

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3545/P1dn
JK:jld:rs

November 14, 2013

Representative Mason:

Please review this draft carefully to ensure that it is consistent with your intent. Because this draft concerns a relatively complicated part of the statute, you may want to consult with DOR before putting the draft into an introducible form.

This draft does not address the issue of imposing an apportionment method based on property, payroll, and sales factors. Oregon uses an apportionment method based on those three factors, but Wisconsin uses an apportionment method based only on a single sales factor. Although I can draft a bill that applies a three factor apportionment formula to the income of a unitary business described in the bill, if I don't apply that formula to all other taxpayers, that method may be challenged as a violation of the equal protection clause of the 14th Amendment of the United States Constitution because the draft would treat certain foreign corporations differently from in-state corporations and from other foreign corporations.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov