revenue Code" means the federal Internal Revenue Code as amended to December 31, 2008, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, sections 101 and 301 (a) of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27, section 1201 of P.L. 108-173, sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 109-1, sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, section 11146 of P.L. 109-59, section 301 of P.L. 109-73, sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, sections 811 and 844 of P.L. 109-280, P.L. 109-432, P.L. 110-28, P.L. 110-140, P.L. 110-141, P.L. 110-142, P.L. 110-166, P.L. 110-172, P.L. 110-185, P.L. 110-234, P.L. 110-245, P.L. 110-289, P.L. 110-317, P.L. 110-343, and P.L. 110-351, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 301 (a) of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 316, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 102, 201, 211, 242, 244, 336, 337, 422, 847, 909, and 910 of P.L. 108-357, P.L. 108-375, P.L. 108-476, P.L.

109-7, P.L. 109-58, excluding sections 1305, 1308, 1309, 1310, 1323, 1324, 1325, 1326, 1328, 1329, 1348, and 1351 of P.L. 109-58, P.L. 109-59, excluding section 11146 of P.L. 109-59, P.L. 109-73, excluding section 301 of P.L. 109-73, P.L. 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of P.L. 109-135, P.L. 109-151, P.L. 109-222, excluding sections 101, 207, 209, 503, 512, and 513 of P.L. 109-222, P.L. 109-227, P.L. 109-280, excluding sections 811 and 844 of P.L. 109-280, and P.L. 110-458, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 2008, do not apply to this paragraph with respect to taxable years beginning after December 31, 2008.

SECTION 1700. 71.44 (3) of the statutes is renumbered 71.44 (3) (a) and amended to read:

71.44 (3) (a) In the case of a corporation required to file a return, the department of revenue shall allow an automatic extension of 7 months or until the original due date of the corporation's corresponding federal return, whichever is later. Any extension of time granted by law or by the internal revenue service for the filing of corresponding federal returns shall extend the time for filing under this subchapter to 30 days after the federal due date if the corporation reports the extension in the manner specified by the department on the return. Except for payments of estimated taxes, income or franchise taxes payable upon the filing of the tax return shall not become delinquent during such extension period, but shall, except as provided in par. (b), be subject to interest at the rate of 12% per year during such period.

SECTION 1701. 71.44 (3) (b) of the statutes is created to read:

71.44 (3) (b) For taxable years beginning after December 31, 2008, for persons who qualify for a federal extension of time to file under 26 USC 7508A due to a presidentially declared disaster or terroristic or military action, income or franchise taxes payable upon the filing of the tax return are not subject to interest as otherwise provided under par. (a).

SECTION 1701m. 71.45 (1t) (j) of the statutes is created to read:

71.45 (1t) (j) Those issued under s. 59.58 (7) (f).

SECTION 1702d. 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dd) to (1dy), ~~(3g)~~ (3h), (3n), (3p), ~~(3q)~~ (3r), (3w), (5e), (5f), (5g), (5h), (5i), (5j), ~~and (5k)~~, and (8r) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option

corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), ~~(4m)~~, and (5).

SECTION 1704. 71.47 (1fd) of the statutes is repealed.

SECTION 1705. 71.47 (2m) (a) 1. (intro.) of the statutes is amended to read:

71.47 (2m) (a) 1. (intro.) "Claimant" means an owner of ~~farmland~~, as defined in s. 91.01 (9), ~~2007 stats., of farmland~~ domiciled in this state during the entire year for which a credit under this subsection is claimed, except as follows:

SECTION 1706. 71.47 (2m) (a) 3. of the statutes is amended to read:

71.47 (2m) (a) 3. "Farmland" means 35 or more acres of real property, exclusive of improvements, in this state, in agricultural use, as defined in s. 91.01 (1), ~~2007 stats.~~, and owned by the claimant or any member of the claimant's household during the taxable year for which a credit under this subsection is claimed if the farm of which the farmland is a part, during that year, produced not less than \$6,000 in gross farm profits resulting from agricultural use, as defined in s. 91.01 (1), ~~2007 stats.~~, or if the farm of which the farmland is a part, during that year and the 2 years immediately preceding that year, produced not less than \$18,000 in such profits, or if at least 35 acres of the farmland, during all or part of that year, was enrolled in the conservation reserve program under 16 USC 3831 to 3836.

SECTION 1707. 71.47 (2m) (a) 4. of the statutes is amended to read:

71.47 (2m) (a) 4. "Gross farm profits" means gross receipts, excluding rent, from agricultural use, as defined in s. 91.01 (1), ~~2007 stats.~~, including the fair market value at the time of disposition of payments in kind for placing land in federal programs or payments from the federal dairy termination program under 7 USC 1446 (d), less the cost or other basis of livestock or other items purchased for resale which are sold or otherwise disposed of during the taxable year.

SECTION 1708. 71.47 (2m) (e) of the statutes is created to read:

71.47 (2m) (e) *Sunset.* No new claim may be filed under this subsection for a taxable year that begins after December 31, 2009.

SECTION 1709. 71.47 (3) (a) 1. of the statutes is amended to read:

71.47 (3) (a) 1. "Manufacturing" has the meaning given in s. 77.54 (6m), ~~2007 stats.~~

SECTION 1709d. 71.47 (3h) (b) of the statutes is amended to read:

71.47 (3h) (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, ~~2009~~ 2011, and before January 1, ~~2013~~ 2015, for a claimant who produces at least 2,500,000 gallons of biodiesel fuel in this state in the taxable year, a claimant may claim as a credit against the tax

imposed under s. 71.43, up to the amount of the tax, an amount that is equal to the number of gallons of biodiesel fuel produced by the claimant in this state in the taxable year multiplied by 10 cents.

SECTION 1720. 71.47 (3q) of the statutes is created to read:

71.47 (3q) **JOBS TAX CREDIT.** (a) *Definitions.* In this subsection:

1. "Claimant" means a person certified to receive tax benefits under s. 560.2055 (2).

2. "Eligible employee" means an eligible employee under s. 560.2055 (1) (b) who satisfies the wage requirements under s. 560.2055 (3) (a) or (b).

(b) *Filing claims.* Subject to the limitations provided in this subsection and s. 560.2055, for taxable years beginning after December 31, 2009, a claimant may claim as a credit against the taxes imposed under s. 71.43 any of the following:

1. The amount of wages that the claimant paid to an eligible employee in the taxable year, not to exceed 10 percent of such wages, as determined by the department of commerce under s. 560.2055.

2. The amount of the costs incurred by the claimant in the taxable year, as determined under s. 560.2055, to undertake the training activities described under s. 560.2055 (3) (c).

(c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

2. No credit may be allowed under this subsection unless the claimant includes with the claimant's return a copy of the claimant's certification for tax benefits under s. 560.2055 (2).

3. The maximum amount of credits that may be awarded under this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January 1, 2010, and ending on June 30, 2013, is \$14,500,000.

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

2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.43, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bb), except that the amounts certified under this subdivi-

sion for taxable years beginning after December 31, 2009, and before January 1, 2012, shall be paid in taxable years beginning after December 31, 2011.

SECTION 1721m. 71.47 (3w) (bm) 1. of the statutes, as affected by 2009 Wisconsin Act 11, is amended to read:

71.47 (3w) (bm) 1. In addition to the credits under par. (b) and ~~subd. subds. 2. and 3.~~, and subject to the limitations provided in this subsection and s. 560.799, a claimant may claim as a credit against the tax imposed under s. 71.43 an amount equal to a percentage, as determined by the department of commerce, not to exceed 100 percent, of the amount the claimant paid in the taxable year to upgrade or improve the job-related skills of any of the claimant's full-time employees, to train any of the claimant's full-time employees on the use of job-related new technologies, or to provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job. This subdivision does not apply to employees who do not work in an enterprise zone.

SECTION 1721n. 71.47 (3w) (bm) 2. of the statutes, as created by 2009 Wisconsin Act 11, is amended to read:

71.47 (3w) (bm) 2. In addition to the credits under par. (b) and ~~subd. subds. 1. and 3.~~, and subject to the limitations provided in this subsection and s. 560.799, a claimant may claim as a credit against the tax imposed under s. 71.43 an amount equal to the percentage, as determined by the department of commerce under s. 560.799, not to exceed 7 percent, of the claimant's zone payroll paid in the taxable year to all of the claimant's full-time employees whose annual wages are greater than \$20,000 in a tier I county or municipality, not including the wages paid to the employees determined under par. (b) 1., or greater than \$30,000 in a tier II county or municipality, not including the wages paid to the employees determined under par. (b) 1., and who the claimant employed in the enterprise zone in the taxable year, if the total number of such employees is equal to or greater than the total number of such employees in the base year. A claimant may claim a credit under this subdivision for no more than 5 consecutive taxable years.

SECTION 1721p. 71.47 (3w) (bm) 3. of the statutes is created to read:

71.47 (3w) (bm) 3. In addition to the credits under par. (b) and subds. 1. and 2., and subject to the limitations provided in this subsection and s. 560.799, for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.43 up to 10 percent of the claimant's significant capital expenditures, as determined by the department of commerce under s. 560.799 (5m).

SECTION 1721r. 71.47 (3w) (c) 3. of the statutes is amended to read:

71.47 (3w) (c) 3. No credit may be allowed under this subsection unless the claimant includes with the claim-

ant's return a copy of the claimant's certification for tax benefits under s. 560.799 (5) or (5m).

SECTION 1722. 71.47 (4m) of the statutes is created to read:

71.47 (4m) SUPER RESEARCH AND DEVELOPMENT CREDIT. (a) *Definition.* In this subsection, "qualified research expenses" means qualified research expenses as defined in section 41 of the Internal Revenue Code, except that "qualified research expenses" includes only expenses incurred by the claimant for research conducted in this state for the taxable year and except that "qualified research expenses" do not include compensation used in computing the credits under subs. (1dj) and (1dx).

(b) *Credit.* Subject to the limitations provided under this subsection, for taxable years beginning on or after January 1, 2011, a corporation may claim as a credit against the tax imposed under s. 71.43, up to the amount of those taxes, an amount equal to the amount of qualified research expenses paid or incurred by the corporation in the taxable year that exceeds the amount calculated as follows:

1. Determine the average amount of the qualified research expenses paid or incurred by the corporation in the 3 taxable years immediately preceding the taxable year for which a credit is claimed under this subsection.
2. Multiply the amount determined under subd. 1. by 1.25.

(c) *Limitations.* Section 71.28 (4) (b) to (d) and (i), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

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

2. If a credit computed under this subsection is not entirely offset against Wisconsin income or franchise taxes otherwise due, the unused balance may be carried forward and credited against Wisconsin income or franchise taxes otherwise due for the following 5 taxable years to the extent not offset by these taxes otherwise due in all intervening years between the year in which the expense was incurred and the year in which the carry-forward credit is claimed.

SECTION 1725. 71.47 (5b) (d) 3. of the statutes is created to read:

71.47 (5b) (d) 3. For calendar years beginning after December 31, 2007, if an investment for which a claimant claims a credit under par. (b) is held by the claimant for less than 3 years, the claimant shall pay to the department, in the manner prescribed by the department, the amount of the credit that the claimant received related to the investment.

SECTION 1725w. 71.47 (5f) of the statutes is repealed and recreated to read:

71.47 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this subsection:

1. "Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the department of commerce, for which the aggregate salary and wages included in the cost of the production for the period ending 12 months after the month in which the principal filming or taping of the production begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. "Accredited production" also means an electronic game, as approved by the department of commerce, for which the aggregate salary and wages included in the cost of the production for the period ending 36 months after the month in which the principal programming, filming, or taping of the production begins exceeds \$100,000. "Accredited production" does not include any of the following, regardless of the production costs:

- a. News, current events, or public programming or a program that includes weather or market reports.
- b. A talk show.
- c. A production with respect to a questionnaire or contest.
- d. A sports event or sports activity.
- e. A gala presentation or awards show.
- f. A finished production that solicits funds.
- g. A production for which the production company is required under 18 USC 2257 to maintain records with respect to a performer portrayed in a single media or multimedia program.
- h. A production produced primarily for industrial, corporate, or institutional purposes.

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

3. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for set construction and operation, wardrobes, make-up, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar expenditure as determined by the department of commerce. "Production expenditures" do not include salary, wages, or labor-related contract payments.

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.43 any of the following amounts:

1. An amount equal to 25 percent of the salary, wages, or labor-related contract payments paid by the claimant in the taxable year to individuals, including actors, who were residents of this state at the time that they were paid and who worked on an accredited production in this state,

not including the salary, wages, or contract payments paid to any individual who was paid more than \$250,000. A claimant may claim an additional amount equal to 3 percent of any salary, wages, or contract payments described in this subdivision if the individual who received the salary, wages, or contract payments was also living in an economically distressed area of this state, as determined by the department of commerce under s. 560.706 (2) (e), at the time that the individual was paid.

2. An amount equal to 20 percent of the salary, wages, or labor-related contract payments paid by the claimant in the taxable year to individuals who were not residents of this state at the time that they were paid and who worked on an accredited production in this state, not including the salary, wages, or contract payments paid to any individual who was paid more than \$250,000 or paid as above-the-line expenses to individuals such as non-technical crew members, producers, writers, casting directors, and actors.

3. An amount equal to 25 percent of the production expenditures paid by the claimant in the taxable year to produce an accredited production.

(c) *Limitations.* 1. A claimant may not claim a credit under this subsection if less than 35 percent of the total budget for the accredited production is spent in this state.

2. The total amount of the credits that a claimant may claim under par. (b) 2. in a taxable year shall not exceed an amount equal to the first \$20,000 of salary, wages, or labor-related contract payments paid to each individual described in par. (b) 2. in the taxable year.

3. No credit may be claimed under par. (b) 3. for the purchase of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) the sale of which is not sourced to this state, as provided under s. 77.522.

4. The maximum amount of all credits that a claimant may claim under this subsection for each accredited production is \$10,000,000.

5. The maximum amount of the credits that may be claimed under this subsection and sub. (5h) and ss. 71.07 (5f) and (5h) and 71.28 (5f) and (5h) in fiscal year 2009-10 is \$1,500,000. The maximum amount of the credits that may be claimed under this subsection and sub. (5h) and ss. 71.07 (5f) and (5h) and 71.28 (5f) and (5h) in fiscal year 2010-11 is \$1,500,000.

6. No credit may be allowed under this subsection unless the claimant files an application with the department of commerce, at the time and in the manner prescribed by the department of commerce, and the department of commerce approves the application. The claimant shall submit a fee with the application in an amount equal to 2 percent of the claimant's budgeted production expenditures or to \$5,000, whichever is less. The claimant shall submit a copy of the approved application with the claimant's return.

7. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this

subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

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

2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.43 or no tax is due under s. 71.43, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bm).

SECTION 1726x. 71.47 (5h) (a) 2. of the statutes is amended to read:

71.47 (5h) (a) 2. "Film production company" means an entity that exclusively creates ~~films, videos, electronic games, broadcast advertisement, or television productions, not including the productions described under s. 71.47 accredited productions, as defined in sub. (5f) (a) 1. a. to h.~~

SECTION 1726yb. 71.47 (5h) (b) (intro.) of the statutes is amended to read:

71.47 (5h) (b) *Filing claims.* (intro.) Subject to the limitations provided in this subsection, for taxable years beginning after December 31, ~~2007~~ 2008, a claimant may claim as a credit against the tax imposed under s. 71.43, ~~up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company,~~ an amount that is equal to 15 percent of the following that the claimant paid in the taxable year to establish or operate a film production company in this state:

SECTION 1726yc. 71.47 (5h) (b) 1. of the statutes is amended to read:

71.47 (5h) (b) 1. The purchase price of depreciable, tangible personal property and items, property, and goods under s. 77.52 (1) (b), (c), and (d), ~~if the sale of the tangible personal property, items, property, or goods is sourced to this state under s. 77.522.~~

SECTION 1726yd. 71.47 (5h) (c) 1. of the statutes is amended to read:

71.47 (5h) (c) 1. A claimant may claim the credit under par. (b) 1., if the tangible personal property, or item, property, or good under s. 77.52 (1) (b), (c), or (d), is purchased after December 31, ~~2007~~ 2008, and the tangible personal property, item, property, or good is used for at least 50 percent of its use in the claimant's business as a film production company.

SECTION 1726ye. 71.47 (5h) (c) 2. of the statutes is amended to read:

71.47 (5h) (c) 2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, ~~2007~~ 2008, and the completed project is placed in service after December 31, ~~2007~~ 2008.

SECTION 1726yf. 71.47 (5h) (c) 3. of the statutes is amended to read:

71.47 (5h) (c) 3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, ~~2007~~ 2008, and the completed project is placed in service after December 31, ~~2007~~ 2008.

SECTION 1726yg. 71.47 (5h) (c) 4. of the statutes is amended to read:

71.47 (5h) (c) 4. No claim may be allowed under this subsection unless the department of commerce certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing or operating a film production company in this state and the claimant submits a copy of the certification with the claimant's return.

SECTION 1726yh. 71.47 (5h) (c) 4d. of the statutes is created to read:

71.47 (5h) (c) 4d. The maximum amount of all credits that a claimant may claim under this subsection for each project for which expenses are certified under subd. 4. is \$10,000,000.

SECTION 1726yj. 71.47 (5h) (c) 4m. of the statutes is created to read:

71.47 (5h) (c) 4m. The maximum amount of the credits that may be claimed under this subsection and sub. (5f) and ss. 71.07 (5f) and (5h) and 71.28 (5f) and (5h) in fiscal year 2009-10 is \$1,500,000. The maximum amount of the credits that may be claimed under this subsection and sub. (5f) and ss. 71.07 (5f) and (5h) and 71.28 (5f) and (5h) in fiscal year 2010-11 is \$1,500,000.

SECTION 1726yk. 71.47 (5h) (d) of the statutes is renumbered 71.47 (5h) (d) 1. and amended to read:

71.47 (5h) (d) 1. Section 71.28 (4) (e) ~~to~~, (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credits under this subsection.

SECTION 1726yL. 71.47 (5h) (d) 2. of the statutes is created to read:

71.47 (5h) (d) 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.43 or no tax is due under s. 71.43, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share

draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bL).

SECTION 1728. 71.47 (5i) (b) of the statutes is amended to read:

71.47 (5i) (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, ~~2009~~ 2011, a claimant may claim as a credit against the taxes imposed under s. 71.43, up to the amount of those taxes, an amount equal to 50 percent of the amount the claimant paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form, if the claimant is a health care provider, as defined in s. 146.81 (1) (a) to (p).

SECTION 1728d. 71.47 (5k) (b) of the statutes is amended to read:

71.47 (5k) (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after July 1, ~~2009~~ 2011, a claimant may claim as a credit against the tax imposed under s. 71.43, up to the amount of those taxes, an amount equal to 5 percent of the amount the claimant paid in the taxable year to a community rehabilitation program to perform work for the claimant's business, pursuant to a contract.

SECTION 1729. 71.47 (6) (c) of the statutes is amended to read:

71.47 (6) (c) No person may claim the credit under this subsection unless the claimant includes with the claimant's return evidence that the rehabilitation was approved recommended by the state historic preservation officer for approval by the secretary of the interior under 36 CFR 67.6 before the physical work of construction, or destruction in preparation for construction, began and that the rehabilitation was approved by the secretary of the interior under 36 CFR 67.6.

SECTION 1730. 71.47 (6) (cm) of the statutes is created to read:

71.47 (6) (cm) Any credit claimed under this subsection for Wisconsin purposes shall be claimed at the same time as for federal purposes.

SECTION 1731. 71.47 (6) (f) of the statutes is amended to read:

71.47 (6) (f) A partnership, limited liability company, or tax-option corporation may not claim the credit under this subsection. The individual partners of a partnership, members of a limited liability company, or shareholders in a tax-option corporation may claim the credit under this subsection based on eligible costs incurred by the partnership, limited liability company, or tax-option corporation, in proportion to the ownership interest of each partner, member or shareholder. The partnership, limited liability company, or tax-option corporation shall calculate the amount of the credit which may be claimed by each partner, member, or shareholder and shall provide that information to the partner, member, or shareholder. For shareholders of a tax-option cor-

poration, the credit may be allocated in proportion to the ownership interest of each shareholder. Credits computed by a partnership or limited liability company may be claimed in proportion to the ownership interests of the partners or members or allocated to partners or members as provided in a written agreement among the partners or members that is entered into no later than the last day of the taxable year of the partnership or limited liability company, for which the credit is claimed. For a partnership or limited liability company that places property in service after June 29, 2008, and before January 1, 2009, the credit attributable to such property may be allocated, at the election of the partnership or limited liability company, to partners or members for a taxable year of the partnership or limited liability company that ends after June 29, 2008, and before January 1, 2010. Any partner or member who claims the credit as provided under this paragraph shall attach a copy of the agreement, if applicable, to the tax return on which the credit is claimed. A person claiming the credit as provided under this paragraph is solely responsible for any tax liability arising from a dispute with the department of revenue related to claiming the credit.

SECTION 1732. 71.47 (6) (g) of the statutes is created to read:

71.47 (6) (g) 1. If a person who claims the credit under this subsection elects to claim the credit based on claiming amounts for expenditures as the expenditures are paid, rather than when the rehabilitation work is completed, the person shall file an election form with the department, in the manner prescribed by the department.

2. Notwithstanding s. 71.77, the department may adjust or disallow the credit claimed under this subsection within 4 years after the date that the state historical society notifies the department that the expenditures for which the credit was claimed do not comply with the standards for certification promulgated under s. 44.02 (24).

SECTION 1733. 71.47 (8r) of the statutes is created to read:

71.47 (8r) BEGINNING FARMER AND FARM ASSET OWNER TAX CREDIT. (a) *Definitions.* In this subsection:

1. "Agricultural assets" means machinery, equipment, facilities, or livestock that is used in farming.
2. "Beginning farmer" means a person who meets the conditions specified in s. 93.53 (2).
3. "Claimant" means an established farmer who files a claim under this subsection.
4. "Established farmer" means a person who meets the conditions specified in s. 93.53 (3).
5. "Farming" has the meaning given in section 464 (e) (1) of the Internal Revenue Code.
6. "Lease amount" is the amount of the cash payment paid by a beginning farmer to an established farmer each year for leasing the established farmer's agricultural assets.

(b) *Filing claims.* For taxable years beginning after December 31, 2010, and subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.43 an amount equal to 15 percent of the lease amount received by the claimant in the taxable year. If the allowable amount of the claim exceeds the taxes otherwise due on the claimant's income, the amount of the claim not used as an offset against those taxes shall be certified by the department of revenue to the department of administration for payment to the claimant by check, share draft, or other draft from the appropriation under s. 20.835 (2) (en).

(c) *Limitations.* 1. A claimant may only claim the credit under this subsection for the first 3 years of any lease of the claimant's agricultural assets to a beginning farmer.

2. Along with a claimant's income tax return, a claimant shall submit to the department a certificate of eligibility provided under s. 93.53 (5) (c).

3. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on the amounts received by the entities under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.* Subsection (4) (e), (g), and (h), as it applies to the credit under that sub. (4), applies to the credit under this subsection.

SECTION 1734. 71.49 (1) (db) of the statutes is created to read:

71.49(1)(db) Super research and development credit under s. 71.47 (4m).

SECTION 1740d. 71.49 (1) (epr) of the statutes is repealed.

SECTION 1740e. 71.49 (1) (eps) of the statutes is repealed.

SECTION 1741b. 71.49 (1) (f) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

71.49 (1) (f) The total of ~~farmers' drought property tax credit under s. 71.47 (1fd)~~, farmland preservation credit under subch. IX, farmland tax relief credit under s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p), jobs credit under s. 71.47 (3q), meat processing facility investment credit under s. 71.47 (3r), enterprise zone jobs credit under s. 71.47 (3w), film production services credit under s. 71.47 (5f) ~~(b) 2~~, film production company investment credit under s. 71.47 (5h), beginning farmer and farm asset owner tax credit under s. 71.47 (8r), and estimated tax payments under s. 71.48.

SECTION 1741s. 71.52 (5) of the statutes is amended to read:

71.52 (5) "Household income" means all income received by all persons of a household in a calendar year while members of the household, less \$250 ~~\$500~~ for each of the claimant's dependents, as defined in section 152 of the internal revenue code, who have the same principal abode as the claimant for more than 6 months during the year to which the claim relates.

SECTION 1741w. 71.54 (1) (f) (intro.) of the statutes is amended to read:

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

SECTION 1741we. 71.54 (2) (b) 3. of the statutes is amended to read:

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

SECTION 1742. 71.54 (2m) of the statutes is created to read:

71.54 (2m) INDEXING FOR INFLATION: 2010 AND THEREAFTER. (a) For calendar years beginning after December 31, 2009, the dollar amounts of the threshold income under sub. (1) (f) 1. and 2., the maximum household income under sub. (1) (f) 3. and the maximum property taxes under sub. (2) (b) 3. shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the 12-month average of the U.S. consumer price index for the month of August of the year before the previous year through the month of July of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the 12-month average of the U.S. consumer price index for August 2007 through July 2008, as determined by the federal department of labor, except that the adjustment may occur only if the percentage is a positive number. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10. The department of revenue shall annually adjust the changes in dollar amounts required under this paragraph and incorporate the changes into the income tax forms and instructions.

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

SECTION 1743. 71.57 of the statutes is amended to read:

71.57 Purpose. The purpose of ~~this subchapter ss. 71.58 to 71.61~~ is to provide credit to owners of farmland which is subject to agricultural use restrictions, through a system of income or franchise tax credits and refunds and appropriations from the general fund.

SECTION 1744. 71.58 (intro.) of the statutes is amended to read:

71.58 Definitions. (intro.) In ~~this subchapter ss. 71.57 to 71.61~~:

SECTION 1745. 71.58 (1) (intro.) of the statutes is amended to read:

71.58 (1) (intro.) "Claimant" means an owner of ~~farmland~~, as defined in s. 91.01 (9), 2007 stats., of farmland, domiciled in this state during the entire year for which a credit under ~~this subchapter ss. 71.57 to 71.61~~ is claimed, except as follows:

SECTION 1746. 71.58 (1) (b) of the statutes is amended to read:

71.58 (1) (b) If any person in a household has claimed or will claim credit under subch. VIII, all persons from that household are ineligible to claim any credit under ~~this subchapter ss. 71.57 to 71.61~~ for the year to which the credit under subch. VIII pertained.

SECTION 1747. 71.58 (1) (d) of the statutes is amended to read:

71.58 (1) (d) For purposes of filing a claim under ~~this subchapter ss. 71.57 to 71.61~~, the personal representative of an estate and the trustee of a trust shall be deemed owners of farmland. "Claimant" does not include the estate of a person who is a nonresident of this state on the person's date of death, a trust created by a nonresident person, a trust which receives Wisconsin real property from a nonresident person or a trust in which a nonresident settlor retains a beneficial interest.

SECTION 1748. 71.58 (1) (e) of the statutes is amended to read:

71.58 (1) (e) For purposes of filing a claim under ~~this subchapter ss. 71.57 to 71.61~~, when land is subject to a land contract, the claimant shall be the vendee under the contract.

SECTION 1749. 71.58 (1) (f) of the statutes is amended to read:

71.58 (1) (f) For purposes of filing a claim under ~~this subchapter ss. 71.57 to 71.61~~, when a guardian has been appointed in this state for a ward who owns the farmland, the claimant shall be the guardian on behalf of the ward.

SECTION 1750. 71.58 (3) of the statutes is amended to read:

71.58 (3) "Farmland" means 35 or more acres of real property in this state owned by the claimant or any member of the claimant's household during the taxable year for which a credit under ~~this subchapter ss. 71.57 to 71.61~~ is claimed if the farmland, during that year, produced not less than \$6,000 in gross farm profits resulting from the

farmland's agricultural use, as defined in s. 91.01 (1), 2007 stats., or if the farmland, during that year and the 2 years immediately preceding that year, produced not less than \$18,000 in such profits, or if at least 35 acres of the farmland, during all or part of that year, was enrolled in the conservation reserve program under 16 USC 3831 to 3836.

SECTION 1751. 71.58 (4) of the statutes is amended to read:

71.58 (4) "Gross farm profits" means gross receipts, excluding rent, from agricultural use, as defined in s. 91.01 (1), 2007 stats., including the fair market value at the time of disposition of payments in kind for placing land in federal programs or payments from the federal dairy termination program under 7 USC 1446 (d), less the cost or other basis of livestock or other items purchased for resale which are sold or otherwise disposed of during the taxable year.

SECTION 1752. 71.58 (8) of the statutes is amended to read:

71.58 (8) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on the farmland and improvements owned by the claimant or any member of the claimant's household in any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the property by s. 79.10. "Property taxes accrued" shall not exceed \$6,000. If farmland is owned by a tax-option corporation, a limited liability company or by 2 or more persons or entities as joint tenants, tenants in common or partners or is marital property or survivorship marital property and one or more such persons, entities or owners is not a member of the claimant's household, "property taxes accrued" is that part of property taxes levied on the farmland, reduced by the tax credit under s. 79.10, that reflects the ownership percentage of the claimant and the claimant's household. For purposes of this subsection, property taxes are "levied" when the tax roll is delivered to the local treasurer for collection. If farmland is sold during the calendar year of the levy the "property taxes accrued" for the seller is the amount of the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing agreement pertaining to the sale of the farmland, except that if the seller does not reimburse the buyer for any part of those property taxes there are no "property taxes accrued" for the seller, and the "property taxes accrued" for the buyer is the property taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the seller reimburses the buyer for part of the property taxes, the amount prorated to the seller in the closing agreement. With the claim for credit under ~~this subchapter ss. 71.57 to 71.61~~, the seller shall submit a copy of the closing agreement and the buyer shall submit a copy of the closing agreement and a copy of the property tax bill.

SECTION 1753. 71.59 (1) (a) of the statutes is amended to read:

71.59 (1) (a) Subject to the limitations provided in ~~this subchapter ss. 71.57 to 71.61~~ and s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income or franchise taxes otherwise due, the amount derived under s. 71.60. If the allowable amount of claim exceeds the income or franchise taxes otherwise due on or measured by the claimant's income or if there are no Wisconsin income or franchise taxes due on or measured by the claimant's income, the amount of the claim not used as an offset against income or franchise taxes shall be certified to the department of administration for payment to the claimant by check, share draft or other draft drawn on the general fund.

SECTION 1754. 71.59 (1) (b) (intro.) of the statutes is amended to read:

71.59 (1) (b) (intro.) Every claimant under ~~this subchapter ss. 71.57 to 71.61~~ shall supply, at the request of the department, in support of the claim, all of the following:

SECTION 1755. 71.59 (1) (b) 4. of the statutes is amended to read:

71.59 (1) (b) 4. Certification by the claimant that each county land conservation committee with jurisdiction over the farmland has been notified that the claimant intends to submit a claim under ~~this subchapter ss. 71.57 to 71.61~~.

SECTION 1756. 71.59 (1) (c) of the statutes is amended to read:

71.59 (1) (c) A farmland preservation agreement submitted under par. (b) 3. shall contain provisions specified under s. 91.13 (8), 2007 stats., including either a provision requiring farming operations to be conducted in substantial accordance with a soil and water conservation plan prepared under s. 92.104, 2007 stats., or a provision requiring farming operations to be conducted in compliance with reasonable soil and water conservation standards established under s. 92.105, 2007 stats.

SECTION 1757. 71.59 (1) (d) 1. of the statutes is amended to read:

71.59 (1) (d) 1. That the lands are within the boundaries of an agricultural zoning district which is part of an adopted ordinance meeting the standards of subch. V of ch. 91, 2007 stats., and certified under s. 91.06, 2007 stats.

SECTION 1758. 71.59 (1) (d) 5. of the statutes is amended to read:

71.59 (1) (d) 5. That soil and water conservation standards applicable to the land are established and approved as required under s. 92.105 (1) to (3), 2007 stats., and that no notice of noncompliance is in effect under s. 92.105 (5), 2007 stats., with respect to the claimant at the time the certificate is issued.

SECTION 1759. 71.59 (2) (intro.) of the statutes is amended to read:

71.59 (2) INELIGIBLE CLAIMS. (intro.) No credit shall be allowed under ~~this subchapter ss. 71.57 to 71.61~~:

SECTION 1760. 71.59 (2) (b) of the statutes is amended to read:

71.59 (2) (b) If a notice of noncompliance with an applicable soil and water conservation plan under s. 92.104, 2007 stats., is in effect with respect to the claimant at the time the claim is filed.

SECTION 1761. 71.59 (2) (c) of the statutes is amended to read:

71.59 (2) (c) If a notice of noncompliance with applicable soil and water conservation standards under s. 92.105, 2007 stats., is in effect with respect to the claimant at the time the claim is filed.

SECTION 1762. 71.59 (2) (d) of the statutes is amended to read:

71.59 (2) (d) For property taxes accrued on farmland zoned for exclusive agricultural use under an ordinance certified under subch. V of ch. 91, 2007 stats., which is granted a special exception or conditional use permit for a use which is not an agricultural use, as defined in s. 91.01 (1), 2007 stats.

SECTION 1763. 71.59 (2) (e) of the statutes is amended to read:

71.59 (2) (e) If the department determines that ownership of the farmland has been transferred to the claimant primarily for the purpose of maximizing benefits under ~~this subchapter ss. 71.57 to 71.61~~.

SECTION 1764. 71.60 (1) (b) of the statutes is amended to read:

71.60 (1) (b) The credit allowed under ~~this subchapter ss. 71.57 to 71.61~~ shall be limited to 90% of the first \$2,000 of excessive property taxes plus 70% of the 2nd \$2,000 of excessive property taxes plus 50% of the 3rd \$2,000 of excessive property taxes. The maximum credit shall not exceed \$4,200 for any claimant. The credit for any claimant shall be the greater of either the credit as calculated under ~~this subchapter ss. 71.57 to 71.61~~ as it exists at the end of the year for which the claim is filed or as it existed on the date on which the farmland became subject to a current agreement under subch. II or III of ch. 91, 2007 stats., using for such calculations household income and property taxes accrued of the year for which the claim is filed.

SECTION 1765. 71.60 (1) (c) 1. of the statutes is amended to read:

71.60 (1) (c) 1. If the farmland is located in a county which has a certified agricultural preservation plan under subch. IV of ch. 91, 2007 stats., at the close of the year for which credit is claimed and is in an area zoned by a county, city or village for exclusive agricultural use under ch. 91, 2007 stats., at the close of such year, the amount of the claim shall be that as specified in par. (b).

SECTION 1766. 71.60 (1) (c) 2. of the statutes is amended to read:

71.60 (1) (c) 2. If the farmland is subject to a transition area agreement under subch. II of ch. 91, 2007 stats., on July 1 of the year for which credit is claimed, or the claimant had applied for such an agreement before July 1 of such year and the agreement has subsequently been executed, and the farmland is located in a city or village which has a certified exclusive agricultural use zoning ordinance under subch. V of ch. 91, 2007 stats., in effect at the close of the year for which credit is claimed, or in a town which is subject to a certified county exclusive agricultural use zoning ordinance under subch. V of ch. 91, 2007 stats., in effect at the close of the year for which credit is claimed, the amount of the claim shall be that as specified in par. (b).

SECTION 1767. 71.60 (1) (c) 3. of the statutes is amended to read:

71.60 (1) (c) 3. If the claimant or any member of the claimant's household owns farmland which is ineligible for credit under subd. 1. or 2. but was subject to a farmland preservation agreement under subch. III of ch. 91, 2007 stats., on July 1 of the year for which credit is claimed, or the owner had applied for such an agreement before July 1 of such year and the agreement has subsequently been executed, and if the owner has applied by the end of the year in which conversion under s. 91.41, 2007 stats., is first possible for conversion of the agreement to a transition area agreement under subch. II of ch. 91, 2007 stats., and the transition area agreement has subsequently been executed, and the farmland is located in a city or village which has a certified exclusive agricultural use zoning ordinance under subch. V of ch. 91, 2007 stats., in effect at the close of the year for which credit is claimed, or in a town which is subject to a certified county exclusive agricultural use zoning ordinance under subch. V of ch. 91, 2007 stats., in effect at the close of the year for which credit is claimed, the amount of the claim shall be that specified in par. (b).

SECTION 1768. 71.60 (1) (c) 4. of the statutes is amended to read:

71.60 (1) (c) 4. If the claimant or any member of the claimant's household owns farmland which is ineligible for credit under subd. 1. or 2. but which is subject to a farmland preservation agreement or a transition area agreement under subch. II of ch. 91, 2007 stats., on July 1 of the year for which credit is claimed, or the owner had applied for such an agreement before July 1 of such year and the agreement has subsequently been executed, the amount of the claim shall be limited to 80% of that specified in par. (b).

SECTION 1769. 71.60 (1) (c) 5. of the statutes is amended to read:

71.60 (1) (c) 5. If the claimant or any member of the claimant's household owns farmland which is ineligible for credit under subds. 1. to 4. but was subject to a farmland preservation agreement under subch. III of ch. 91, 2007 stats., on July 1 of the year for which credit is

claimed, or the owner had applied for such an agreement before July 1 of such year and the agreement has subsequently been executed, and if the owner has applied by the end of the year in which conversion under s. 91.41, 2007 stats., is first possible for conversion of the agreement to an agreement under subch. II of ch. 91, 2007 stats., and the agreement under subch. II of ch. 91, 2007 stats., has subsequently been executed, the amount of the claim shall be limited to 80% of that specified in par. (b).

SECTION 1770. 71.60 (1) (c) 6. of the statutes is amended to read:

71.60 (1) (c) 6. If the farmland is located in an agricultural district under a certified county agricultural preservation plan under subch. IV of ch. 91, 2007 stats., at the close of the year for which credit is claimed, and is located in an area zoned for exclusive agricultural use under a certified town ordinance under subch. V of ch. 91, 2007 stats., at the close of such year, the amount of the claim shall be the amount specified in par. (b).

SECTION 1771. 71.60 (1) (c) 6m. of the statutes is amended to read:

71.60 (1) (c) 6m. If the farmland is located in an agricultural district under a certified county agricultural preservation plan under subch. IV of ch. 91, 2007 stats., at the close of the year for which credit is claimed, and is located in an area zoned for exclusive agricultural use under a certified county or town ordinance under subch. V of ch. 91, 2007 stats., for part of a year but not at the close of that year because the farmland became subject to a city or village extraterritorial zoning ordinance under s. 62.23 (7a), the amount of the claim shall be equal to the amount that the claim would have been under this section if the farmland were subject to a certified county or town exclusive agricultural use ordinance at the close of the year.

SECTION 1772. 71.60 (1) (c) 7. of the statutes is amended to read:

71.60 (1) (c) 7. If the farmland is located in an area zoned for exclusive agricultural use under a certified county, city or village ordinance under subch. V of ch. 91, 2007 stats., at the close of the year for which credit is claimed, but the county in which the farmland is located has not adopted an agricultural preservation plan under subch. IV of ch. 91, 2007 stats., by the close of such year, the amount of the claim shall be limited to 70% of that specified in par. (b).

SECTION 1773. 71.60 (1) (c) 8. of the statutes is amended to read:

71.60 (1) (c) 8. If the farmland is subject to a farmland preservation agreement under subch. III of ch. 91, 2007 stats., on July 1 of the year for which credit is claimed or the claimant had applied for such an agreement before July 1 of such year and the agreement has subsequently been executed, the amount of the claim shall be limited to 50% of that specified in par. (b).

SECTION 1774. 71.60 (2) of the statutes is amended to read:

71.60 (2) If the farmland is subject to a certified ordinance under subch. V of ch. 91, 2007 stats., or an agreement under subch. II of ch. 91, 2007 stats., in effect at the close of the year for which the credit is claimed, the amount of the claim is 10% of the property taxes accrued or the amount determined under sub. (1), whichever is greater.

SECTION 1775. 71.61 of the statutes is amended to read:

71.61 General provisions. (1) DEPARTMENT MAY APPLY CREDIT AGAINST ANY TAX LIABILITY. The amount of any claim otherwise payable under ~~this subchapter ss. 71.57 to 71.61~~ may be applied by the department against any amount certified to the department under s. 71.93 or 71.935 or may be credited under s. 71.80 (3) or (3m).

(2) CREDITS ARE INCOME. All amounts allowed as credits under ~~this subchapter ss. 71.57 to 71.61~~ constitute income for income and franchise tax purposes and are reportable as such in the year of receipt.

(3) INTEREST NOT ALLOWED. No interest may be allowed on any payment made to a claimant under ~~this subchapter ss. 71.57 to 71.61~~.

(3m) ADMINISTRATION. The income tax provisions in this chapter relating to assessments, refunds, appeals and collection apply to the credit under ~~this subchapter ss. 71.57 to 71.61~~.

(4) PENALTIES. Unless specifically provided in ~~this subchapter ss. 71.57 to 71.61~~, the penalties under subch. XIII apply for failure to comply with ~~this subchapter ss. 71.57 to 71.61~~ unless the context requires otherwise.

(5) TABLE PREPARED BY DEPARTMENT. The department shall prepare a table under which claims under ~~this subchapter ss. 71.57 to 71.61~~ shall be determined.

SECTION 1776. 71.61 (6) of the statutes is created to read:

71.61 (6) PROHIBITION OF NEW CLAIMS. For taxable years beginning after December 31, 2009, no new claims for a credit may be filed under ss. 71.57 to 71.61, but if an otherwise eligible claimant is subject to a farmland preservation agreement, as defined in s. 91.01 (7), 2007 stats., that is in effect on July 1, 2010, the claimant may continue to file a claim for the credit under ss. 71.57 to 71.61 until the farmland preservation agreement expires, except that no claimant who files a claim under ss. 71.57 to 71.61 may file a claim under s. 71.613.

SECTION 1777. 71.613 of the statutes is created to read:

71.613 Farmland preservation credit, 2010 and beyond. (1) DEFINITIONS. In this section:

(a) "Agricultural use" has the meaning given in s. 91.01 (2).

(b) "Claimant" means an owner, as defined in s. 91.01 (9), 2007 stats., of farmland, domiciled in this state during the entire taxable year to which the claim under

this section relates, who files a claim under this section, except as follows:

1. When 2 or more individuals of a household are able to qualify individually as a claimant, they may determine between them who the claimant shall be. If they are unable to agree, the matter shall be referred to the secretary of revenue, whose decision is final.

2. If any person in a household has claimed or will claim credit under subch. VIII, all persons from that household are ineligible to claim any credit under this section for the year to which the credit under subch. VIII pertains.

3. For partnerships except publicly traded partnerships treated as corporations under s. 71.22 (1k), "claimant" means each individual partner.

4. For limited liability companies, except limited liability companies treated as corporations under s. 71.22 (1k), "claimant" means each individual member.

5. For purposes of filing a claim under this section, the personal representative of an estate and the trustee of a trust shall be considered owners of farmland. "Claimant" does not include the estate of a person who is a nonresident of this state on the person's date of death, a trust created by a nonresident person, a trust which receives Wisconsin real property from a nonresident person or a trust in which a nonresident settlor retains a beneficial interest.

6. For purposes of filing a claim under this section, when land is subject to a land contract, the claimant shall be the vendee under the contract.

7. For purposes of filing a claim under this section, when a guardian has been appointed in this state for a ward who owns the farmland, the claimant shall be the guardian on behalf of the ward.

8. For a tax-option corporation, "claimant" means each individual shareholder.

(c) "Department" means the department of revenue.

(d) "Farm" means a farm, as defined in s. 91.01 (13), that has produced at least \$6,000 in gross farm revenues during the taxable year to which the claim relates or, in the taxable year to which the claim relates and the 2 immediately preceding taxable years, at least \$18,000 in gross farm revenues.

(e) "Farmland preservation agreement" has the meaning given in s. 91.01 (15).

(f) "Farmland preservation zoning district" has the meaning given in s. 91.01 (18).

(g) "Gross farm revenues" means gross receipts from agricultural use of a farm, excluding rent receipts, less the cost or other basis of livestock or other agricultural items purchased for resale which are sold or otherwise disposed of during the taxable year.

(ge) "Household" means an individual and his or her spouse and all minor dependents.

(h) "Qualifying acres" means the number of acres of a farm that correlate to a claimant's percentage of owner-

ship interest in a farm to which one of the following applies:

1. The farm is wholly or partially covered by a farmland preservation agreement, except that if the farm is only partially covered, the qualifying acres calculation includes only those acres which are covered by a farmland preservation agreement.

2. The farm is located in a farmland preservation zoning district at the end of the taxable year to which the claim relates.

3. If the claimant transferred the claimant's ownership interest in the farm during the taxable year to which the claim relates, the farm was wholly or partially covered by a farmland preservation agreement, or the farm was located in a farmland preservation zoning district, on the date on which the claimant transferred the ownership interest. For the purposes of this subdivision, a land contract is a transfer of ownership interest.

(2) FILING CLAIMS. Subject to the limitations and conditions provided in sub. (3), a claimant may claim as a credit against the tax imposed under s. 71.02, 71.08, 71.23, or 71.43, an amount calculated by multiplying the claimant's qualifying acres by one of the following amounts, and if the allowable amount of the claim exceeds the income taxes otherwise due on the claimant's income or if there are no Wisconsin income taxes due on the claimant's income, the amount of the claim not used as an offset against income taxes shall be certified by the department of revenue to the department of administration for payment to the claimant by check, share draft, or other draft from the appropriation under s. 20.835 (2) (do):

(a) Ten dollars, if the qualifying acres are located in a farmland preservation zoning district and are also subject to a farmland preservation agreement that is entered into after the effective date of this paragraph [LRB inserts date].

(b) Seven dollars and 50 cents, if the qualifying acres are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement that is entered into after the effective date of this paragraph [LRB inserts date].

(c) Five dollars, if the qualifying acres are subject to a farmland preservation agreement that is entered into after the effective date of this paragraph [LRB inserts date], but are not located in a farmland preservation zoning district.

(3) LIMITATIONS AND CONDITIONS. (a) No credit may be allowed under this section unless all of the following apply:

1. The claimant certifies to the department that the claimant has paid, or is legally responsible for paying, the property taxes levied against the qualifying acres to which the claim relates.

2. The claimant certifies to the department that at the end of the taxable year to which the claim relates or, on

the date on which the person transferred the person's ownership interest in the farm if the transfer occurs during the taxable year to which the claim relates, there was no outstanding notice of noncompliance issued against the farm under s. 91.82 (2).

3. The claimant submits to the department a certification of compliance with soil and water conservation standards, as required by s. 91.80, issued by the county land conservation committee unless, in the last preceding year, the claimant received a tax credit under ss. 71.57 to 71.61 or this section for the same farm.

(b) If a farm is jointly owned by 2 or more persons who file separate income or franchise tax returns, each person may claim a credit under this section based on the person's ownership interest in the farm.

(c) If a person acquires or transfers ownership of a farm during a taxable year for which a claim may be filed under this section, the person may file a claim under this section based on the person's liability for the property taxes levied on the person's qualifying acres for the taxable year to which the claim relates.

(d) A claimant shall claim the credit under this section on a form prepared by the department and shall submit any documentation required by the department. On the claim form, the claimant shall certify all of the following:

1. The number of qualifying acres for which the credit is claimed.

2. The location and tax parcel number for each parcel on which the qualifying acres are located.

4. That the qualifying acres are covered by a farmland preservation agreement or located in a farmland preservation zoning district, or both.

5. That the qualifying acres are part of a farm that complies with applicable state soil and water conservation standards, as required by s. 91.80.

(e) No credit may be allowed under this section unless it is claimed within the time period under s. 71.75 (2).

(f) The maximum amount of the credits that may be claimed under this section in any fiscal year is \$27,007,200. If the total amount of eligible claims exceed this amount, the excess claims shall be paid in the next succeeding fiscal year to ensure that the limit specified in this paragraph is not exceeded.

(g) For the 2011-2012 fiscal year, and for every succeeding fiscal year, the department shall prorate the per acre amounts specified in sub. (2) based on the department's estimated amount of eligible claims that will be filed for that fiscal year, and to account for any excess claims from the preceding fiscal year that are required to be paid under par. (f).

(h) If the payment to which an eligible claimant is entitled under sub. (2) is delayed because the claim was an excess claim, as described in par. (f), the claimant is not entitled to any interest payment under s. 71.82 with

regard to the delayed claim or with regard to any other refund to which the claimant is entitled if that other refund claim is claimed on the same income tax return as the credit under this section.

(4) ADMINISTRATION. The department may enforce the credit under this section and may take any action, conduct any proceeding, and proceed as it is authorized in respect to taxes under this chapter. The income and franchise tax provisions in this chapter relating to assessments, refunds, appeals, collection, interest, and penalties apply to the credit under this section.

SECTION 1777m. 71.63 (3) (d) of the statutes is created to read:

71.63 (3) (d) With regard to ss. 71.64 (6m) and 71.65 (6), "employer" means a person described in s. 108.18 (2) (c).

SECTION 1777o. 71.64 (6m) of the statutes is created to read:

71.64 (6m) WITHHOLDING BY CERTAIN CONTRACTORS. If an employer files federal tax form 1099-MISC, Miscellaneous Income, on behalf of any independent contractor or single-member limited liability company providing construction services to the employer, the employer shall deduct and withhold, not more frequently than on a quarterly basis, 1 percent from the wages paid to the person on whose behalf the form is filed.

SECTION 1778. 71.65 (5) (b) of the statutes is amended to read:

71.65 (5) (b) No extension under par. (a) extends the time to deposit with the public depository or pay to the department amounts that are required to be deducted and withheld under this subchapter. The department for good cause may extend for a period, not to exceed one month, the time for making any return or paying any amount required to be paid under this subchapter. The extension may be granted at any time if the extension request is filed with the department within or before the period for which the extension is requested.

SECTION 1778q. 71.65 (6) of the statutes is created to read:

71.65 (6) CONSTRUCTION CONTRACTORS. Any employer who willfully provides false information to the department, or who willfully and with intent to evade any requirement of this subchapter, misclassifies or attempts to misclassify an individual who is an employee of the employer as a nonemployee shall be fined \$25,000 for each violation.

SECTION 1779. 71.74 (6) of the statutes is amended to read:

71.74 (6) CONSOLIDATED STATEMENTS. For the purpose of this chapter, whenever a corporation which is required to file an income or franchise tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or whose income is regulated through contract or other arrangement, the department

may require such consolidated statements as in its opinion are necessary in order to determine the taxable income received by any one of the affiliated or related corporations or to determine whether the corporations are a unitary business.

SECTION 1780. 71.775 (4) (a) (intro.) of the statutes is amended to read:

71.775 (4) (a) (intro.) Each pass-through entity that is subject to the withholding under sub. (2) shall ~~pay the amount of the tax withheld to file an annual return that indicates the withholding amount paid to the state during the pass-through entity's taxable year.~~ The entity shall file the return with the department no later than:

SECTION 1781. 71.775 (4) (b) of the statutes is repealed.

SECTION 1782. 71.775 (4) (bm) 1. of the statutes is created to read:

71.775 (4) (bm) 1. For the return under par. (a), the department shall allow an automatic extension of 7 months or until the corresponding due date of the pass-through entity's federal income tax return or return of partnership income, whichever is later. Except for payments of estimated taxes, and except as provided in subd. 2., withholding taxes payable upon filing the return are not delinquent during the extension period but shall be subject to interest at the rate of 12 percent per year during that period.

SECTION 1783. 71.775 (4) (bm) 2. of the statutes is created to read:

71.775 (4) (bm) 2. For taxable years beginning after December 31, 2008, for persons who qualify for a federal extension of time to file under 26 USC 7508A due to a presidentially declared disaster or terroristic or military action, withholding taxes that are otherwise due from a pass-through entity under sub. (2) are not subject to 12 percent interest as otherwise provided under subd. 1. during the extension period and for 30 days after the end of the federal extension period.

SECTION 1784. 71.775 (4) (bn) of the statutes is created to read:

71.775 (4) (bn) If a pass-through entity subject to withholding tax under sub. (2) does not file the return under par. (a) on or before the extension date provided in par. (bm), the pass-through entity is liable for the penalty provided in s. 71.83 (1), in addition to any unpaid tax, interest, and penalty otherwise assessable to a nonresident partner, member, shareholder, or beneficiary on income from the pass-through entity.

SECTION 1785. 71.775 (4) (c) of the statutes is renumbered 71.775 (4) (i).

SECTION 1786. 71.775 (4) (cm) of the statutes is created to read:

71.775 (4) (cm) Except as provided in par. (L), pass-through entities shall make estimated payments of the withholding tax under sub. (2) in 4 installments, on or before the 15th day of each of the following months:

1. The 3rd month of the taxable year.
2. The 6th month of the taxable year.
3. The 9th month of the taxable year.
4. The 12th month of the taxable year.

SECTION 1787. 71.775 (4) (d) of the statutes is renumbered 71.775 (4) (j) and amended to read:

71.775 (4) (j) A nonresident partner, member, shareholder, or beneficiary of a pass-through entity may claim a credit, as prescribed by the department, on his or her Wisconsin income or franchise tax return for the amount withheld under sub. (2) on his or her behalf for the tax period for which the income of the pass-through entity is reported. ~~For purposes of determining whether interest under s. 71.84 applies to a nonresident partner, member, shareholder, or beneficiary, the amount withheld under sub. (2) is considered to be paid in 4 equal quarterly installments.~~

SECTION 1788. 71.775 (4) (dm) of the statutes is created to read:

71.775 (4) (dm) Section 71.29 (3), (3m), (4), (5), (6), and (11), as it applies to estimated payments of income and franchise taxes for corporations, also applies to estimated payments of the withholding tax imposed under sub. (2) for pass-through entities.

SECTION 1789. 71.775 (4) (e) of the statutes is renumbered 71.775 (4) (k).

SECTION 1790. 71.775 (4) (em) of the statutes is created to read:

71.775 (4) (em) Except as provided in par. (fm), in the case of any underpayment of estimated withholding taxes under par. (cm), interest shall be added to the aggregate withholding tax for the taxable year at the rate of 12 percent per year on the amount of the underpayment for the period of the underpayment. In this paragraph, "period of the underpayment" means the time period beginning with the due date of the installment and ending on either the unextended due date of the return under par. (a) or the date of payment, whichever is earlier. If 90 percent of the tax due under sub. (2) for the taxable year is not paid by the unextended due date of the return under par. (a), the difference between that amount and the estimated taxes paid, along with any interest due, shall accrue delinquent interest in the same manner as income and franchise taxes under s. 71.82 (2) (a).

SECTION 1791. 71.775 (4) (f) of the statutes is repealed.

SECTION 1792. 71.775 (4) (fm) of the statutes is created to read:

71.775 (4) (fm) No interest is required under par. (em) for a pass-through entity if any of the following conditions apply:

1. The amount of withholding tax due under sub. (2) is less than \$500.
2. The amount of withholding tax due under sub. (2) is less than \$5,000, the pass-through entity had no with-

holding tax liability under sub. (2) for the preceding taxable year, and the preceding taxable year was 12 months.

SECTION 1793. 71.775 (4) (g) of the statutes is created to read:

71.775 (4) (g) Except as provided under par. (h), the amount of each installment required under par. (cm) is 25 percent of the lesser of the following amounts:

1. Ninety percent of the withholding tax under sub. (2) that is due for the taxable year.

2. The withholding tax due under sub. (2) for the preceding taxable year, except that this subdivision does not apply if the preceding taxable year was less than 12 months or if the pass-through entity did not file a return under par. (a) for the preceding taxable year.

SECTION 1794. 71.775 (4) (h) of the statutes is created to read:

71.775 (4) (h) If 22.5 percent for the first installment, 45 percent for the 2nd installment, 67.5 percent for the 3rd installment, and 90 percent for the 4th installment of the tax due under sub. (2) for the taxable year; computed by annualizing, under methods prescribed by the department, the pass-through entity's income for the months in the taxable year ending before the installment's due date; is less than the installment required under par. (g), the pass-through entity may pay the amount under this paragraph, rather than the amount under par. (g). For purposes of computing annualized income under this paragraph, the apportionment percentage computed under s. 71.25 (6), (10), and (12) from the return under par. (a) filed for the previous taxable year may be used if that return was filed with the department on or before the due date of the installment for which the income is being annualized and if the apportionment percentage on that previous year's return was greater than zero. Any pass-through entity that pays an amount calculated under this paragraph shall increase the next installment computed under par. (g) by an amount equal to the difference between the amount paid under this paragraph and the amount that would have been paid under par. (g).

SECTION 1795. 71.775 (4) (L) of the statutes is created to read:

71.775 (4) (L) The department shall deem timely paid the estimated payments of the withholding tax imposed under sub. (2) that become due during the period beginning on January 1, 2009, and ending on the effective date of this paragraph [LRB inserts date], provided that such estimated tax payments are paid by the next installment due date that follows in sequence following the effective date of this paragraph [LRB inserts date]. However, if the next installment due date following the effective date of this paragraph [LRB inserts date], is less than 45 days after the effective date of this paragraph [LRB inserts date], such estimated payments, in addition to the payment due less than 45 days after the effective date of this paragraph [LRB inserts date], shall be

deemed timely paid if paid by the next subsequent installment due date.

SECTION 1796. 71.80 (9m) of the statutes is created to read:

71.80 (9m) FAILURE TO PRODUCE RECORDS. A person who fails to produce records or documents, as provided under ss. 71.74 (2) and 73.03 (9), that support amounts or other information required to be shown on any return required under this chapter may be subject to any of the following penalties, as determined by the department, except that the department may not impose a penalty under this subsection if the person shows that under all facts and circumstances the person's response, or failure to respond, to the department's request was reasonable or justified by factors beyond the person's control:

(a) The disallowance of deductions, credits, exemptions, or income inclusions to which the requested records relate.

(b) In addition to any penalty imposed under sub. (4), a penalty for each violation of this subsection that is equal to the greater of \$500 or 25 percent of the amount of the additional tax on any adjustment made by the department that results from the person's failure to produce the records.

(c) The department shall promulgate rules to administer this subsection and the rules shall include a standard response time, a standard for noncompliance, and penalty waiver provisions.

SECTION 1797. 71.80 (20) of the statutes is repealed and recreated to read:

71.80 (20) ELECTRONIC FILING. If a person is required to file 50 or more wage statements or 50 or more of any one type of information return with the department, the person shall file the statements or the returns electronically, by means prescribed by the department.

SECTION 1798. 71.80 (24) of the statutes is created to read:

71.80 (24) THROWBACK TRANSITION. For persons subject to tax under this chapter whose sales factor includes sales under s. 71.04 (7) (a) or 71.25 (9) (a), (df) 3., or (dh) 4., the department shall deem timely paid the estimated tax payments attributable to the difference between the person's tax liability for the taxable year and the person's tax liability for the taxable year computed under ch. 71, 2007 stats., for installments that become due during the period beginning on January 1, 2009, and ending on the effective date of this subsection [LRB inserts date], provided that such estimated tax payments are paid by the next installment due date that follows in sequence following the effective date of this subsection [LRB inserts date]. However, if the next installment due date that follows in sequence following the effective date of this subsection [LRB inserts date], is less than 45 days after the effective date of this subsection [LRB inserts date], such estimated tax payments, in addition to the payment due less than 45 days after the effective date

of this subsection [LRB inserts date], shall be deemed timely paid if paid by the next subsequent installment due date.

SECTION 1801. 71.83 (1) (a) 10. of the statutes is created to read:

71.83 (1) (a) 10. 'Failure to provide schedules.' If a person who is required to provide a schedule under s. 71.13 (1m), 71.20 (1m), or 71.36 (4) fails to provide the schedule by the due date, including any extension, or provides an incorrect or incomplete schedule, the person is subject to a \$50 penalty for each violation, except that the department shall waive the penalty if the person shows the department that a violation resulted from a reasonable cause and not from willful neglect.

SECTION 1802. 71.83 (3) of the statutes is renumbered 71.83 (3) (a) and amended to read:

71.83 (3) (a) If any person required under this chapter to file an income or franchise tax return fails to file a return within the time prescribed by law, or as extended under s. 71.03 (7), 71.24 (7) or 71.44 (3), unless the return is filed under such an extension but the person fails to file a copy of the extension that is granted by or requested of the internal revenue service, the department shall add to the tax of the person ~~\$30 in the case of corporations and in the case of persons other than corporations \$2 when the total normal income tax of the person is less than \$10, \$3 when the tax is \$10 or more but less than \$20, \$5 when the tax is \$20 or more, except that \$30 shall be added to the tax if the return is 60 or more days late~~ \$50 to the person's tax if the return is filed under subch. I of this chapter or \$150 to the person's tax if the return is filed under subch. IV or VII of this chapter. If no tax is assessed against any such person the amount of this fee shall be collected as income or franchise taxes are collected. If any person who is required under s. 71.65 (3) to file a withholding report and deposit withheld taxes fails timely to do so; unless the person so required dies or the failure is due to a reasonable cause and not due to neglect; the department of revenue shall add ~~\$30~~ \$50 to the amount due except that if the person is subject to taxation under subch. IV or VII of this chapter the department shall add \$150 to the amount due.

SECTION 1803. 71.83 (3) (b) of the statutes is created to read:

71.83 (3) (b) A partnership that fails to file a statement under s. 71.20 (1) by the due date, including any extension, is subject to a \$50 fee.

SECTION 1804. 71.91 (8) of the statutes is created to read:

71.91 (8) FINANCIAL RECORD MATCHING PROGRAM. (a) *Definitions.* In this subsection:

1. "Account" means a demand deposit account, checking account, negotiable withdrawal order account, savings account, time deposit account, or money market mutual fund account.

2. "Department" means the department of revenue.

3. "Financial institution" has the meaning given in s. 49.853 (1) (c).

4. "Ownership interest" has the meaning specified by the department by rule.

5. "Person" includes any individual, firm, partnership, limited liability company, joint venture, joint stock company, association, public or private corporation, estate, trust, receiver, personal representative, and other fiduciary, and the owner of a single-owner entity that is disregarded as a separate entity under this chapter.

(b) *Matching program agreements.* The department shall promulgate rules specifying procedures under which the department shall enter into agreements with financial institutions doing business in this state to operate the financial record matching program under this subsection. The information required under par. (c) shall be provided by electronic data exchange in the manner specified by the department by rule or by agreement between the department and the financial institution. If the financial institution requests reimbursement, the department shall reimburse a financial institution for costs associated with participating in the financial record matching program under this subsection in an amount not to exceed \$125 for each calendar quarter that the institution participates in the program.

(c) *Financial institution matching.* The department shall provide to the financial institution, with which it has an agreement under par. (b) at least quarterly, the names and social security numbers or federal employer identification numbers of delinquent debtors. The financial institution shall match this information against all accounts maintained at the financial institution. The financial institution shall notify the department of the name, social security or federal employer identification number, address, account number, account type, and account balance of any person with ownership interest in any account that matches any name or number provided by the department. The notice shall be provided in a manner specified by the department by rule or by agreement between the department and the financial institution.

(e) *Confidentiality.* A financial institution participating in the financial institution matching program under this subsection and the employees, agents, officers, and directors of the financial institution, may use any information provided by the department only for the purpose of administering this subsection and shall be subject to the confidentiality provisions of ss. 71.78 (1) and 77.61 (5) (a). Any person violating this paragraph may be fined not less than \$25 nor more than \$500, or imprisoned in the county jail for not less than 10 days nor more than one year or both.

(f) *Financial institution liability.* A financial institution that provides information under par. (c) is not liable to any person for disclosing information to the department under this subsection or for any other action that the

financial institution takes in good faith to comply with this subsection.

(g) *Penalty.* A financial institution that fails to provide any information required under par. (c) within 120 days from either the date that the information is due or from the date that the department requests the information may be subject to a \$100 penalty for each occurrence of the financial institution's failure to provide account information about an account holder. The department may commence civil proceedings to enforce this subsection if a financial institution fails to provide any information required under par. (c) after 120 days from either the date that the information is due or from the date that the department requests the information.

(h) *Exceptions.* This subsection does not apply to a financial institution that has assets of less than \$5,000,000.

SECTION 1805. 71.93 (1) (a) 8. of the statutes is created to read:

71.93 (1) (a) 8. Any amount owed to a state agency and collected pursuant to a written agreement between the department of revenue and the state agency as provided under sub. (8) (b), if the debt has been reduced to a judgment or if the state agency or the department has provided the debtor reasonable notice and an opportunity to be heard with regard to the amount owed.

SECTION 1806. 71.93 (3) (a) of the statutes is amended to read:

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

SECTION 1807. 71.93 (8) of the statutes is renumbered 71.93 (8) (a).

SECTION 1808. 71.93 (8) (b) of the statutes is created to read:

71.93 (8) (b) 1. Except as provided in subd. 2., a state agency and the department of revenue shall enter into a written agreement to have the department collect any

amount owed to the state agency that is more than 90 days past due, unless negotiations between the agency and debtor are actively ongoing, the debt is the subject of legal action or administrative proceedings, or the agency determines that the debtor is adhering to an acceptable payment arrangement. At least 30 days before the department pursues the collection of any debt referred by a state agency, either the department or the agency shall provide the debtor with a written notice that the debt will be referred to the department for collection. The department may collect amounts owed, pursuant to the written agreement, from the debtor in addition to offsetting the amounts as provided under sub. (3). The department shall charge each debtor whose debt is subject to collection under this paragraph an amount for administrative expenses and that amount shall be credited to the appropriation under s. 20.566 (1) (h).

2. The department may enter into agreements described under subd. 1. with the courts, the legislature, authorities, as defined in s. 16.41 (4), and local units of government.

3. Agreements required under subd. 1. shall be completed no later than July 1, 2010, except that an agreement may allow a delay or phase-in of referrals.

4. The secretary of revenue may waive the referral of certain types of debt. The department's determination that a debt is not collectable does not prevent the referring agency from taking additional collection actions.

5. The department may collect debts and assess interest on delinquent amounts under this paragraph in the same manner that it collects taxes and assesses interest under ss. 71.82 (2), 71.91, 71.92, and 73.03 (20). The department's use of tax returns and related information to collect debts under this paragraph is not a violation of s. 71.78, 72.06, 77.61 (5), 78.80 (3), or 139.38 (6).

6. If the debtor owes debt to the department and to other entities, payments shall first apply to debts owed to the department, then to the state agencies, the courts, the legislature, and authorities, as defined in s. 16.41 (4), in the order in which the debts were referred to the department, and then to local units of government in the order in which the debts were referred to the department.

SECTION 1811. 73.03 (52) of the statutes is renumbered 73.03 (52) (a).

SECTION 1812. 73.03 (52) (b) of the statutes is created to read:

73.03 (52) (b) To enter into agreements with the federal department of the treasury that provide for offsetting state payments against federal nontax obligations; and to charge a fee up to \$25 per transaction for such offsets; and offsetting federal payments, as authorized by federal law, against state tax and nontax obligations, and collecting the offset cost from the debtor, if the agreements provide that setoffs under par. (a) and ss. 71.93 and 71.935 occur before the setoffs under this paragraph. The agreement shall provide that the federal department of the treasury

may deduct a fee from each administrative offset and state payment offset. For purposes of this paragraph "administrative offset" is any offset of federal payments to collect state debts and "state payment offset" is any offset of state payments to collect federal nontax debts.

