



State of Wisconsin

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RICHARD CHAMPAGNE
CHIEF

February 11, 2015

MEMORANDUM

To: Senator Marklein

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2015 SB 24** (LRB-1579/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

February 11, 2015

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Michael Wagner
Michael Oakleaf
Department of Revenue

SUBJECT: Technical Memorandum on 2015 SB 24 (LRB 1579/1) – Treatment of Depreciation, Depletion, Amortization, and Section 179 Deductions

The Department has the following technical concern with the above-referenced bill and suggests revision to correct the technical concern and reflect the author's intent as indicated to the Department via discussions with the author:

- The phrase "the law in effect on January 1, 2013" in proposed s. 71.98(3)(b) of the bill could be clarified to ensure that taxpayers know it is referring to Wisconsin laws by amending the paragraph in the following manner:

For purposes of computing depreciation, depletion, or amortization, and deductions, under section 179 of the Internal Revenue Code, for taxable years beginning on or after January 1, 2014, a taxpayer may use the law in effect on January 1, 2013, for taxable years beginning on or after January 1, 2014 continue to depreciate or amortize under the method used when the property was first placed in service. An election under this paragraph shall apply to all assets placed in service in a taxable year beginning before January 1, 2014, for which depreciation or amortization are computed. Individuals or entities claiming this election may not claim the basis adjustment under ss. 71.05(6)(b)50., 71.26(3)(ym), 71.34(1k)(n), or 71.45(2)(a)19.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@revenue.wi.gov.

cc: Sen. Marklein