

2015 DRAFTING REQUEST

Bill

Received: 2/2/2015 Received By: jkreye
Wanted: As time permits Same as LRB:
For: Howard Marklein (608) 266-0703 By/Representing: scott
May Contact: Drafter: jkreye
Subject: Tax, Business - crp inc, fran Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Sen.Marklein@legis.wi.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Computing depreciation, depletion and amortization.

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 2/2/2015			_____			
/P1	jkreye 2/4/2015	kfollett 2/2/2015	jmurphy 2/3/2015	_____	srose 2/3/2015		State
/P2	jkreye 2/4/2015	jdyer 2/4/2015	jfrantze 2/4/2015	_____	lparisi 2/4/2015		State
/1		kfollett	rschluet	_____	lparisi	lparisi	State

Vers. Drafted

Reviewed
2/4/2015

Typed
2/4/2015

Proofed

Submitted
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Jacketed
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FE Sent For:

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INTRO

<END>

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*Jacket
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*1/5/15
2/4* *1/5/15
2/4* *[Signature]
2/4/15*

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Pre Topic:

No specific pre topic given

Topic:

Combined federal adjusted basis of all depreciated or amortized assets

Instructions:

See attached

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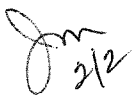
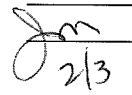
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Instructions:

See attached

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/?	jkreye		 2/2	 2/3			

FE Sent For:

<END>



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1579/P1

JK: [Signature]

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Turn 2-3
AM

D-N

Gen

1 AN ACT ...; relating to: the treatment of the combined adjusted basis of all
2 depreciated and amortized assets for income and franchise tax purposes.

Analysis by the Legislative Reference Bureau

Currently, for income and franchise tax purposes, for five consecutive taxable years, a taxpayer must subtract 20 percent of the amount determined by subtracting the combined federal adjusted basis of all depreciated or amortized assets as of the last day of the taxable year that are also being depreciated or amortized for Wisconsin from the combined Wisconsin adjusted basis of those assets on the same day. Under the bill, a taxpayer may choose not to treat the taxpayer's combined federal adjusted basis and combined Wisconsin adjusted basis in this manner.

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

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

3 SECTION 1. 71.05 (6) (b) 50. of the statutes is amended to read:

4 71.05 (6) (b) 50. Starting At the taxpayer's option, starting with the first
5 taxable year beginning after December 31, 2013, and for each of the next 4 taxable
6 years, 20 percent of the amount determined by subtracting the combined federal

1 adjusted basis of all depreciated or amortized assets as of the last day of the taxable
 2 year beginning in 2013 that are also being depreciated or amortized for Wisconsin
 3 from the combined Wisconsin adjusted basis of those assets on the same day.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 19, 20, 128, 145; 2013 a. 166 s. 76; 2013 a. 173, 227; s. 13.92 (2) (i); s. 35.17 correction in (13) (a) 2.

4 **SECTION 2. 71.26 (3) (ym)** of the statutes is amended to read:

5 **71.26 (3) (ym)** ~~Starting~~ At the taxpayer's option, starting with the first taxable
 6 year beginning after December 31, 2013, and for each of the next 4 taxable years, a
 7 corporation shall may subtract 20 percent of the amount determined by subtracting
 8 the combined federal adjusted basis of all depreciated or amortized assets as of the
 9 last day of the taxable year beginning in 2013 that are also being depreciated or
 10 amortized for Wisconsin from the combined Wisconsin adjusted basis of those assets
 11 on the same day.

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; 2007 a. 20, 96, 97, 151, 226; 2009 a. 2, 28, 161, 165, 180, 183, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 7, 10, 32, 212, 232; 2011 a. 260 s. 80; 2013 a. 20, 145; 2013 a. 165 ss. 46, 115.

12 **SECTION 3. 71.45 (2) (a) 19.** of the statutes is amended to read:

13 **71.45 (2) (a) 19.** ~~Starting~~ At the taxpayer's option, starting with the first
 14 taxable year beginning after December 31, 2013, and for each of the next 4 taxable
 15 years, by subtracting 20 percent of the amount determined by subtracting the
 16 combined federal adjusted basis of all depreciated or amortized assets as of the last
 17 day of the taxable year beginning in 2013 that are also being depreciated or
 18 amortized for Wisconsin from the combined Wisconsin adjusted basis of those assets
 19 on the same day.

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 165, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 32, 212, 232; 2011 a. 260 s. 80; 2013 a. 20, 145, 165.

20

(END)

D-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1579/P1dn

JK: 

Date

Senator Marklein:

Please review this draft carefully to ensure that it is consistent with your intent.

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

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

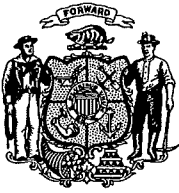
LRB-1579/P1dn
JK:kjf:jm

February 3, 2015

Senator Marklein:

Please review this draft carefully to ensure that it is consistent with your intent.

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



P2
L
JLD

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 2-4

NOW

depreciation, depletion, and amortization ✓

Regen

4

1 AN ACT to amend 71.05 (6) (b) 50., 71.26 (3) (ym) and 71.45 (2) (a) 19. of the
2 statutes; relating to: the treatment of the combined adjusted basis of all
3 depreciated and amortized assets for income and franchise tax purposes.

Analysis by the Legislative Reference Bureau

Insert A ✓

Currently, for income and franchise tax purposes, for five consecutive taxable years, a taxpayer must subtract 20 percent of the amount determined by subtracting the combined federal adjusted basis of all depreciated or amortized assets as of the last day of the taxable year that are also being depreciated or amortized for Wisconsin from the combined Wisconsin adjusted basis of those assets on the same day. Under the bill, a taxpayer may choose not to treat the taxpayer's combined federal adjusted basis and combined Wisconsin adjusted basis in this manner.

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

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

4 SECTION 1. 71.05 (6) (b) 50. of the statutes is amended to read:
5 71.05 (6) (b) 50. Starting At the taxpayer's option, starting with the first
6 taxable year beginning after December 31, 2013, and for each of the next 4 taxable

1 years, 20 percent of the amount determined by subtracting the combined federal
2 adjusted basis of all depreciated or amortized assets as of the last day of the taxable
3 year beginning in 2013 that are also being depreciated or amortized for Wisconsin
4 from the combined Wisconsin adjusted basis of those assets on the same day.

5 SECTION 2. 71.26 (3) (ym) of the statutes is amended to read:

6 71.26 (3) (ym) ~~Starting~~ At the taxpayer's option, starting with the first taxable
7 year beginning after December 31, 2013, and for each of the next 4 taxable years, a
8 corporation shall may subtract 20 percent of the amount determined by subtracting
9 the combined federal adjusted basis of all depreciated or amortized assets as of the
10 last day of the taxable year beginning in 2013 that are also being depreciated or
11 amortized for Wisconsin from the combined Wisconsin adjusted basis of those assets
12 on the same day.

13 SECTION 3. 71.45 (2) (a) 19. of the statutes is amended to read:

14 71.45 (2) (a) 19. ~~Starting~~ At the taxpayer's option, starting with the first
15 taxable year beginning after December 31, 2013, and for each of the next 4 taxable
16 years, by subtracting 20 percent of the amount determined by subtracting the
17 combined federal adjusted basis of all depreciated or amortized assets as of the last
18 day of the taxable year beginning in 2013 that are also being depreciated or
19 amortized for Wisconsin from the combined Wisconsin adjusted basis of those assets
20 on the same day.

21

(END)

insert
2-20

Insert A

This bill provides that, for income and franchise tax purposes, a taxpayer may compute depreciation, depletion, or amortization under section 179 of the Internal Revenue Code[✓] in effect on January 1, 2013.[✓]

Insert 2 - 20

1 **SECTION 1.** 71.98 (3)[✓] of the statutes is renumbered 71.98 (3) (a) and amended

2 to read:

3 71.98 (3) (a) DEPRECIATION, DEPLETION, AND AMORTIZATION. ~~For~~ Except as

4 provided in par. (b),[✓] for taxable years beginning after December 31, 2013, and for

5 purposes of computing depreciation and amortization, the Internal Revenue Code

6 means the federal Internal Revenue Code in effect on January 1, 2014. ~~For~~ Except

7 as provided in par. (b),[✓] for taxable years beginning after December 31, 2013, and for

8 purposes of computing depletion, the Internal Revenue code means the federal

9 Internal Revenue code in effect for the year in which the property is placed in service.

History: 2011 a. 1, 49; 2013 a. 20, 145.

History: ts paid by him or her for medical care for the employee's[✓] adult child.

10 **SECTION 2.** 71.98 (3) (b) of the statutes is created to read:

11 71.98 (3) (b) For purposes of computing depreciation, depletion, or

12 amortization under section 179 of the Internal Revenue Code,[✓] a taxpayer may use

13 the law in effect on January 1, 2013,[✓] for taxable years beginning on or after January

14 1, 2013.[✓]



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1579/P2
JK:kjf&jld:jf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

2-4-15
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Regen

1 AN ACT *to renumber and amend* 71.98 (3); and *to create* 71.98 (3) (b) of the
2 statutes; **relating to:** the treatment of depreciation, depletion, and
3 amortization for income and franchise tax purposes.

Analysis by the Legislative Reference Bureau

This bill provides that, for income and franchise tax purposes, a taxpayer may compute depreciation, depletion, or amortization under section 179 of the Internal Revenue Code in effect on January 1, 2013.

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

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

4 SECTION 1. 71.98 (3) of the statutes is renumbered 71.98 (3) (a) and amended
5 to read:

6 71.98 (3) (a) ~~For~~ Except as provided in par. (b), for taxable years beginning after
7 December 31, 2013, and for purposes of computing depreciation and amortization,
8 the Internal Revenue Code means the federal Internal Revenue Code in effect on

INSERT
A

1 January 1, 2014. ~~For~~ Except as provided in par. (b), for taxable years beginning after
2 December 31, 2013, and for purposes of computing depletion, the Internal Revenue
3 code means the federal Internal Revenue code in effect for the year in which the
4 property is placed in service.

5 **SECTION 2.** 71.98 (3) (b) of the statutes is created to read:

6 71.98 (3) (b) For purposes of computing depreciation, depletion, or
7 amortization under section 179 of the Internal Revenue Code, a taxpayer may use
8 the law in effect on January 1, 2013, for taxable years beginning on or after January
9 1, ~~2013~~

10

(END)

2014

, and deductions,

**2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1579/lins
JK:kjf&jld:jf

Insert A

This bill provides that, for purposes of computing depreciation, depletion, or amortization, and deductions, under section 179 of the Internal Revenue Code, a taxpayer may use the law in effect on January 1, 2013, for taxable years beginning on or after January 1, 2014.