SECTION 1814. 73.03 (64) of the statutes is created to read:

73.03 (64) To post on the Internet a list of every person who has had a seller's permit revoked under s. 77.52 (11). The Internet site shall list the real name, business name, address, revocation date, type of tax due, and amount due, including interests, penalties, fees, and costs, for each person who has had a seller's permit revoked under s. 77.52 (11). The department shall update the Internet site periodically to add revoked permits and to remove permits that are no longer revoked or for which the permit holder has made sufficient arrangements with the department so that the permit holder may be issued a monthly seller's permit. The department shall update the Internet site quarterly to remove revoked permits for entities that have been out of business for at least one year.

SECTION 1815. 73.03 (65) of the statutes is created to read:

73.03 (65) (a) To enter into agreements with federally recognized American Indian tribes or bands in this state to collect, remit, and provide refunds of the following taxes for activities that occur on tribal lands or are undertaken by tribal members outside of tribal lands:

1. Income taxes imposed under subch. I of ch. 71.
 2. Withholding taxes imposed under subch. X of ch. 71.
 3. Sales and use taxes under subch. III of ch. 77.
 4. Motor vehicle fuel taxes imposed under subch. I of ch. 78.
 5. Beverage taxes imposed under subch. I of ch. 139.
- (b) For purposes of this subsection, all tax and financial information disclosed during negotiations, or exchanged pursuant to a final agreement, between the department and a federally recognized American Indian tribe or band in this state is subject to the confidentiality provisions under ss. 71.78 and 77.61 (5).

(c) The department shall submit a copy of each agreement negotiated under this subsection to the joint committee on finance no later than 30 days after the agreement is signed by the department and the tribe or band.

SECTION 1815b. 73.03 (66) of the statutes is created to read:

73.03 (66) To promulgate rules to ensure that the payments under s. 79.10 (4) made from the appropriation account under s. 20.835 (3) (qb) are used exclusively for school levy tax credits granted to state residents.

SECTION 1815d. 73.03 (67) of the statutes is created to read:

73.03 (67) To submit a request for a supplement under s. 16.515 for administering the debt collection program under s. 71.93 (8) (b) that includes a detailed plan

for implementing the program, a listing of agencies and other entities that would participate in the program, an estimate of the amount of debt collections under the program, and the fees that the debtors would pay under the program.

SECTION 1815g. 73.03 (68) of the statutes is created to read:

73.03 (68) Beginning in 2010, to submit no later than June 30 of each year a report to the governor, the joint committee on finance, and the legislature, as provided under s. 13.172 (2), that describes the funding and position allocations for activities that are related to enhanced enforcement of state tax laws and that increase state tax revenues, including expenditures incurred for such activities, information regarding the type of activities, projects, and enforcement actions undertaken, the number of taxpayers affected, additional amounts assessed and collected, additional revenues generated, and an analysis of the cost-effectiveness of the activities.

SECTION 1815m. 73.0305 of the statutes is amended to read:

73.0305 Revenue limits and intradistrict transfer aid calculations. The department of revenue shall annually determine and certify to the state superintendent of public instruction, no later than the 4th Monday in June, the allowable rate of increase under subch. VII of ch. 121. The allowable rate of increase is the percentage change, if not negative, in the consumer price index for all urban consumers, U.S. city average, between the preceding March 31 and the 2nd preceding March 31, as computed by the federal department of labor.

SECTION 1817p. 74.09 (3) (gd) of the statutes is created to read:

74.09 (3) (gd) For Milwaukee County, if it imposes a sales and use tax under s. 77.70 (2), indicate the amount of the reduction in property taxes associated with the requirement under s. 77.70 (2) to remove transit expenditures from the property tax levy.

SECTION 1827. 76.67 (2) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

76.67 (2) If any domestic insurer is licensed to transact insurance business in another state, this state may not require similar insurers domiciled in that other state to pay taxes greater in the aggregate than the aggregate amount of taxes that a domestic insurer is required to pay to that other state for the same year less the credits under ss. 76.635, 76.636, 76.637, 76.638, and 76.655, except that the amount imposed shall not be less than the total of the amounts due under ss. 76.65 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375% of its gross premiums, as calculated under s. 76.62, less offsets allowed under s. 646.51 (7) or under ss. 76.635, 76.636, 76.637, 76.638, and 76.655 against that total, and except that the amount imposed shall not be less than the amount due under s. 601.93.

SECTION 1829. Chapter 77 (title) of the statutes is amended to read:

CHAPTER 77
TAXATION OF FOREST CROPLANDS;
REAL ESTATE TRANSFER FEES;
SALES AND USE TAXES;
COUNTY, TRANSIT AUTHORITY,
AND SPECIAL DISTRICT SALES
AND USE TAXES; MANAGED FOREST
LAND; RECYCLING
SURCHARGE; LOCAL FOOD AND
BEVERAGE TAX; LOCAL RENTAL
CAR TAX; PREMIER RESORT AREA
TAXES; STATE RENTAL VEHICLE FEE;
DRY CLEANING FEES; SOUTHEASTERN
REGIONAL TRANSIT AUTHORITY FEE

SECTION 1829g. 77.02 (1) of the statutes is amended to read:

77.02 (1) **PETITION.** The owner of an entire quarter section, fractional lot or government lot as determined by U.S. government survey plat, excluding public roads and railroad rights-of-way that may have been sold, may file with the department of natural resources a petition stating that the owner believes the lands therein described are more useful for growing timber and other forest crops than for any other purpose, that the owner intends to practice forestry thereon, that all persons holding encumbrances thereon have joined in the petition and requesting that such lands be approved as "Forest Croplands" under this subchapter. Whenever any such land is encumbered by a mortgage or other indenture securing any issue of bonds or notes, the trustee named in such mortgage or indenture or any amendment thereto may join in such petition, and such action shall for the purpose of this section be deemed the action of all holders of such bonds or notes. Land for which a petition is submitted under sub. (4) is exempt from the size requirements specified under this subsection.

SECTION 1829j. 77.02 (3) of the statutes is amended to read:

77.02 (3) **DECISION, COPIES.** (a) After receiving all the evidence offered at any hearing held on the petition and after making such independent investigation as it sees fit the department shall make its findings of fact and make and enter an order accordingly. If it finds that the facts give reasonable assurance that a stand of merchantable timber will be developed on such descriptions within a reasonable time, and that such descriptions are then held permanently for the growing of timber under sound forestry practices, rather than for agricultural, mineral, shoreland development of navigable waters, recreational, residential or other purposes, and that all persons holding encumbrances against such descriptions have in writing agreed to the petition, the order entered shall grant the request of the petitioner on condition that all unpaid taxes

against said descriptions be paid within 30 days thereafter; otherwise the department of natural resources shall deny the request of the petitioner.

(b) If the request of the a petitioner is granted under par. (a) or sub. (4), a copy of such order shall be filed with the department of revenue, the supervisor of equalization and the clerk of each town, and the order shall be recorded with the register of deeds of each county, in which any of the lands affected by the order are located. The register of deeds shall record the entry, transfer or withdrawal of all forest croplands in a suitable manner on the county records. The register of deeds may collect recording fees under s. 59.43 (2) from the owner. ~~Any~~

(c) Except as provided in sub. (4) (b), any order of the department relating to the entry of forest croplands issued on or before November 20 of any year shall take effect on January 1 of the following calendar year, but all orders issued after November 20 shall take effect on January 1 of the calendar year following the calendar year in which orders issued on or before November 20 would have been effective.

SECTION 1829m. 77.02 (4) of the statutes is created to read:

77.02 (4) EXEMPTION FOR CERTAIN SMALLER PARCELS.

(a) A landowner of a parcel that is less than a quarter quarter section in size may petition the department of natural resources to allow the land to be entered as forest croplands under this section. The department shall grant the petition and issue an order entering the land as forest croplands if all of the following apply:

1. The landowner of the parcel is a nonprofit archery club.
2. The parcel of land was part of a quarter quarter section or lot that was entered as forest croplands before January 1, 1968.
3. The parcel of land was divided from the section or lot and was sold to the landowner before January 1, 2009.

(b) An order issued under par. (a) shall take effect on the date of its issuance. Notwithstanding the 25-year or 50-year requirement under s. 77.03, the date for the ending of an order entered under par. (a) shall be the same date as the date for the ending of the order that applies to the section or lot from which the parcel was divided.

(c) Subsections (2) and (3) (a) do not apply to a petition submitted under this subsection.

(d) The taxes and penalties under s. 77.10 do not apply to a parcel affected by an order of withdrawal if an order of entry is subsequently issued for the parcel under par. (a). If an order of withdrawal is issued for such a parcel after the issuance of the order for entry under par. (a), the landowner shall be liable for all withdrawal taxes and penalties under s. 77.10 that would have been levied on the parcel if the parcel had continuously been subject to the original order of entry issued for the entire quarter quarter section or lot.

SECTION 1829n. 77.03 of the statutes is amended to read:

77.03 Taxation of forest croplands. After the filing and recording of the order with the officers under s. 77.02 (3) the lands described therein shall be "Forest Croplands", on which taxes shall thereafter be payable only as provided under this subchapter. The enactment of ss. 77.01 to 77.14, petition by the owner and the making of the order under s. 77.02 (3) or (4) (a) shall constitute a contract between the state and the owner, running with the lands, for a period of 25 or 50 years at the election of the applicant at the time the petition is filed, unless withdrawn under s. 77.10, with privilege of renewal by mutual agreement between the owner and the state, whereby the state as an inducement to owners and prospective purchasers of forest croplands to come under ss. 77.01 to 77.14 agrees that, unless withdrawn under s. 77.10, no change in or repeal of ss. 77.01 to 77.14 shall apply to any land then accepted as forest croplands, except as the department of natural resources and the owner may expressly agree in writing and except as provided in s. 77.17. If at the end of the contract period the land is not designated as managed forest land under subch. VI, the merchantable timber on the land shall be estimated by an estimator jointly agreed upon by the department of natural resources and the owner, and if the department and the owner fail to agree on an estimator, the judge of the circuit court of the district in which the lands lie shall appoint a qualified forester, whose estimate shall be final, and the cost thereof shall be borne jointly by the department of natural resources and the owner; and the 10% severance tax paid on the stumpage thereon in the same manner as if the stumpage had been cut. The owners by such contract consent that the public may hunt and fish on the lands, subject to such rules as the department of natural resources prescribes regulating hunting and fishing.

SECTION 1829ng. 77.04 (1) of the statutes is amended to read:

77.04 (1) TAX ROLL. The clerk on making up the tax roll shall enter as to each forest cropland description in a special column or some other appropriate place in such tax roll headed by the words "Forest Croplands" or the initials "F.C.L.", which shall be a sufficient designation that such description is subject to this subchapter. Such land shall thereafter be assessed and be subject to review under ch. 70, and such assessment may be used by the department of revenue in the determination of the tax upon withdrawal of such lands as forest croplands as provided in s. 77.10 for entries prior to 1972 or for any entry under s. 77.02 (4) (a). The tax upon withdrawal of descriptions entered as forest croplands after December 31, 1971, may be determined by the department of revenue by multiplying the last assessed value of the land prior to the time of the entry by an annual ratio computed

for the state under sub. (2) to establish the annual assessed value of the description. No tax shall be levied on forest croplands except the specific annual taxes as provided, except that any building located on forest cropland shall be assessed as personal property, subject to all laws and regulations for the assessment and taxation of general property.

SECTION 1829nr. 77.04 (2) of the statutes is amended to read:

77.04 (2) TAX PER ACRE; PAYMENT; PENALTY. The "acreage share" shall be computed at the rate of 10 cents per acre on all lands entered prior to 1972 or entered under s. 77.02 (4) (a). On all lands entered after December 31, 1971, the "acreage share" shall be computed every 10 years to the nearest cent by the department of revenue at the rate of 20 cents per acre multiplied by a ratio using the equalized value of the combined residential, commercial, manufacturing, agricultural, undeveloped, agricultural forest, and productive forest land classes under s. 70.32 (2) within the state in 1972 as the denominator, and using equalized value for these combined land classes in 1982 and every 10th year thereafter as the numerator. All owners shall pay to the taxation district treasurer the acreage share on each description on or before January 31. If the acreage share is not paid when due to the taxation district treasurer it shall be subject to interest and penalty as provided under ss. 74.11 (11), 74.12 (10) and 74.47. These lands shall be returned as delinquent and a tax certificate under subch. VII of ch. 74 shall be issued on them. After 2 years from the date of the issuance of a tax certificate, the county clerk shall promptly take a tax deed under ch. 75. On taking such deed the county clerk shall certify that fact and specify the descriptions to the department of natural resources.

SECTION 1829r. 77.13 (3) of the statutes is created to read:

77.13 (3) Subsections (1) and (2) do not apply to any petition submitted under s. 77.02 (4).

SECTION 1830. 77.25 (8n) of the statutes is created to read:

77.25 (8n) Between an individual and his or her domestic partner under ch. 770.

SECTION 1830b. 77.51 (1a) (a) 5. of the statutes is created to read:

77.51 (1a) (a) 5. Newspapers or other news or information products.

SECTION 1830c. 77.51 (1a) (b) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.51 (1a) (b) For purposes of this subchapter, the sale, license, lease, or rental of or the storage, use, or other consumption of a digital code is treated the same as the sale, license, lease, or rental of or the storage, use, or other consumption of any additional digital goods for which the digital code relates.

SECTION 1830d. 77.51 (2) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.51 (2) "Contractors" and "subcontractors" are the consumers of tangible personal property or items, ~~prop-~~erty, or goods under s. 77.52 (1) (b), ~~(c),~~ or (d) used by them in real property construction activities and the sales and use tax applies to the sale of tangible personal property or items, ~~property,~~ or goods under s. 77.52 (1) (b), ~~(c),~~ or (d) to them. A contractor engaged primarily in real property construction activities may use resale certificates only with respect to purchases of tangible personal property or items, ~~property,~~ or goods under s. 77.52 (1) (b), ~~(c),~~ or (d) which the contractor has sound reason to believe the contractor will sell to customers for whom the contractor will not perform real property construction activities involving the use of such tangible personal property or items, ~~property,~~ or goods under s. 77.52 (1) (b), ~~(c),~~ or (d). In this subsection, "real property construction activities" means activities that occur at a site where tangible personal property or items, ~~property,~~ or goods under s. 77.52 (1) (b), ~~(c),~~ or (d) that are applied or adapted to the use or purpose to which real property is devoted are affixed to that real property, if the intent of the person who affixes that property is to make a permanent accession to the real property. In this subsection, "real property construction activities" does not include affixing property subject to tax under s. 77.52 (1) (c) to real property or affixing to real property tangible personal property or items, ~~property, or goods under s. 77.52 (1) (b), (c), or (d)~~ that remain ~~remains~~ tangible personal property after ~~they are~~ it is affixed.

SECTION 1830e. 77.51 (3rm) (intro.) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.51 (3rm) (intro.) "Finished artwork" means the final art used for actual reproduction by photomechanical or other processes or for display purposes, but does not include Web site or home page designs. "Finished artwork" also includes all of the following items regardless of whether such items are reproduced:

SECTION 1830f. 77.51 (7h) (a) (intro.) of the statutes, as affected by 2009 Wisconsin Act (this act), is repealed and recreated to read:

77.51 (7h) (a) (intro.) "Manufacturing" means the production by machinery of a new article of tangible personal property or item or property under s. 77.52 (1) (b) or (c) with a different form, use, and name from existing materials, by a process popularly regarded as manufacturing, and that begins with conveying raw materials and supplies from plant inventory to the place where work is performed in the same plant and ends with conveying finished units of tangible personal property or item or property under s. 77.52 (1) (b) or (c) to the point of first storage in the same plant. "Manufacturing" includes:

SECTION 1831. 77.51 (7h) (a) 3. of the statutes is created to read:

77.51 (7h) (a) 3. Conveying work in progress directly from one manufacturing process to another in the same plant; testing or inspecting, throughout the

manufacturing process, the new article of tangible personal property that is being manufactured; storing work in progress in the same plant where the manufacturing occurs; assembling finished units of tangible personal property; and packaging a new article of tangible personal property, if the manufacturer, or another person on the manufacturer's behalf, performs the packaging and if the packaging becomes part of the new article as it is customarily offered for sale by the manufacturer.

SECTION 1831b. 77.51 (7h) (a) 3. of the statutes, as created by 2009 Wisconsin Act (this act), is repealed and recreated to read:

77.51 (7h) (a) 3. Conveying work in progress directly from one manufacturing process to another in the same plant; testing or inspecting, throughout the manufacturing process, the new article of tangible personal property or item or property under s. 77.52 (1) (b) or (c) that is being manufactured; storing work in progress in the same plant where the manufacturing occurs; assembling finished units of tangible personal property or item or property under s. 77.52 (1) (b) or (c); and packaging a new article of tangible personal property or items or property under s. 77.52 (1) (b) or (c), if the manufacturer, or another person on the manufacturer's behalf, performs the packaging and if the packaging becomes part of the new article as it is customarily offered for sale by the manufacturer.

SECTION 1832. 77.51 (7h) (b) of the statutes is created to read:

77.51 (7h) (b) "Manufacturing" does not include storing raw materials or finished units of tangible personal property, research or development, delivery to or from the plant, or repairing or maintaining plant facilities.

SECTION 1832b. 77.51 (7h) (b) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed and recreated to read:

77.51 (7h) (b) "Manufacturing" does not include storing raw materials or finished units of tangible personal property or items or property under s. 77.52 (1) (b) or (c), research or development, delivery to or from the plant, or repairing or maintaining plant facilities.

SECTION 1833. 77.51 (10) of the statutes is amended to read:

77.51 (10) "Person" includes any natural person, firm, partnership, limited liability company, joint venture, joint stock company, association, public or private corporation, the United States, the state, including any unit or division of the state, any county, city, village, town, municipal utility, municipal power district or other governmental unit, cooperative, unincorporated cooperative association, estate, trust, receiver, personal representative, any other fiduciary, and any representative appointed by order of any court or otherwise acting on behalf of others. ~~"Person" also includes the owner of a~~

~~single-owner entity that is disregarded as a separate entity under ch. 71.~~

SECTION 1833b. 77.51 (10) of the statutes, as affected by 2009 Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.51 (10) "Person" includes any natural person, firm, partnership, limited liability company, joint venture, joint stock company, association, public or private corporation, the United States, the state, including any unit or division of the state, any county, city, village, town, municipal utility, municipal power district or other governmental unit, cooperative, unincorporated cooperative association, estate, trust, receiver, personal representative, any other fiduciary, any other legal entity, and any representative appointed by order of any court or otherwise acting on behalf of others.

SECTION 1834. 77.51 (10b) of the statutes is created to read:

77.51 (10b) For purposes of sub. (7h), "plant" means a parcel of property or adjoining parcels of property, including parcels that are separated only by a public road, and the buildings, machinery, and equipment that are located on the parcel, that are owned by or leased to the manufacturer.

SECTION 1835. 77.51 (10c) of the statutes is created to read:

77.51 (10c) For purposes of sub. (7h), "plant inventory" does not include unsevered mineral deposits.

SECTION 1835dr. 77.51 (12m) (b) 10. of the statutes is created to read:

77.51 (12m) (b) 10. The surcharges imposed under s. 256.35 (3g) (a) 1. and 2. a.

SECTION 1835e. 77.51 (13) (k) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.51 (13) (k) With respect to a lease, any person deriving rentals from a lease of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) ~~situated in~~ sourced to this state as provided under s. 77.522.

SECTION 1835f. 77.51 (13g) (a) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.51 (13g) (a) Any retailer owning any real property in this state or leasing or renting out any tangible personal property, or items, ~~or property, or goods~~ under s. 77.52 (1) (b), ~~or (c), or (d),~~ located in this state or maintaining, occupying or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place or other place of business in this state.

SECTION 1836. 77.51 (13g) (d) of the statutes is created to read:

77.51 (13g) (d) Any person who has an affiliate in this state, if the person is related to the affiliate and if the affiliate uses facilities or employees in this state to adver-

tise, promote, or facilitate the establishment of or market for sales of items by the related person to purchasers in this state or for providing services to the related person's purchasers in this state, including accepting returns of purchases or resolving customer complaints. For purposes of this paragraph, 2 persons are related if any of the following apply:

1. One person, or each person, is a corporation and one person and any person related to that person in a manner that would require a stock attribution from the corporation to the person or from the person to the corporation under section 318 of the Internal Revenue Code owns directly, indirectly, beneficially, or constructively at least 50 percent of the corporation's outstanding stock value.

2. One person, or each person, is a partnership, estate, or trust and any partner or beneficiary; and the partnership, estate, or trust and its partners or beneficiaries; own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50 percent of the profits, capital, stock, or value of the other person or both persons.

3. An individual stockholder and the members of the stockholder's family, as defined in section 318 of the Internal Revenue Code, owns directly, indirectly, beneficially, or constructively, in the aggregate, at least 50 percent of both persons' outstanding stock value.

SECTION 1836c. 77.51 (14) (j) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.51 (14) (j) The granting of possession of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) by a lessor to a lessee, or to another person at the direction of the lessee. Such a transaction involving tangible personal property is deemed a continuing sale in this state.

SECTION 1836d. 77.51 (14a) of the statutes is created to read:

77.51 (14a) For purposes of ss. 77.54, 77.55, and 77.56, "sale" includes licenses, leases, and rentals.

SECTION 1836e. 77.51 (15b) (b) 10. of the statutes is created to read:

77.51 (15b) (b) 10. The surcharges imposed under s. 256.35 (3g) (a) 1. and 2. a.

SECTION 1836f. 77.51 (17x) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.51 (17x) "Specified digital goods" means digital audio works, digital audiovisual works, and digital books. For purposes of this subchapter, the sale, license, lease, or rental of or the storage, use, or other consumption of a digital code is treated the same as the sale, license, lease, or rental of or the storage, use, or other consumption of any specified digital goods for which the digital code relates.

SECTION 1836g. 77.51 (20) of the statutes, as affected by 2009 Wisconsin Act 2, section 333, is amended to read:

77.51 (20) "Tangible personal property" means personal property that can be seen, weighed, measured, felt,

or touched, or that is in any other manner perceptible to the senses, and includes electricity, gas, steam, water, and prewritten computer software, regardless of how it is delivered to the purchaser.

SECTION 1836h. 77.51 (24) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.51 (24) "Value-added nonvoice data service" means a service that otherwise meets the definition of telecommunications services, in which computer processing applications are used to act on the form, content, code, or protocol of the information or data provided by the service and are used primarily for a purpose other than for transmitting, conveying, or routing data.

SECTION 1836i. 77.52 (1) (a) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible personal property, ~~including accessories, components, attachments, parts, supplies and materials~~, at retail a tax is imposed upon all retailers at the rate of 5% of the sales price from the sale, license, lease or rental of tangible personal property, ~~including accessories, components, attachments, parts, supplies and materials~~, sold, licensed, leased or rented at retail in this state, as determined under s. 77.522.

SECTION 1836j. 77.52 (1) (b) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.52 (1) (b) For the privilege of selling, licensing, leasing, or renting at retail coins and stamps of the United States that are sold, licensed, leased, rented, or traded as collectors' items above their face value, a tax is imposed on all retailers at the rate of 5 percent of the sales price from the sale, license, lease, or rental of such coins and stamps.

SECTION 1837. 77.52 (2) (a) 2. a. of the statutes is amended to read:

77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions to amusement, athletic, entertainment or recreational events or places except county fairs, the sale, rental or use of regular bingo cards, extra regular cards, special bingo cards and the sale of bingo supplies to players and the furnishing, for dues, fees or other considerations, the privilege of access to clubs or the privilege of having access to or the use of amusement, entertainment, athletic or recreational devices or facilities, including the sale or furnishing of use of recreational facilities on a periodic basis or other recreational rights, including but not limited to membership rights, vacation services and club memberships.

SECTION 1838. 77.52 (2) (a) 2. c. of the statutes is created to read:

77.52 (2) (a) 2. c. Taxable sales do not include the sale of admissions by a nonprofit organization to participate in any sports activity in which more than 50 percent of the participants are 19 years old or younger.

SECTION 1839. 77.52 (2) (a) 8m. of the statutes is created to read:

77.52 (2) (a) 8m. The towing and hauling of motor vehicles by a tow truck, as defined in s. 340.01 (67n), unless at the time of towing or hauling a sale in this state of the motor vehicle to the purchaser would be exempt from the taxes imposed under this subchapter, not including the exempt sale of a motor vehicle to a nonresident under s. 77.54 (5) (a) and nontaxable sales described under s. 77.51 (14r).

SECTION 1839b. 77.52 (2) (a) 8m. of the statutes, as created by 2009 Wisconsin Act ... (this act), is repealed and recreated to read:

77.52 (2) (a) 8m. The towing and hauling of motor vehicles by a tow truck, as defined in s. 340.01 (67n), unless at the time of towing or hauling a sale sourced to this state under s. 77.522 of the motor vehicle to the purchaser would be exempt from the taxes imposed under this subchapter, not including the exempt sale of a motor vehicle to a nonresident under s. 77.54 (5) (a) and nontaxable sales described under s. 77.585 (8).

SECTION 1839d. 77.52 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.52 (2) (a) 10. Except for services provided by veterinarians and except for installing or applying tangible personal property, or items or goods under sub. (1) (b) or (d), that, subject to par. (ag), when installed or applied, will constitute an addition or capital improvement of real property, the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of all items of tangible personal property or items, property, or goods under ~~s. 77.52 sub.~~ (1) (b), (c), or (d), unless, at the time of that repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance, a sale in this state of the type of property, item, or good repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or maintained would have been exempt to the customer from sales taxation under this subchapter, other than the exempt sale of a motor vehicle or truck body to a nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. 77.522 or unless the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance is provided under a contract that is subject to tax under subd. 13m. The tax imposed under this subsection applies to the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance of items listed in par. (ag), regardless of whether the installation or application of tangible personal property or items, property, or goods under ~~s. 77.52 sub.~~ (1) (b), (c), or (d) related to the items is an addition to or a capital improvement of real property, except that the tax imposed under this subsection does not apply to the original installation or the complete replacement of an item listed in par. (ag), if that installation or replacement is a real property construction activity under s. 77.51 (2).

SECTION 1840d. 77.52 (12) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.52 (12) A person who operates as a seller in this state without a permit or after a permit has been suspended or revoked or has expired, unless the person has a temporary permit under sub. (11), and each officer of any corporation, partnership member, limited liability company member, or other person authorized to act on behalf of a seller who so operates, is guilty of a misdemeanor. ~~Permits Except for a person who is registered in accordance with the agreement, as defined in s. 77.65 (2) (a), permits~~ shall be held only by persons actively operating as sellers of tangible personal property, or items, property, or goods under sub. (1) (b), (c), or (d), or taxable services. Any person not so operating shall forthwith surrender that person's permit to the department for cancellation. The department may revoke the permit of a person found not to be actively operating as a seller of tangible personal property, or items, property, or goods under sub. (1) (b), (c), or (d), or taxable services.

SECTION 1840dm. 77.522 (1) (b) (intro.) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.522 (1) (b) (intro.) Except as provided in par. (c) and subs. ~~(2)~~, (3), (4), and (5), the location of a sale is determined as follows:

SECTION 1840e. 77.522 (1) (b) 5. b. of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.522 (1) (b) 5. b. If the item sold is a digital good or computer software delivered electronically, the sale is sourced to the location from which the digital good or computer software was first available for transmission by the seller, not including any location that merely provided the digital transfer of the product sold.

SECTION 1840f. 77.522 (2) of the statutes, as created by 2009 Wisconsin Act 2, is repealed.

SECTION 1840fd. 77.522 (3) (a) of the statutes, as created by 2009 Wisconsin Act Wisconsin Act 2, is amended to read:

77.522 (3) (a) Except as provided in pars. (b) and (c), with regard to the first or only payment on the lease or rental, the lease or rental of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) is sourced to the location determined under sub. (1) (b). ~~If the property, item, or good is moved from the place where the property, item, or good was initially delivered, the subsequent~~ Subsequent periodic payments on the lease or rental are sourced to the property's, item's, or good's primary location as indicated by an address for the property, item, or good that is provided by the lessee and that is available to the lessor in records that the lessor maintains in the ordinary course of the lessor's business, if the use of such an address does not constitute bad faith. The location of a lease or rental as determined under this paragraph shall not be altered by any intermittent use of the property, item, or good at different locations.

SECTION 1840g. 77.522 (3) (d) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.522 (3) (d) A license of tangible personal property or items ~~or, property, or goods~~ under s. 77.52 (1) (b) ~~or, (c), or (d)~~ shall be treated as a lease or rental of such tangible personal property, items, property, or goods under this subsection.

SECTION 1840h. 77.53 (1) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed on the use or consumption in this state of taxable services under s. 77.52 purchased from any retailer, at the rate of 5% of the purchase price of those services; on the storage, use or other consumption in this state of tangible personal property and items or property under s. 77.52 (1) (b) or (c) purchased from any retailer, at the rate of 5% of the purchase price of the property or items; on the storage, use, or other consumption of goods in this state under s. 77.52 (1) (d) purchased from any retailer, if the purchaser has the right to use the goods on a permanent or less than permanent basis and regardless of whether the purchaser is required to make continued payments for such right, at the rate of 5 percent of the sales purchase price of the goods; and on the storage, use or other consumption of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) manufactured, processed or otherwise altered, in or outside this state, by the person who stores, uses or consumes it, from material purchased from any retailer, at the rate of 5% of the purchase price of that material.

SECTION 1841. 77.53 (16m) of the statutes is created to read:

77.53 (16m) If the purchase, rental, or lease of tangible personal property or service subject to the tax imposed by this section occurred on tribal lands and, prior to imposing the tax under this subchapter, was subject to a sales tax by a federally recognized American Indian tribe or band in this state, the amount of sales tax paid to the tribe or band may, as determined by an agreement between the department and the tribal council under s. 73.03 (65), be applied as a credit against and deducted from the tax, to the extent thereof, imposed by this section. In this subsection "sales tax" includes a use or excise tax imposed on the use of tangible personal property or taxable service by the tribe or band.

SECTION 1841b. 77.53 (16m) of the statutes, as created by 2009 Wisconsin Act ... (this act), is repealed and recreated to read:

77.53 (16m) If the purchase, rental, license, or lease of tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or service subject to the tax imposed by this section was sourced to tribal lands and, prior to imposing the tax under this subchapter, was subject to a sales tax by a federally recognized American Indian tribe or band in this state, the amount of sales tax paid to the tribe or band may, as determined by an agreement between the department and the tribal council under s. 73.03 (65), be applied as a credit against and deducted

from the tax, to the extent thereof, imposed by this section. In this subsection "sales tax" includes a use or excise tax imposed on the use of tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or taxable service by the tribe or band.

SECTION 1841d. 77.54 (1) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (1) The sales price from the sale of and the storage, use or other consumption in this state of tangible personal property, and items, and property, ~~and~~ goods under s. 77.52 (1) (b), and (c), ~~and~~ (d), and services the sales price from the sale of which, or the storage, use or other consumption of which, this state is prohibited from taxing under the constitution or laws of the United States or under the constitution of this state.

SECTION 1842. 77.54 (2) of the statutes is amended to read:

77.54 (2) The gross receipts from sales of and the storage, use or other consumption of tangible personal property ~~becoming that is used exclusively and directly by a manufacturer in manufacturing an article of tangible personal property that is destined for sale and that becomes~~ an ingredient or component part of ~~an~~ the article of tangible personal property destined for sale or which is consumed or destroyed or loses its identity in ~~the manufacture~~ manufacturing the article of tangible personal property ~~in any form~~ destined for sale, except as provided in sub. (30) (a) 6.

SECTION 1842d. 77.54 (2) of the statutes, as affected by 2009 Wisconsin Acts 2 and ... (this act), is repealed and recreated to read:

77.54 (2) The sales price from the sales of and the storage, use, or other consumption of tangible personal property or item under s. 77.52 (1) (b) that is used exclusively and directly by a manufacturer in manufacturing an article of tangible personal property or item or property under s. 77.52 (1) (b) or (c) that is destined for sale and that becomes an ingredient or component part of the article of tangible personal property or item or property under s. 77.52 (1) (b) or (c) destined for sale or is consumed or destroyed or loses its identity in manufacturing the article of tangible personal property or item or property under s. 77.52 (1) (b) or (c) destined for sale, except as provided in sub. (30) (a) 6.

SECTION 1843. 77.54 (2m) of the statutes is amended to read:

77.54 (2m) The gross receipts from the sales of and the storage, use or other consumption of tangible personal property or services that are used exclusively and directly by a manufacturer in manufacturing shoppers guides, newspapers, or periodicals and that become an ingredient or component of shoppers guides, newspapers, or periodicals or that are consumed or lose their identity in the manufacture of shoppers guides, newspapers, or periodicals, whether or not the shoppers guides, newspapers, or periodicals are transferred without charge

to the recipient. In this subsection, "shoppers guides," "newspapers," and "periodicals" have the meanings under sub. (15). The exemption under this subdivision does not apply to advertising supplements that are not newspapers.

SECTION 1843c. 77.54 (2m) of the statutes, as affected by 2009 Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.54 (2m) The sales price from the sales of and the storage, use, or other consumption of tangible personal property or services that are used exclusively and directly by a manufacturer in manufacturing shoppers guides, newspapers, or periodicals and that become an ingredient or component of shoppers guides, newspapers, or periodicals or that are consumed or lose their identity in the manufacture of shoppers guides, newspapers, or periodicals, whether or not the shoppers guides, newspapers, or periodicals are transferred without charge to the recipient. In this subsection, "shoppers guides," "newspapers," and "periodicals" have the meanings under sub. (15). The exemption under this subdivision does not apply to advertising supplements that are not newspapers.

SECTION 1843d. 77.54 (3) (a) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (3) (a) The sales price from the sales of and the storage, use, or other consumption of tractors and machines, including accessories, attachments, and parts, lubricants, nonpowered equipment, and other tangible personal property, or items or property under s. 77.52 (1) (b) or (c), that are used exclusively and directly, or are consumed or lose their identities, in the business of farming, including dairy farming, agriculture, horticulture, floriculture, silviculture, and custom farming services, but excluding automobiles, trucks, and other motor vehicles for highway use; excluding personal property that is attached to, fastened to, connected to, or built into real property or that becomes an addition to, component of, or capital improvement of real property; and excluding tangible personal property, or items or property under s. 77.52 (1) (b) or (c), used or consumed in the erection of buildings or in the alteration, repair, or improvement of real property, regardless of any contribution that that personal property, or item or property under s. 77.52 (1) (b) or (c), makes to the production process in that building or real property and regardless of the extent to which that personal property, or item or property under s. 77.52 (1) (b) or (c), functions as a machine, except as provided in par. (c).

SECTION 1843e. 77.54 (4) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (4) The sales price from the sale of tangible personal property and items, and property, and goods under s. 77.52 (1) (b), and (c), and (d) and the storage, use or other consumption in this state of tangible personal property and items, and property, and goods under s.

77.52 (1) (b), and (c), and (d), which is the subject of any such sale, by any elementary school or secondary school, exempted as such from payment of income or franchise tax under ch. 71, whether public or private.

SECTION 1843f. 77.54 (6) (a) of the statutes is amended to read:

77.54 (6) (a) Machines and specific processing equipment and repair parts or replacements thereof, exclusively and directly used by a manufacturer in manufacturing tangible personal property or items or property under s. 77.52 (1) (b) or (c) and safety attachments for those machines and equipment.

SECTION 1843g. 77.54 (6) (b) of the statutes is amended to read:

77.54 (6) (b) Containers, labels, sacks, cans, boxes, drums, bags or other packaging and shipping materials for use in packing, packaging or shipping tangible personal property or items or property under s. 77.52 (1) (b) or (c), if such items the containers, labels, sacks, cans, boxes, drums, bags, or other packaging and shipping materials are used by the purchaser to transfer merchandise to customers and meat.

(bm) Meat casing, wrapping paper, tape, containers, labels, sacks, cans, boxes, drums, bags or other packaging and shipping materials for use in packing, packaging or shipping meat or meat products regardless of whether such items are used to transfer merchandise to customers.

SECTION 1844. 77.54 (6m) (intro.) of the statutes is renumbered 77.51 (7h) (a) (intro.) and amended to read:

77.51 (7h) (a) (intro.) For purposes of sub. (6) (a) "manufacturing" is "Manufacturing" means the production by machinery of a new article of tangible personal property with a different form, use, and name from existing materials, by a process popularly regarded as manufacturing, and that begins with conveying raw materials and supplies from plant inventory to the place where work is performed in the same plant and ends with conveying finished units of tangible personal property to the point of first storage in the same plant. "Manufacturing" includes but is not limited to:

SECTION 1845. 77.54 (6m) (a) of the statutes is renumbered 77.51 (7h) (a) 1.

SECTION 1846. 77.54 (6m) (b) of the statutes is renumbered 77.51 (7h) (a) 2. and amended to read:

77.51 (7h) (a) 2. Ore dressing, including the mechanical preparation, by crushing and other processes, and the concentration, by flotation and other processes, of ore, and beneficiation, including but not limited to the preparation of ore for smelting.

SECTION 1846d. 77.54 (7) (a) of the statutes is amended to read:

77.54 (7) (a) Except as provided in pars. (b) to (d), the occasional sales of tangible personal property, items and property under s. 77.52 (1) (b) and (c), and services and the storage, use or other consumption in this state of tangible personal property and items and property under s.

77.52 (1) (b) and (c) the transfer of which to the purchaser is an occasional sale.

SECTION 1846e. 77.54 (7m) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (7m) Occasional sales of tangible personal property, or items, ~~or property, or goods~~ under s. 77.52 (1) (b), ~~or (c), and (d)~~, or services, including admissions or tickets to an event; by a neighborhood association, church, civic group, garden club, social club or similar nonprofit organization; not involving entertainment for which payment in the aggregate exceeds \$500 for performing or as reimbursement of expenses unless access to the event may be obtained without payment of a direct or indirect admission fee; conducted by the organization if the organization is not engaged in a trade or business and is not required to have a seller's permit. For purposes of this subsection, an organization is engaged in a trade or business and is required to have a seller's permit if its sales of tangible personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d), and services, not including sales of tickets to events, and its events occur on more than 20 days during the year, unless its receipts do not exceed \$25,000 during the year. The exemption under this subsection does not apply to the sales price from the sale of bingo supplies to players or to the sale, rental or use of regular bingo cards, extra regular cards and special bingo cards.

SECTION 1846f. 77.54 (9a) (intro.) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (9a) (intro.) The sales price from sales to, and the storage by, use by or other consumption of tangible personal property, and items, and property, ~~and goods~~ under s. 77.52 (1) (b), and (c), ~~and (d)~~, and taxable services by:

SECTION 1847. 77.54 (9a) (a) of the statutes is amended to read:

77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Wisconsin Quality Home Care Authority, and the Fox River Navigational System Authority.

SECTION 1848. 77.54 (9a) (ed) of the statutes is created to read:

77.54 (9a) (ed) Any federally recognized American Indian tribe or band in this state.

SECTION 1849. 77.54 (9a) (er) of the statutes is created to read:

77.54 (9a) (er) Any transit authority created under s. 59.58 (7), 66.1038, or 66.1039.

SECTION 1849b. 77.54 (18) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (18) When the sale, ~~license, lease, or rental~~ of a service or property, including items, property, and goods under s. 77.52 (1) (b), (c), and (d), that was previously exempt or not taxable under this subchapter

becomes taxable, and the service or property is furnished under a written contract by which the seller is unconditionally obligated to provide the service or property for the amount fixed under the contract, the seller is exempt from sales or use tax on the sales price for services or property provided until the contract is terminated, extended, renewed or modified. However, from the time the service or property becomes taxable until the contract is terminated, extended, renewed or modified the user is subject to use tax, measured by the purchase price, on the service or property purchased under the contract.

SECTION 1849c. 77.54 (23m) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (23m) The sales price from the sale, ~~license, lease or rental~~ of or the storage, use or other consumption of motion picture film or tape, and motion pictures or radio or television programs for listening, viewing, or broadcast, and advertising materials related thereto, sold, ~~licensed, leased or rented~~ to a motion picture theater or radio or television station.

SECTION 1849d. 77.54 (30) (a) 6. of the statutes is amended to read:

77.54 (30) (a) 6. Fuel and electricity consumed in manufacturing tangible personal property, or items or property under s. 77.52 (1) (b) or (c), in this state.

SECTION 1849m. 77.54 (30) (a) 7. of the statutes is created to read:

77.54 (30) (a) 7. Fuel sold for use in motorboats that are regularly employed in carrying persons for hire for sport fishing in and upon the outlying waters, as defined in s. 29.001 (63), and the rivers and tributaries specified in s. 29.2285 (2) (a) 1. and 2., if the owner and all operators are licensed under s. 29.514 to operate the boat for that purpose.

SECTION 1849s. 77.54 (35) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (35) The sales price from the sales of tangible personal property, or items, ~~or property, or goods~~ under s. 77.52 (1) (b), or (c), ~~or (d)~~, tickets, or admissions by any baseball team affiliated with the Wisconsin Department of American Legion baseball.

SECTION 1849w. 77.54 (37) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (37) The sales price from revenues collected under ~~s. 256.35 (3) and~~ the surcharge established by rule by the public service commission under s. 256.35 (3m) (f) for customers of wireless providers, as defined in s. 256.35 (3m) (a) 6.

SECTION 1850b. 77.54 (49) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (49) The sales price from the sale of and the storage, use, or other consumption of taxable services and tangible personal property or items, or property, or goods under s. 77.52 (1) (b), or (c), ~~or (d)~~, that are physically transferred to the purchaser as a necessary part of services that are subject to the taxes imposed under s.

77.52 (2) (a) 7., 10., 11., and 20., if the seller and the purchaser of such services and property, or item, ~~or~~ good are members of the same affiliated group under section 1504 of the Internal Revenue Code and are eligible to file a single consolidated return for federal income tax purposes. For purposes of this subsection, if a seller purchases a taxable service, or item, or property, ~~or~~ goods under s. 77.52 (1) (b), or (c), ~~or~~ (d), or tangible personal property, as described in this subsection, that is subsequently sold to a member of the seller's affiliated group and the sale is exempt under this subsection from the taxes imposed under this subchapter, the original purchase of the taxable service, or item, or property, ~~or~~ goods under s. 77.52 (1) (b), or (c), ~~or~~ (d), or tangible personal property by the seller is not considered a sale for resale or exempt under this subsection.

SECTION 1850d. 77.54 (50) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.54 (50) The sales price from the sale, ~~license, lease, or rental~~ of and the storage, use, or other consumption of specified digital goods or additional digital goods, if the sale, ~~license, lease, or rental~~ of and the storage, use, or other consumption of such goods sold in a tangible form is exempt from, or not subject to, taxation under this subchapter.

SECTION 1850e. 77.54 (54) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.54 (54) The sales price from the sale of and the storage, use, or other consumption of tangible personal property, and items, and property, ~~and~~ goods under s. 77.52 (1) (b), and (c), ~~and~~ (d), and taxable services that are sold by a home exchange service that receives monies from the appropriation account under s. 20.485 (1) (g) and is operated by the department of veterans affairs.

SECTION 1850eb. 77.54 (55) of the statutes is created to read:

77.54 (55) The sales price from the police and fire protection fee imposed under s. 196.025 (6).

SECTION 1850ed. 77.54 (56) of the statutes, as created by 2007 Wisconsin Act 20, is amended to read:

77.54 (56) (a) ~~The Beginning July 1, 2011, the~~ gross receipts from the sale of and the storage, use, or other consumption of a product whose power source is wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units per day, except that the exemption under this subsection does not apply to an uninterruptible power source that is designed primarily for computers.

(b) Except for the sale of electricity or energy that is exempt from taxation under sub. (30), beginning on July 1, 2011, the gross receipts from the sale of and the storage, use, or other consumption of electricity or energy produced by a product described under par. (a).

SECTION 1850ef. 77.54 (56) of the statutes, as affected by 2009 Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.54 (56) (a) Beginning July 1, 2011, the sales price from the sale of and the storage, use, or other consumption of a product whose power source is wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units per day, except that the exemption under this subsection does not apply to an uninterruptible power source that is designed primarily for computers.

(b) Except for the sale of electricity or energy that is exempt from taxation under sub. (30), beginning on July 1, 2011, the sales price from the sale of and the storage, use, or other consumption of electricity or energy produced by a product described under par. (a).

SECTION 1851. 77.54 (57) of the statutes is created to read:

77.54 (57) (a) In this subsection:

1d. "Animals" include bacteria, viruses, and other microorganisms.

1f. "Biotechnology" means the application of biotechnologies, including recombinant deoxyribonucleic acid techniques, biochemistry, molecular and cellular biology, genetics, genetic engineering, biological cell fusion, and other bioprocesses, that use living organisms or parts of an organism to produce or modify products to improve plants or animals or improve animal health, develop microorganisms for specific uses, identify targets for small molecule pharmaceutical development, or transform biological systems into useful processes and products.

1m. "Biotechnology business" means a business, as certified by the department in the manner prescribed by the department, that is primarily engaged in the application of biotechnologies that use a living organism or parts of an organism to produce or modify products to improve plants or animals, develop microorganisms for specific uses, identify targets for small molecule pharmaceutical development, or transform biological systems into useful processes and products.

2. "Machinery" has the meaning given in s. 70.11 (27) (a) 2.

4. "Primarily" means more than 50 percent.

5. "Qualified research" means qualified research as defined under section 41 (d) (1) of the Internal Revenue Code.

6. "Used exclusively" has the meaning given in sub. (3) (b) 3.

(b) The sales price from the sale of and the storage, use, or other consumption of all of the following:

1. Machinery and equipment, including attachments, parts, and accessories, that are sold to persons who are

engaged primarily in manufacturing or biotechnology in this state and are used exclusively and directly in qualified research.

2. Tangible personal property or item or property under s. 77.52 (1) (b) or (c) that is sold to persons who are engaged primarily in manufacturing or biotechnology in this state, if the tangible personal property or item or property under s. 77.52 (1) (b) or (c) is consumed or destroyed or loses its identity while being used exclusively and directly in qualified research.

3. Machines and specific processing equipment, including accessories, attachments, and parts for the machines or equipment, that are used exclusively and directly in raising animals that are sold primarily to a biotechnology business, a public or private institution of higher education, or a governmental unit for exclusive and direct use by any such entity in qualified research or manufacturing.

4. The items listed in sub. (3m) (a) to (m), medicines, semen for artificial insemination, fuel, and electricity that are used exclusively and directly in raising animals that are sold primarily to a biotechnology business, a public or private institution of higher education, or a governmental unit for exclusive and direct use by any such entity in qualified research or manufacturing.

SECTION 1851e. 77.55 (1) (intro.) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.55 (1) (intro.) There is exempted from the computation of the amount of the sales tax the sales price from the sale of any tangible personal property, or items, or property, or goods under s. 77.52 (1) (b), or (c), and (d), or services to:

SECTION 1851f. 77.55 (2) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.55 (2) There is exempted from the computation of the amount of the sales tax the sales price from sales of tangible personal property, and items, and property, and goods under s. 77.52 (1) (b), and (c), and (d), to a common or contract carrier, shipped by the seller via the purchasing carrier under a bill of lading whether the freight is paid in advance, or the shipment is made freight charges collect, to a point outside this state and the property, or item, or good is actually transported to the out-of-state destination for use by the carrier in the conduct of its business as a carrier.

SECTION 1851g. 77.55 (3) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.55 (3) There is exempted from the computation of the amount of the sales tax the sales price from sales of tangible personal property, and items, and property, and goods under s. 77.52 (1) (b), and (c), and (d), purchased for use solely outside this state and delivered to a forwarding agent, export packer, or other person engaged in the business of preparing goods for export or arranging for their exportation, and actually delivered to a port out-

side the continental limits of the United States prior to making any use thereof.

SECTION 1851h. 77.56 (1) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.56 (1) The storage, use or other consumption in this state of tangible personal property, including and items, property, and goods under s. 77.52 (1) (b), (c), and (d), the sales price from the sale of which is reported to the department in the measure of the sales tax, is exempted from the use tax.

SECTION 1852. 77.58 (3) (a) of the statutes is amended to read:

77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller. For purposes of the use tax a return shall be filed by every retailer engaged in business in this state and by every person purchasing tangible personal property or services, the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax due to a retailer required to collect the tax. If a qualified subchapter S subsidiary is not regarded as a separate entity under ch. 71, the owner of that subsidiary shall elect to either include the information for that subsidiary on the owner's return. ~~Returns shall be signed by the person required to file the return or by a duly authorized agent but need not be verified by oath or file a separate electronic return for that entity.~~ If a single-owner entity is disregarded as a separate entity under ch. 71, the owner shall elect to either include the information from the entity on the owner's return or file a separate electronic return for that entity. If an owner that owns more than one entity that is disregarded as a separate entity under ch. 71 elects to file a separate return for one of its disregarded entities, the owner shall file separate returns for all of its disregarded entities. Returns filed under this paragraph shall be signed by the person required to file the return or by a duly authorized agent but need not be verified by oath.

SECTION 1852b. 77.58 (3) (a) of the statutes, as affected by 2009 Wisconsin Acts 2 and ... (this act), is repealed and recreated to read:

77.58 (3) (a) For purposes of the sales tax a return shall be filed by every seller. For purposes of the use tax a return shall be filed by every retailer engaged in business in this state and by every person purchasing tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services, the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax due to a retailer required to collect the tax. If a qualified subchapter S subsidiary is not regarded as a separate entity under ch. 71, the owner of that subsidiary shall elect to either include the information for that subsidiary on the owner's return or file a separate electronic return for that entity. If a single-owner entity is disregarded as a separate entity under ch. 71, the owner shall elect to either include the information from

the entity on the owner's return or file a separate electronic return for that entity. If an owner that owns more than one entity that is disregarded as a separate entity under ch. 71 elects to file a separate return for one of its disregarded entities, the owner shall file separate returns for all of its disregarded entities. Returns filed under this paragraph shall be signed by the person required to file the return or by a duly authorized agent but need not be verified by oath.

SECTION 1852d. 77.58 (6) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.58 (6) For the purposes of the sales tax, the sales price from rentals, licenses, or leases of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) shall be reported and the tax paid in accordance with such rules as the department prescribes.

SECTION 1852f. 77.585 (8) of the statutes, as created by 2009 Wisconsin Act 2, is repealed and recreated to read:

77.585 (8) (a) A sale or purchase involving transfer of ownership of tangible personal property, or items or property under s. 77.52 (1) (b) or (c), is completed at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent, except that for purposes of sub. (1) a common carrier or the U.S. postal service shall be considered the agent of the seller, regardless of any f.o.b. point and regardless of the method by which freight or postage is paid.

(b) 1. Except as provided in subd. 2., a sale or purchase involving a digital good under s. 77.52 (1) (d) is completed at the time when possession is transferred by the seller or the seller's agent to the purchaser or the purchaser's agent or when the digital good is first used, whichever comes first.

2. A sale or purchase of a product transferred electronically, including a digital good under s. 77.52 (1) (d), that is sold by subscription, is completed at the time when the payment for the subscription is due to the seller. For purposes of this subdivision, "subscription" means an agreement with a seller that grants the consumer the right to obtain products transferred electronically from within one or more product categories having the same tax treatment, in a fixed quantity or for a fixed period of time, or both.

SECTION 1852g. 77.59 (9n) (c) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

77.59 (9n) (c) ~~A~~ Except as otherwise provided in this paragraph, a purchaser is not liable for the tax, interest, or penalties imposed on a transaction under this subchapter if the seller or certified service provider from whom the purchaser made the purchase relied on erroneous data provided in the databases under s. 73.03 (61) (e) and (f) or if the purchaser relied on erroneous data provided in the databases under s. 73.03 (61) (e) and (f). With respect to reliance on the database provided under s. 73.03 (61) (e), the relief provided under this paragraph

is limited to the erroneous classification in the database of terms defined in this subchapter and specifically identified in the database as being "taxable," "exempt," "included in sales price" or "excluded from sales price," or "included in the definition" or "excluded from the definition." With respect to reliance on the database provided under s. 73.03 (61) (f), the relief provided under this paragraph does not apply to transactions by which the product is received by the purchaser at the business location of the seller.

SECTION 1852m. 77.61 (4) (c) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

77.61 (4) (c) For reporting the sales tax and collecting and reporting the use tax imposed on the retailer under s. 77.53 (3) and the accounting connected with it, retailers, not including certified service providers that receive compensation under s. 73.03 (61) (h), may deduct 0.5 percent of those taxes payable or \$10 for that reporting period required under s. 77.58 (1) and not more than \$1,000 for that reporting period, whichever is greater, but not more than the amount of the sales taxes or use taxes that is payable under ss. 77.52 and 77.53 (3) for that reporting period required under s. 77.58 (1), as administration expenses if the payment of the taxes is not delinquent. For purposes of calculating the retailer's discount under this paragraph, the taxes on retail sales reported by retailers under subch. V, including taxes collected and remitted as required under s. 77.785, shall be included if the payment of those taxes is not delinquent.

SECTION 1853d. 77.61 (11) of the statutes, as affected by 2009 Wisconsin Act 2, is repealed and recreated to read:

77.61 (11) Any city, village or town clerk or other official whose duty it is to issue licenses or permits to engage in a business involving the sale at retail of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) subject to tax under this subchapter, or the furnishing of services so subject to tax, shall, before issuing such license or permit, require proof that the person to whom such license or permit is to be issued is the holder of a seller's permit or use tax registration certificate, is registered to collect, report, and remit use tax under this subchapter, or has been informed by an employee of the department that the department will issue a seller's permit or use tax registration certificate to that person or register that person to collect, report, and remit use tax.

SECTION 1854. 77.61 (19) of the statutes is created to read:

77.61 (19) A person who fails to produce records or documents, as provided under s. 73.03 (9) or 77.59 (2), that support amounts or other information required to be shown on a return required under s. 77.58 may be subject to any of the following penalties, as determined by the department, except that the department may not impose a penalty under this subsection if the person shows that

under all facts and circumstances the person's response, or failure to respond, to the department's request was reasonable or justified by factors beyond the person's control:

(a) The disallowance of deductions, credits, exemptions, or inclusions of additional taxable sales or additional taxable purchases to which the requested records relate.

(b) A penalty for each violation of this subsection that is equal to the greater of \$500 or 25 percent of the amount of the additional tax on any adjustment made by the department that results from the person's failure to produce the records.

(c) The department shall promulgate rules to administer this subsection and the rules shall include a standard response time, a standard for noncompliance, and penalty waiver provisions.

SECTION 1855. 77.61 (19m) of the statutes is created to read:

77.61 (19m) (a) A single-owner entity that is disregarded as a separate entity under ch. 71 is disregarded as a separate entity for purposes of this subchapter.

(b) A single-owner entity that is disregarded as a separate entity under ch. 71 on the effective date of this paragraph [LRB inserts date], shall be treated under this subchapter as an entity separate from its owner for purposes of the sale, license, lease, or rental of and the storage, use, or other consumption of tangible personal property purchased by the single-owner entity or its owner prior to the effective date of this paragraph [LRB inserts date].

(c) A single-owner entity that is disregarded as a separate entity under ch. 71 on the effective date of this paragraph [LRB inserts date], shall be treated under this subchapter as an entity separate from its owner for purchases of building materials, if the materials are affixed and made a structural part of real estate, and the amount payable to the contractor is fixed without regard to the costs incurred in performing a written contract that was irrevocably entered into prior to the effective date of this paragraph [LRB inserts date], or that resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before the effective date of this paragraph [LRB inserts date].

SECTION 1855b. 77.61 (19m) (b) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed and recreated to read:

77.61 (19m) (b) A single-owner entity that is disregarded as a separate entity under ch. 71 on the effective date of the 2009-11 biennial budget act [LRB inserts date], shall be treated under this subchapter as an entity separate from its owner for purposes of the sale, license, lease, or rental of and the storage, use, or other consumption of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) purchased by the

single-owner entity or its owner prior to the effective date of the 2009-11 biennial budget act [LRB inserts date].

SECTION 1855d. 77.61 (20) of the statutes is created to read:

77.61 (20) The sale, license, lease, or rental of a product may be taxed only once under this subchapter regardless of whether such sale, license, lease, or rental is subject to taxation under more than one imposition provision under this subchapter.

SECTION 1856. Subchapter V (title) of chapter 77 [precedes 77.70] of the statutes is amended to read:

CHAPTER 77

SUBCHAPTER V

COUNTY, TRANSIT

AUTHORITY, AND SPECIAL DISTRICT

SALES AND USE TAXES

SECTION 1856d. 77.70 of the statutes is renumbered 77.70 (1) and amended to read:

77.70 (1) Any county desiring to impose county sales and use taxes under this subchapter may do so by the adoption of an ordinance, stating its purpose and referring to this subchapter. The rate of the tax imposed under this subsection is 0.5 percent of the gross receipts or sales price. The county sales and use taxes may be imposed only for the purpose of directly reducing the property tax levy and only in their entirety as provided in this subchapter. That ordinance shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 60 days before the effective date of the repeal.

SECTION 1856e. 77.70 (1) of the statutes, as affected by Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.70 (1) Any county desiring to impose county sales and use taxes under this subchapter may do so by the adoption of an ordinance, stating its purpose and referring to this subchapter. The rate of the tax imposed under this subsection is 0.5 percent of the sales price or purchase price. The county sales and use taxes may be imposed only for the purpose of directly reducing the property tax levy and only in their entirety as provided in this subchapter. That ordinance shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal.

SECTION 1856f. 77.70 (2) of the statutes is created to read:

77.70 (2) In addition to the taxes imposed under subs. (1) and (3), if Milwaukee County satisfies the conditions under s. 66.1038 (5) (b), Milwaukee County may adopt an ordinance to impose a sales and use tax under this subchapter at the rate of 0.5 percent of the gross receipts or sales price. The taxes may be imposed only in their entirety. If Milwaukee County imposes the taxes under this subsection, it shall not levy property taxes for transit purposes. If Milwaukee County imposes the taxes under this subsection, it shall distribute the tax revenue to the Milwaukee Transit Authority created under s. 66.1038. An ordinance adopted under this subsection shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal.

SECTION 1856g. 77.70 (2) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed and recreated to read:

77.70 (2) In addition to the taxes imposed under subs. (1) and (3), if the Milwaukee County satisfies the conditions under s. 66.1038 (5) (b), Milwaukee County may adopt an ordinance to impose a sales and use tax under this subchapter at the rate of 0.5 percent of the sales price or purchase price. The taxes may be imposed only in their entirety. If Milwaukee County imposes the taxes under this subsection, it shall not levy property taxes for transit purposes. If Milwaukee County imposes the taxes under this subsection, it shall distribute the tax revenue to the Milwaukee Transit Authority created under s. 66.1038. An ordinance adopted under this subsection shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal.

SECTION 1856h. 77.70 (3) of the statutes is created to read:

77.70 (3) If Milwaukee County imposes the tax under sub. (2), Milwaukee County may adopt an ordinance to impose a sales and use tax under this subchapter at the rate of 0.15 percent of the gross receipts or sales price. The taxes may be imposed only in their entirety. Milwaukee County shall annually distribute the tax revenue to the municipalities located in whole or in part in Milwaukee County, to be used for police, fire, and emergency medical services, in proportion to the number of sworn

police officers and fire fighters employed by each municipality on July 1 of the preceding calendar year. An ordinance adopted under this subsection shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal.

SECTION 1856i. 77.70 (3) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed and recreated to read:

77.70 (3) If Milwaukee County imposes the tax under sub. (2), Milwaukee County may adopt an ordinance to impose a sales and use tax under this subchapter at the rate of 0.15 percent of the sales price or purchase price. The taxes may be imposed only in their entirety. Milwaukee County shall annually distribute the tax revenue to the municipalities located in whole or in part in Milwaukee County, to be used for police, fire, and emergency medical services, in proportion to the number of sworn police officers and fire fighters employed by each municipality on July 1 of the preceding calendar year. An ordinance adopted under this subsection shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal.

SECTION 1856j. 77.70 (4) of the statutes is created to read:

77.70 (4) Burnett County may adopt an ordinance to increase the rate of the tax imposed under sub. (1) from 0.5 percent to 1 percent, if the majority of the electors of the county approve the increase at a referendum. The county may use the additional revenue from the rate increase only to pay for an upgrade to radio towers in order to satisfy federal communications commission requirements to update a radio frequency with a narrow bandwidth no later than December 31, 2012. An ordinance adopted under this subsection shall be effective on the first day of January, the first day of April, the first day of July or the first day of October. A certified copy of that ordinance shall be delivered to the secretary of revenue at least 120 days prior to its effective date. The repeal of any such ordinance shall be effective on December 31. A certified copy of a repeal ordinance shall be delivered to the secretary of revenue at least 120 days before the effective date of the repeal. The tax imposed under this subsection may be in effect for no more than 3 years from

the date on which the ordinance imposing the tax takes effect.

SECTION 1857. 77.705 of the statutes is amended to read:

77.705 Adoption by resolution; baseball park district. A local professional baseball park district created under subch. III of ch. 229, by resolution under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at a rate of no more than 0.1% of the gross receipts or sales price. Those taxes may be imposed only in their entirety. The resolution shall be effective on the first day of the first month that begins at least 30 days after the adoption of the resolution. Any moneys transferred from the appropriation account under s. 20.566 (1) (gd) to the appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt. Any moneys received under s. 341.14 (6r) (b) 13. b. and credited to the appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt.

SECTION 1857d. 77.705 of the statutes, as affected by 2009 Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.705 Adoption by resolution; baseball park district. A local professional baseball park district created under subch. III of ch. 229, by resolution under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at a rate of no more than 0.1% of the sales price or purchase price. Those taxes may be imposed only in their entirety. The resolution shall be effective on the first January 1, April 1, July 1, or October 1 that begins at least 120 days after the adoption of the resolution. Any moneys transferred from the appropriation account under s. 20.566 (1) (gd) to the appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt. Any moneys received under s. 341.14 (6r) (b) 13. b. and credited to the appropriation account under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt.

SECTION 1858. 77.708 of the statutes is created to read:

77.708 Adoption by resolution; transit authority.

(1) A transit authority created under s. 66.1039, by resolution under s. 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate not to exceed 0.5 percent of the gross receipts or sales price. Those taxes may be imposed only in their entirety. The resolution shall be effective on the first day of the first calendar quarter that begins at least 120 days after the adoption of the resolution.

(2) Retailers and the department of revenue may not collect a tax under sub. (1) for any transit authority created under s. 66.1039 after the calendar quarter during which the transit authority adopts a repeal resolution under s. 66.1039 (4) (s), except that the department of revenue may collect from retailers taxes that accrued

before such calendar quarter and fees, interest, and penalties that relate to those taxes.

SECTION 1858b. 77.708 (1) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed and recreated to read:

77.708 (1) A transit authority created under s. 66.1039, by resolution under s. 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate not to exceed 0.5 percent of the sales price or purchase price. Those taxes may be imposed only in their entirety. The resolution shall be effective on the first day of the first calendar quarter that begins at least 120 days after the adoption of the resolution.

SECTION 1859. 77.71 (intro.) of the statutes is amended to read:

77.71 Imposition of county, transit authority, and special district sales and use taxes. (intro.) Whenever a county sales and use tax ordinance is adopted under s. 77.70, a transit authority resolution is adopted under s. 77.708, or a special district resolution is adopted under s. 77.705 or 77.706, the following taxes are imposed:

SECTION 1860. 77.71 (1) of the statutes is amended to read:

77.71 (1) For the privilege of selling, leasing, or renting tangible personal property and for the privilege of selling, performing, or furnishing services a sales tax is imposed upon retailers at the ~~rate of 0.5%~~ rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the gross receipts from the sale, lease, or rental of tangible personal property, except property taxed under sub. (4), sold, leased, or rented at retail in the county ~~or,~~ special district, or transit authority's jurisdictional area, or from selling, performing, or furnishing services described under s. 77.52 (2) in the county ~~or,~~ special district, or transit authority's jurisdictional area.

SECTION 1860d. 77.71 (1) of the statutes, as affected by 2009 Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.71 (1) For the privilege of selling, licensing, leasing, or renting tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and for the privilege of selling, licensing, performing, or furnishing services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price from the sale, license, lease, or rental of tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed under sub. (4), sold, licensed, leased, or rented at retail in the county, special district, or transit authority's jurisdictional area, or from selling, licensing, performing, or fur-

nishing services described under s. 77.52 (2) in the county, special district, or transit authority's jurisdictional area.

SECTION 1861. 77.71 (2) of the statutes is amended to read:

77.71 (2) An excise tax is imposed at the ~~rate of 0.5% rates under s. 77.70~~ in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price upon every person storing, using, or otherwise consuming in the county or, special district, or transit authority's jurisdictional area tangible personal property or services if the property or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3), or (4) has been paid relieves the buyer of liability for the tax under this subsection and except that if the buyer has paid a similar local tax in another state on a purchase of the same property or services that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a purpose in addition to retention, demonstration, or display while held for sale in the regular course of business by a dealer the tax under this subsection is imposed not on the sales price but on the amount under s. 77.53 (1m).

SECTION 1861d. 77.71 (2) of the statutes, as affected by 2009 Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.71 (2) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming in the county, special district, or transit authority's jurisdictional area tangible personal property, or items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property, item, property, good, or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3), or (4) has been paid relieves the buyer of liability for the tax under this subsection and except that if the buyer has paid a similar local tax in another state on a purchase of the same tangible personal property, item, property, good, or service that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a purpose in addition to retention, demonstration, or display while held for sale in the regular course of business by a dealer the tax under this subsection is imposed not on the purchase price but on the amount under s. 77.53 (1m).

SECTION 1862. 77.71 (3) of the statutes is amended to read:

77.71 (3) An excise tax is imposed upon a contractor engaged in construction activities within the county or, special district, or transit authority's jurisdictional area,

at the ~~rate of 0.5% rates under s. 77.70~~ in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price of tangible personal property that is used in constructing, altering, repairing, or improving real property and that becomes a component part of real property in that county or special district or in the transit authority's jurisdictional area, except that if the contractor has paid the sales tax of a county ~~in the case of a county tax, transit authority, or of a special district in the case of a special district tax~~ in this state on that property, or has paid a similar local sales tax in another state on a purchase of the same property, that tax shall be credited against the tax under this subsection.

SECTION 1862d. 77.71 (3) of the statutes, as affected by 2009 Wisconsin Acts 2 and (this act), is repealed and recreated to read:

77.71 (3) An excise tax is imposed upon a contractor engaged in construction activities within the county, special district, or transit authority's jurisdictional area, at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) that are used in constructing, altering, repairing, or improving real property and that became a component part of real property in that county or special district or in the transit authority's jurisdictional area, except that if the contractor has paid the sales tax of a county, transit authority, or special district in this state on that tangible personal property, item, property, or good, or has paid a similar local sales tax in another state on a purchase of the same tangible personal property, item, property, or good, that tax shall be credited against the tax under this subsection.

SECTION 1863. 77.71 (4) of the statutes is amended to read:

77.71 (4) An excise tax is imposed at the ~~rate of 0.5 percent rates under s. 77.70~~ in the case of a county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price upon every person storing, using or otherwise consuming a motor vehicle, boat, snowmobile, recreational vehicle, as defined in s. 340.01 (48r), trailer, semitrailer, all-terrain vehicle or aircraft, if that property must be registered or titled with this state and if that property is to be customarily kept in a county that has in effect an ordinance under s. 77.70, the jurisdictional area of a transit authority that has in effect a resolution under s. 77.708, or in a special district that has in effect a resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local sales tax in another state on a purchase of the same property that tax shall be credited against the tax under this subsection.